

Hydro Technology Systems, Inc.
897 Greenwood Loop Road
P.O. Box 245
Kettle Falls, Washington 99141

November 4, 2017

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

RE: Updated Washington Avoided Cost Schedule 62, Tariff WN U-28, Electric Service

Dear Mr. King,

Hydro Technology Systems, Inc. is a small family business that owns and operates the Meyers Falls Hydroelectric Project located in Kettle Falls, WA. The site of our project is the oldest continuously operated waterpower site west of the Mississippi River. There has been a wheel turning here (gristmill, sawmill, and hydroelectric plant) since 1823. This project has provided a steady supply of clean renewable energy to customers since the first hydroelectric power plant was constructed here in 1903. For almost 20 years our family has owned and operated this project and has invested a great deal of time and effort in order to ensure the reliable production of clean renewable energy. We plan to continue this legacy for many years to come.

We would like to commend Avista Corp. on their proposed tariff revision (Eleventh Revision Sheet 62 Canceling Tenth Revision Sheet 62) dated July 25, 2017. This revision offered a separate capacity payment to existing Qualifying Facilities that had an existing contract in place prior to September 1, 2017. Our hydroelectric plant is one of the Qualifying Facilities that would have fallen under this separate proposed rate that included a capacity payment. We are very concerned with the WUTC ruling that denied this separate rate and are discouraged by the most recent proposed tariff revision (Eleventh Revision Sheet 62 Canceling Tenth Revision Sheet 62) dated September 29, 2017.

Hydro Technology Systems, Inc. has an existing contract in place that will end in 2020. Our current contract contains an avoided cost rate that includes a capacity payment which affords us the ability to operate and maintain this hydroelectric project producing a steady source of clean renewable energy. This significant rate reduction will most definitely put the continued operation of the Meyers Falls Hydroelectric Project in jeopardy.

We do understand that there are many variables involved with determining a fair avoided cost rate but would like to encourage you to reconsider Avista Corp.'s proposal of maintaining the capacity payment for the existing Qualifying Facilities currently under contract.

Should you have any questions or concerns please feel free to contact me at 509-993-7629 or hydrotechnologysystems@gmail.com. Thank you for your time and consideration.

Best Regards,

Benjamin Hendrickson
President, Hydro Technology Systems, Inc.

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