



UG-220373

Avista Corp.

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May 27, 2022

Amanda Maxwell
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Received
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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Tariff WN-29 Natural Gas Service Energy Efficiency Rate Adjustment

Dear Ms. Maxwell:

Attached for electronic filing with the Commission is Avista Corporation's, dba Avista Utilities (Avista or the Company), proposed revisions to the following natural gas tariff sheet, WN U-29:

Twenty-Fourth Revision Sheet 191 Canceling **Substitute Twenty-Third Revision Sheet 191**

The Company's natural gas tariff rider mechanism is designed to match future revenue with budgeted expenditures. To ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous periods' actual expenditures and collections.

As of May 1, 2022, Avista's Schedule 191—Demand Side Management (DSM) Rate Adjustment—tariff rider balance was approximately \$1.3 million underfunded. Based on anticipated annual tariff rider collections, the Company forecasts that if left at its current funding level, Schedule 191's underfunded balance will only continue to grow in the coming months, reaching approximately \$3.3 million underfunded in 12 months, and as much as \$5.7 million underfunded within 24 months. The primary driver of the underfunded balance is an increase in incentive expenditures directly related to higher customer participation in our programs. This trend is expected to continue into the future with Avista's 2022-23 biennium natural gas target being

2,302,056 therms, which is 34% higher than the prior Integrated Resource Plan (IRP) target of 1,717,809 therms¹ for 2020-2021. In order for Avista to meet these targets, it is expected that increased customer participation will occur and therefore a higher level of expenditures is anticipated.

For the reasons mentioned above, Avista hereby requests the Commission approve a proposed increase in rates and charges in Schedule 191. The estimated annual revenue change associated with this filing is an increase of approximately \$3.6 million, or an increase of 2.0% in overall billed rates to be effective August 1, 2022. The proposed rate will have an average monthly bill impact to residential natural gas customers (using 67 therms) of a \$1.38, or 2.1%, to their bill. The proposed rate change will vary based on a customer's usage and service schedule.

The Company will post notice of this rate request on its website coincident with the date of this filing and will also send a bill insert to customers regarding the proposed increase prior to the requested August 1, 2022 effective date. The Company has provided a draft of this bill insert as an attachment to this filing, in addition to work papers in support of this request.

If you have any questions regarding this filing, please contact Ryan Finesilver, Energy Efficiency Manager, at (509) 495-4873 or ryan.finesilver@avistacorp.com.

Sincerely,

/s/ Jaime Majure

Jaime Majure
Regulatory Policy Analyst

Enclosures

¹ This target is the sum of the 2020 IRP target of 936,350 therms and the 2021 IRP target of 781,459 therms.