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AVISTA Corp.

January 15, 2016

Electronic Filing

Steven King, Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Tariff WN U-29 (Schedule 146 and 182 Tariff Modifications)

Attached for electronic filing with the Commission are the Company's proposed tariff revisions:

Third Revision Sheet 146B	**Canceling**	**Second Revision Sheet 146B**
Second Revision Sheet 146C	**Canceling**	**First Revision Sheet 146C**
First Revision Sheet 146D	**Canceling**	**Original Sheet 146D**
First Revision Sheet 182A	**Canceling**	**Original Sheet 182A**

The purpose of this tariff filing is to revise the rate schedules noted above in order to change overrun and underrun penalties, as well as the monthly imbalance thresholds, that affect the Company's natural gas transportation customers. Avista's transportation customers purchase their own natural gas, and through contracted capacity on interstate pipelines, have their natural gas delivered to Avista's local distribution system.

The proposed tariff modifications mirror changes approved by the Federal Energy Regulatory Commission ("FERC") for Northwest Pipeline ("NW Pipeline") on October 23, 2014 in FERC Docket No. RP14-1283-000. In 2014 and 2015, Northwest Natural (Docket No. UG-143897) and Cascade Natural Gas (Docket No. UG-150340) filed tariff revisions with the Commission reflecting the same changes proposed by Avista. The Commission took "No Action" in those dockets, allowing the changes to go into effect by operation of law. Avista seeks to mirror NW Pipeline's tariff penalties in order to pass-through any penalties assessed on Avista by NW Pipeline that results from the Company's transportation customers (or their agents) using natural gas above or below their confirmed daily nominations.

The Company receives daily gas nominations from our transportation customers or their agents which report the amount of natural gas they expect to use each day. The Company uses that information to schedule the correct amount of natural gas on the interstate pipeline system. If customers use more or less natural gas than their daily nomination, they can create overrun or underrun conditions. While overrun or underrun conditions occur on a daily basis, in certain circumstances NW Pipeline, or Avista, may issue an entitlement or curtailment order which will prescribe the allowable overrun or underrun natural gas tolerances. For example, an entitlement order may allow for an overrun or underrun within five percent of the daily nomination. In order to force compliance with these orders, penalties may be assessed.

NW Pipeline's daily overrun penalty, through the FERC docket referenced above, has changed from $0.50/therm for the first 2 percent of unauthorized usage and $1/therm for unauthorized usage over 2 percent, to an overrun penalty the greater of $1/therm or 150% of the highest midpoint price at certain supply pricing points on the day in question. The pricing points to be considered in calculating these penalties are the NW Wyoming Pool, NW South of Green River, Stanfield, Oregon, NW Canadian Border (Sumas), Kern River Opal, and the El Paso Bondad supply pricing points as reflected in the Daily Price Survey published in "Gas Daily". The underrun penalty has also changed to a flat rate of $1/therm for all unauthorized underrun quantities. The previous NW Pipeline penalty was $0.50/therm for the first 5 to 10 percent of unauthorized quantities and $1/therm for unauthorized quantities above 10 percent. Transportation customers have the opportunity to mitigate or eliminate overrun and underrun charges through their normal natural gas nomination process.

An additional change included in the proposed tariff changes relates to the monthly accounting for customer's imbalance accounts. The Company's existing tariff has established monthly tolerances for the imbalance accounts to ensure the transportation customers are not using significantly more or less gas than they have nominated and provided to the system. When a customer is in an overrun condition, the Company has essentially "loaned" gas to the customer. When a customer is in an underrun condition, the Company has essentially "borrowed" gas from the customer. The monthly imbalance process ensures the customer uses the natural gas they have nominated. Presently, imbalance charges may be incurred by the customer if the monthly imbalance account "exceeds 105%, or falls below 95%". FERC approved NW Pipeline's monthly imbalance threshold of three percent (3%) above or below total monthly confirmed nominations during August through February and five percent (5%) above or below total monthly confirmed nominations during March through July. Avista's proposed tariff reflect these changes.

Avista requests the tariff revision to become effective March 1, 2016. If you have any questions regarding this filing, please contact me at 509-495-8620.

Sincerely,

Patrick Ehrbar
Manager, Rates & Tariffs