



Avista Corp.

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July 27, 2018

Advice No. 18-03-G/UG-362 (Demand Side Management)

Public Utility Commission of Oregon
201 High Street SE
Suite 100
Salem, OR 97301

Attention: Filing Center

On October 18, 2016, the Commission in Order No. 16-393 in Docket No. UG-317 approved the Company's request to recover from customers approximately \$1.5 million related to administering the Company's Demand Side Management (DSM) programs for the July 2015 through April 2016 time period. Effective May 1, 2016, pursuant to Docket No. UG-288, the Company no longer deferred costs associated with the delivery of the Company's DSM program under Schedule 478. Rather, the Company now collects from customers through Schedule 469 the funds required by the Energy Trust of Oregon to administer the majority of the Company's DSM programs.

The Company began amortizing the DSM balance associated with the previous deferrals effective November 1, 2016, and at the end of June 2017 the forecast was that the entire balance would have been amortized by October 31, 2017. As such, rates set forth in this schedule were set at \$0.00000/therm effective November 1, 2017. However, due to load variation between forecast and actual, a rebate balance of approximately \$160,000 remained in the deferral at the end of October, 2017. In this filing, the Company requests this rebate balance be returned to customers effective November 1, 2018.

As such, pursuant to Docket UM 1165, ORS 757.210 and ORS 757.259(5), Avista Utilities hereby electronically submits the following tariff revision applicable to its Oregon natural gas operations along with a copy of its supporting workpapers in order to rebate the remaining DSM balance.

Tenth Revision Sheet 478

Canceling

Ninth Revision Sheet 478

Tenth Revision Sheet 478 represents a rebate of the balance remaining in the Company's DSM deferral for the period November 1, 2016 through October 31, 2017. The Company is requesting

a decrease in overall retail revenues of \$158,518, or -0.2%, effective on November 1, 2018. The proposed amortization rate change, both inclusive of the gross revenue factor, are as follows:

<u>Rate Schedule</u>	<u>Current Amortization Rates</u>	<u>Proposed Rate Change</u>
410	\$0.00000	(\$0.00190)
420	\$0.00000	(\$0.00190)
424	\$0.00000	(\$0.00190)
444	\$0.00000	(\$0.00190)

Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by this filing, the annual revenue before and after the impact of the rate change, and the average monthly use and resulting bills under existing and proposed rates are as follows:

<u>Rate Schedule</u>	<u>Number of Customers</u>
Schedule 410	91,122
Schedule 420	11,827
Schedule 424	88
Schedule 444	3

Sch No	Description	Present Revenues	Proposed Revenues	Revenue Incr (Deer)	Percent Incr (Deer)	Monthly Use (Therms)	Present Monthly Cost	Proposed Monthly Cost	Monthly Change	Proposed Change to Monthly Cost
410	Residential	\$ 59,705,765	\$ 59,608,737	\$ (97,028)	-0.16%	47	\$ 54.89	\$ 54.80	\$ (0.09)	-0.160%
420	General	\$ 27,419,349	\$ 27,366,488	\$ (52,861)	-0.19%	196	\$ 193.17	\$ 192.80	\$ (0.37)	-0.190%
424	Large General	\$ 2,118,852	\$ 2,110,705	\$ (8,147)	-0.38%	4,076	\$ 2,013.98	\$ 2,006.24	\$ (7.74)	-0.380%
440	Interruptible	\$ 1,314,232	\$ 1,314,232	\$ -	0.00%	10,380	\$ 3,000.55	\$ 3,000.55	\$ -	0.000%
444	Seasonal	\$ 130,784	\$ 130,302	\$ (482)	-0.37%	6,351	\$ 3,269.62	\$ 3,257.55	\$ (12.07)	-0.370%
447	Special Contracts	\$ 212,276	\$ 212,276	\$ -	0.00%	277,340	\$ 8,844.37	\$ 8,844.37	\$ -	0.000%
456	Int. Transportation	\$ 3,149,855	\$ 3,149,855	\$ -	0.00%	89,630	\$ 6,907.78	\$ 6,907.78	\$ -	0.000%
Total		\$ 94,051,113	\$ 93,892,595	\$ (158,518)	-0.17%					

Pursuant to ORS 757.210, ORS 757.259(5-7) and OAR 860-027-0300(9), the overall annual average rate impact of the amortizations authorized under the statutes may not exceed three percent of the natural gas utility's gross revenues for the preceding calendar year, unless the Commission finds that allowing a higher amortization rate is reasonable under the circumstances. Total Oregon

gross revenues for calendar year 2018 was \$160,211,060. The total rate impact of the amortizations requested in this filing along with three other filings are summarized below:

Filing Name	Schedule	Advice No.	Amortization
Prior Period Gas Cost deferral true-up	462	17-01-G	(\$8,210,020)
Decoupling	475	18-02-G	(\$2,912,140)
Demand Side Management Cost Recovery	478	18-03-G	(\$158,518)
Bank Free Free Amortization	484	18-05-G	\$76,600
Total Amortization			<u>\$ (11,204,078)</u>

The net effect of combining the results of these four filings is an amortization balance of (\$11,204,078) or (7.0%).

After combining the impact of this filing with the four other regulatory filings made today¹, a residential customer using an average of 47 therms a month could expect their bill to *decrease* by \$4.73, or 8.6 percent, for a revised monthly bill of \$50.16 effective November 1, 2018.

The Company will issue a media release coincident with the annual PGA filing and provide notice to customers via a newspaper advertisement following the updated PGA filing in mid-September.

Please direct any questions regarding this filing to Annette Brandon at (509) 495-4324.

Sincerely,



Patrick D. Ehrbar
Director of Regulatory Affairs

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¹ On July 27, 2018, Avista filed to update effective November 1, 2018 Schedule 475 Decoupling (Advice No. 18-02-6), Schedule 476 Intervenor Funding (Advice No. 18-04-G), Schedule 461/462 PGA (Advice No. 18-01-G), Schedule 484 Bank Fee Free (Advice No. 18-05-G) The net effect of all filings is a revenue reduction of \$8.1 million or 8.7%.

BEFORE THE
PUBLIC UTILITY COMMISSION OF OREGON

AVISTA UTILITIES
ADVICE NO. 18-03-G

Tariff Sheet

July 27, 2018

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 478

DSM COST RECOVERY - OREGON

APPLICABLE:

Adjustments under this schedule are applicable to all bills calculated under all schedules of this Tariff.

PURPOSE:

The purpose of this schedule is to rebate the remaining deferral balance associated with the prudent investment costs associated with OPUC-approved Demand Side Management (DSM) Programs previously administered by the Company.

(D)(N)

(D)(N)

MONTHLY RATE:

The Commodity Charge per therm of the individual rate schedules are to be reduced by the following amounts:

<u>Rate Schedule</u>	<u>Rate</u>
Schedule 410	(\$0.00190) per Therm
Schedule 420	(\$0.00190) per Therm
Schedule 424	(\$0.00190) per Therm
Schedule 444	(\$0.00190) per Therm

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TERM:

This schedule shall remain in effect for a one-year period from November 1, 2018 through October 31, 2019. Any remaining balance will be transferred to the Company's residual balancing account

(N)

(N)

SPECIAL TERMS AND CONDITIONS:

This schedule is subject to the General Rules and Regulations contained in this tariff and to those prescribed by regulatory authorities.

Advice No. 18-03-G
Issued July 27, 2018

Effective For Service On & After
November 1, 2018

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

