

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKETS UE-160228 and
TRANSPORTATION COMMISSION)	UG-160229 (<i>Consolidated</i>)
)	
Complainant,)	
)	
v.)	
)	
AVISTA CORPORATION d/b/a)	
AVISTA UTILITIES)	
)	
Respondent.)	

EXHIBIT NO. BGM-7

**LOW-VOLTAGE USE-OF-FACILITIES FERC FILING
AND EXCERPT OF BPA PRESENTATION**

August 17, 2016



Transmission Services
Avista Corporation
1411 E Mission Avenue
Spokane, WA 99202

February 23, 2016

Via Electronic Filing

Hon. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**RE: Avista Corporation, Docket No. ER16-_____
Network Integration Transmission Service Agreements**

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d and Part 35 of the Federal Energy Regulatory Commission's ("Commission") regulations, 18 C.F.R. Part 35, Avista Corporation ("Avista") hereby submits a series of revised sheets to nine Network Integration Transmission Service Agreements ("NITSAs") between Avista and the Bonneville Power Administration ("BPA"). The NITSAs were previously accepted by the Commission in Docket No. ER11-4710-000.

The revised sheets are each an exhibit to a NITSA and outline applicable substation and low-voltage use-of-facilities charges associated with Network Integration Transmission Service. In preparing the revised sheets, Avista worked collaboratively with its affected customer, the Bonneville Power Administration ("BPA"). Avista respectfully requests that the Commission accept the revised sheets for filing to be effective on April 1, 2016. BPA has authorized Avista to represent that BPA has reviewed Avista's proposed rate change and, as of the date of this filing, BPA does not intend to protest this filing. Avista respectfully requests that the Commission accept the nine revised low-voltage facility charge exhibits to their respective NITSAs with an effective date of April 1, 2016.

I. Communications

All communications regarding this filing should be directed to the following individuals:

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II. Background and Description of Filing

Avista is a corporation created and organized under the laws of the State of Washington, with its principal office in Spokane, Washington. Avista is an investor-owned utility engaged in, among other things, the business of generating, transmitting, and distributing electric power to its bundled retail native load customers and transmitting electric power on behalf of third parties.

In a letter order issued on November 16, 2011 in Docket No. ER11-4710-000, the Commission accepted a series of twelve NITSAs between Avista and BPA. At that time Avista left all substation and low-voltage facility charges in the twelve NITSAs unchanged from what had been charged under the twelve previous network service agreements, which were accepted by the Commission in Docket No. ER06-436-002. Accordingly, charges for substation and low-voltage facilities were last established in 2006. In fact, most charges accepted by the Commission in ER06-436-002 remained unchanged from what Avista had charged BPA under its Rate Schedule FERC No. 105, dating back to 1996. During the past twenty years Avista has made significant investment in most of these substation and low-voltage facilities.

Avista is making no changes to the rate method, which was previously accepted by the Commission, used in calculating its substation and low-voltage facilities charges. Avista is updating only three elements under this established rate method in this filing: (i) the total investment at each point of delivery under those NITSAs where Avista has upgraded its substation and low-voltage facilities, (ii) the loads used to calculate charges for joint-use facilities, and (iii) the Annual Cost Ratio used to calculate these charges, which is decreasing from 15.09% to 14.56%.

III. Effective Date, Waiver and Service

Avista respectfully requests that the Commission accept for filing the nine revised low-voltage charges exhibits (Exhibit 1B to each NITSA) between Avista and BPA with an effective date of April 1, 2016. To the extent necessary, Avista requests waiver of the requirements of Part 35 of the Commission's regulations, including any notice requirements, to the extent necessary for the Commission to accept the nine revisions with the requested April 1, 2016 effective date. A copy of this filing will be provided to BPA.

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IV. Materials Submitted

Pursuant to the Commission's regulations, Avista submits the following documents:

1. This transmittal letter
2. Narratives describing rate methodology for substation and low-voltage charges
3. Summary of current and proposed substation and low-voltage charges under each NITSA
4. Statement of low-voltage charges cost computations
5. Clean and redline versions of Revised Exhibits 1B for nine Network Integration Transmission Service Agreements between Avista and Bonneville under Avista's FERC Electric Tariff Volume No. 8, Version 6.0.0.

<u>BPA Federal Power Customer</u>	<u>Avista Service Agreement</u>
PUD No. 1 of Asotin County	T1091
Big Bend Electric Cooperative, Inc.	T1092
City of Chewelah	T1094
Clearwater Power Company	T1095
Idaho County Light & Power Cooperative Association, Inc.	T1097
Inland Power & Light Co.	T1098
Kootenai Electric Cooperative, Inc.	T1099
Northern Lights, Inc.	T1101
City of Plummer	T1102

V. Conclusion

Based on the foregoing, Avista respectfully requests that the Commission accept the nine revised low-voltage Exhibits 1B with an effective date of April 1, 2016.

Sincerely,

/s/ J. A. Schlect

Jeff Schlect
Senior Manager, Transmission Services

cc: Scott Wiley, BPA

B O N N E V I L L E P O W E R A D M I N I S T R A T I O N

BP-18 Power Rates Workshop

August 9, 2016

Phone Bridge: 877-336-1828

Passcode: 2906902#

[Join WebEx](#)

WebEx Meeting number: 992 879 721

WebEx Meeting password: 2AXuQs75

GTA Delivery Charge Rate Comparison

- Comparison of preliminary BP-18 to BP-16 rate

Comparison	FY16-17	FY18-19	Difference	% Change
Distribution and Low Voltage Costs Average	\$2,109,973	\$2,971,178	\$861,205	41%
BPA Customer System Peak Average	2,235,919	2,285,320	49,402	2%
Proposed Rate	\$0.94	\$1.30	\$0.36	38%

- Factors behind the difference:
 - Increase in costs
 - Avista \$720,000 cost increase due to first rate increase since 1998.