DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER

COMMISSIONER RAPER COMMISSIONER ANDERSON COMMISSION SECRETARY

LEGAL

WORKING FILE

FROM: KEVIN KEYT

DATE: JANUARY 5, 2017

RE: APPROVAL OF MODIFICATIONS TO AVISTA CORPORATION

NATURAL GAS TARIFFS; TARIFF ADVICE NO. 17-01-G

BACKGROUND

On January 3, 2017, Avista Corporation ("Avista" or "Company") submitted a "housekeeping filing" of its natural gas tariffs. The filing updates components noted as "Other Charges" on base rate tariffs. The proposed changes are a result of the recently approved PGA filing which affected Schedules 150 (Purchase Gas Cost Adjustment), 155 (Gas Rate Adjustment), and 191 (Energy Efficiency Rider Adjustment) Case No. AVU-G-16-02. Additionally, the Company is requesting to withdraw Schedule 197 (Rebate of Natural Gas Earnings Test Deferrals) because the rebate expired December 31, 2016. All references to Schedule 197 will be removed. Base rates do not change as a result of this filing.

The Company is also correcting a typographical error in the WACOG (Weighted Average Cost of Gas) section of Schedule 150. This correction is being made to depict the actual rate customers are billed. The Company has requested an effective date of February 3, 2017.

STAFF RECOMMENDATION

Staff has reviewed the Company's filing, verified that proposed changes do not change base rates, validated all calculations, and confirmed that rates in the proposed tariff sheets align with the most recent PGA Case No. AVU-G-16-02. Staff recommends Commission approval of the Company's proposed changes to Schedules 150, 155, and 191 and withdrawal of Schedule 197.

COMMISSION DECISION

Does the Commission wish to approve the Company's natural gas tariff filing revising Schedules 150, 155, and 191 and withdrawal of Schedule 197 with an effective date of February 3, 2017?

Kevin Keyt

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