

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: BENTLEY ERDWURM

DATE: DECEMBER 28, 2017

RE: AVISTA CORP. – COMPLIANCE FILINGS:
1) AVU-E-17-01 - APPLICATION FOR APPROVAL TO INCREASE RATES AND CHARGES (ELECTRIC SERVICE);
2) AVU-G-17-01: APPLICATION FOR APPROVAL TO INCREASE RATES AND CHARGES (NATURAL GAS SERVICE)

BACKGROUND

On December 28, 2017, Avista submitted to the Commission tariff sheets for filing in compliance with Commission Order No. 33953 in Case Nos. AVU-E-17-01 and AVU-G-17-01.

The Company filed the following sheets:

<u>Electric</u>		
Twelfth Revision Sheet 001	Canceling	Eleventh Revision Sheet 001
Twelfth Revision Sheet 011	Canceling	Eleventh Revision Sheet 011
Twelfth Revision Sheet 021	Canceling	Eleventh Revision Sheet 021
Twelfth Revision Sheet 025	Canceling	Eleventh Revision Sheet 025
Eleventh Revision Sheet 025P	Canceling	Tenth Revision Sheet 025P
Twelfth Revision Sheet 031	Canceling	Eleventh Revision Sheet 031
Eleventh Revision Sheet 041	Canceling	Tenth Revision Sheet 041
Eleventh Revision Sheet 042	Canceling	Tenth Revision Sheet 042
Eighth Revision Sheet 042A	Canceling	Seventh Revision Sheet 042A
Eleventh Revision Sheet 044	Canceling	Tenth Revision Sheet 044
Eleventh Revision Sheet 045	Canceling	Tenth Revision Sheet 045
Eleventh Revision Sheet 046	Canceling	Tenth Revision Sheet 046

Eleventh Revision Sheet 047	Canceling	Tenth Revision Sheet 047
Eleventh Revision Sheet 049	Canceling	Tenth Revision Sheet 049
Sixth Revision Sheet 049A	Canceling	Fifth Revision Sheet 049A
Third Revision Sheet 097	Canceling	Second Revision Sheet 097

Natural Gas

Twelfth Revision Sheet 101	Canceling	Eleventh Revision Sheet 101
Thirteenth Revision Sheet 111	Canceling	Twelfth Revision Sheet 111
Fourteenth Revision Sheet 112	Canceling	Thirteenth Revision Sheet 112
Thirteenth Revision Sheet 131	Canceling	Twelfth Revision Sheet 131
Fifteenth Revision Sheet 132	Canceling	Fourteenth Revision Sheet 132
Twelfth Revision Sheet 146	Canceling	Eleventh Revision Sheet 146

In addition, for natural gas, subsequent to the filing of the Settlement Stipulation, the rates related to the Company's annual Purchased Gas Cost Adjustment filing (Schedules 150 & 155) and Fixed Cost Adjustment filing (Schedule 175) were approved (Case AVU-G-17-04 and AVU-G-17-03) by the Commission. Those new rates are reflected in the natural gas tariffs under "Other Charges" which are components of the total billing rates detailed on the tariffs. These tariff sheets have an effective date of January 1, 2018, in compliance with the Order.

STAFF ANALYSIS

Staff has reviewed the rates and charges included in the compliance tariffs filed by the Company, and has determined that the compliance tariffs conform to Order No. 33953 and with the terms and conditions of the settlement approved by that Order ("Settlement"). Staff recommends that the Commission approve the compliance tariffs effective January 1, 2018.

Avista filed an application seeking authority to increase its rates for electric and natural gas service in Idaho on June 9, 2017. Avista proposed a two-year rate plan that would have adjusted rates on January 1, 2018, and January 1, 2019. Parties to the case met to discuss settlement and, with the exception of intervenors Sierra Club and Idaho Conservation League, reached a settlement of the issues. Staff filed with the Commission the proposed Settlement, signed by all parties except Sierra Club and ICL, and a motion to approve it. After the record for the cases closed, the

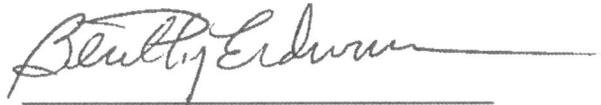
Commission issued Order No. 33953 which approved the Settlement and directed the Company to file appropriate tariff schedules.

The approved Settlement provides for a two-year rate plan for electric and natural gas service. Avista will implement tariff schedules designed to increase annual base electric revenue by \$12.9 million (about 5.1% billed), effective January 1, 2018, and \$4.5 million (about 1.7% billed), effective January 1, 2019. Natural gas base revenue would increase by \$1.2 million (about 1.9% billed), effective January 1, 2018, and \$1.1 million (about 1.8% billed), effective January 1, 2019. The compliance tariff addressed herein applies only to the January 1, 2018, rate change. The compliance tariffs for the second year of the rate plan that will go into effect on January 1, 2019, will be filed by the Company before that date.

Staff reviewed the tariff sheets, determined that they were consistent with Order No. 33953, and they were stamped to take effect January 1, 2018, as contemplated by the Commission.

COMMISSION DECISION

Does the Commission wish the minutes to reflect the Commission's approval of the tariffs filed in compliance with Commission Order No. 33953 with an effective date of January 1, 2018?



Bentley Erdwurm

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