

AVU-G-17-04



**Avista Corp.**

1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170

December 22, 2017

State of Idaho  
Idaho Public Utilities Commission  
472 W. Washington Street  
Boise, Idaho 83702-5983

RECEIVED  
2017 DEC 26 AM 10:16  
IDAHO PUBLIC  
UTILITIES COMMISSION

Case No. AVU-G-17-0 6 /Advice No. 17-04-G

Attention: Ms. Diane Hanian

**I.P.U.C. No. 27 – Natural Gas Service**

Enclosed for filing with the Commission are an original and seven copies of the “Application of Avista Utilities for an Order Approving a Change in Natural Gas Rates and Charges”. The revised tariff sheet included in the Company’s filing reflects an update to the Commodity WACOG for the Company’s Purchased Gas Cost Adjustment (“PGA”). If approved, the Company’s annual revenue will *decrease* by approximately \$3.2 million or approximately 7.4%. The proposed changes have no effect on the Company’s earnings. Detailed information related to the Company’s request is included in the attached Application and supporting workpapers.

If the Company’s request is approved, a residential or small commercial customer using an average of 49 therms for the period January – October 2017 will see *decrease* of \$2.73 per month, or approximately 6.4%. The present bill for 49 therms is \$42.64 while the proposed bill is \$39.91.

If you have any questions regarding this filing, please contact Patrick Ehrbar at (509) 495-8620 or Annette Brandon at (509) 495-4324.

Sincerely,

David J. Meyer  
Vice President and Chief Counsel for Regulatory and Governmental Affairs

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have served Avista Corporation dba Avista Utilities' Advice filing ADV 17-04-G (Tariff IPUC No. 27 Natural Gas Service) by mailing a copy thereof, postage prepaid to the following:

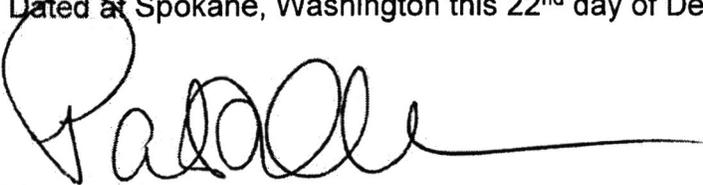
Diane Hanian, Secretary  
Idaho Public Utilities Commission  
472 W. Washington Street  
Boise, ID 83720-5983

Edward A. Finklea  
Northwest Industrial Gas Users  
545 Grandview Drive  
Ashland, OR 97520

Chad Stokes  
Cable Huston Benedict Haagensen &  
Lloyd, LLP  
1001 SW 5th, Suite 2000  
Portland, OR 97204-1136

Curt Hibbard  
St. Joseph Regional Medical Center  
PO Box 816  
Lewiston, ID 83501

Dated at Spokane, Washington this 22<sup>nd</sup> day of December 2017.



---

Patrick D. Ehrbar  
Director of Rates

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
AVISTA UTILITIES FOR AN ORDER APPROVING ) CASE: AVU-G-17-0\_\_  
A CHANGE IN NATURAL GAS RATES AND CHARGES )

Application is hereby made to the Idaho Public Utilities Commission for an Order approving a revised schedule of rates and charges for natural gas service in the state of Idaho. The Applicant requests that the proposed rates included in this Purchased Gas Cost Adjustment ("PGA") filing be made effective on January 26, 2018. If approved as filed, the Company's annual revenue will decrease by approximately \$3.2 million or about 7.4%. In support of this Application, Applicant states as follows:

I.

The name of the Applicant is AVISTA CORPORATION, doing business as AVISTA UTILITIES (hereinafter Avista, Applicant or Company), a Washington corporation, whose principal business office is 1411 East Mission Avenue, Spokane, Washington, and is qualified to do business in the state of Idaho. Applicant maintains district offices in Moscow, Lewiston, Coeur d'Alene, and Kellogg, Idaho. Communications in reference to this Application should be addressed to:

Patrick D. Ehrbar  
Director of Rates  
Avista Utilities  
1411 E. Mission Avenue  
Spokane, WA 99220-3727  
Phone: (509) 495-8620  
Fax: (509) 495-8851  
Patrick.ehrbar@avistacorp.com

II.

Attorney for the Applicant and his address is as follows:

David J. Meyer  
Vice President and Chief Counsel for Regulatory  
And Governmental Affairs  
Avista Utilities  
1411 E. Mission Avenue  
Spokane, WA 99220-3727  
Phone: (509) 495-4316  
Fax: (509) 495-8851  
David.meyer@avistacorp.com

III.

The Applicant is a public utility engaged in the distribution of natural gas in certain portions of Northern Idaho, Eastern and Central Washington, and Southwestern and Northeastern Oregon, and further engaged in the generation, transmission, and distribution of electricity in Northern Idaho and Eastern Washington.

IV.

Twenty-Fifth Revision Sheet 150, which Applicant requests the Commission approve, is filed herewith as Exhibit "A". Also included in Exhibit "A" is a copy of Twenty-Fourth Revision Sheet 150 and a copy of Twenty-Fourth Revision Sheet 150 and with the proposed changes shown by lining over the current language or rates.

V.

The existing rates and charges for natural gas service on file with the Commission and designated as Applicant's Tariff IPUC No. 27, which will be superseded by the rates and charges filed herewith, are incorporated herein as though fully attached hereto.

VI.

Notice to the Public of Applicant's proposed tariffs is to be given simultaneously with the filing of this Application by means of a press release, a draft copy attached hereto in Exhibit "B".

VII.

The circumstances and conditions relied on for approval of Applicant's revised rates are as follows: Applicant purchases natural gas for customer usage and transports it over Williams Northwest Pipeline, Gas Transmission Northwest (GTN), TransCanada - Alberta, TransCanada - BC and Spectra Energy Pipeline systems, and defers the effect of timing differences due to implementation of rate changes and differences between Applicant's actual weighted average cost of gas ("WACOG") purchased and the WACOG embedded in rates.

VIII.

This filing reflects the Company's proposed "Out of Cycle" PGA to pass through changes in the estimated cost of natural gas for the January 2018 through October 2018 ten-month period (Schedule 150). Below is a table summarizing the proposed changes reflected in this filing.

<u>Service</u>	<u>Sch. No.</u>	<u>Commodity Change per therm</u>	<u>Demand Change per therm</u>	<u>Total Sch. 150 Change</u>	<u>Amortization Change per therm</u>	<u>Total Rate Change per therm</u>	<u>Overall Percent Change</u>
General	101	\$ (0.05520)	\$ -	\$ (0.05520)	\$ -	\$ (0.05520)	-6.7%
Large General	111	\$ (0.05520)	\$ -	\$ (0.05520)	\$ -	\$ (0.05520)	-10.3%

IX.

**Commodity Costs**

In Case No. AVU-G-17-04, the Commission approved the Company's annual PGA with a November 1, 2017 effective date. In that filing, the Company's commodity weighted average cost of gas ("Commodity WACOG") was reduced by approximately \$0.02167 per therm, from \$0.24058 per therm to \$0.21891 per therm (including revenue sensitive costs). As discussed in that filing, the overall reduction in the Commodity WACOG was the result of continued high natural gas production levels and an abundance of natural gas in storage. These factors have continued to put further downward pressure on wholesale natural gas prices. In order to provide customers with the benefit from this reduction during the winter heating season, the Company proposes to reduce the Commodity WACOG from the \$0.21891 per therm embedded in current rates to \$0.16371 per therm for the remainder of the PGA year, representing a decrease of \$0.05520 per therm.

The Company calculated the proposed Commodity WACOG of \$0.16371 per therm by adjusting just two items. First, the Company used a 30-day historical average of forward prices and supply basins (as of December 18, 2017) to develop an estimated cost associated with index purchases. The estimated monthly volumes to be purchased by basin are multiplied by the 30-day average forward price for the corresponding month and basin. The annual weighted average price for these volumes is \$1.46 per dekatherm (\$0.146 per therm). The annual weighted average price presently included in rates is \$2.14 per dekatherm (\$0.214 per therm).

Second, the Company entered into additional natural gas hedges after it filed its annual PGA. The weighted average price for hedged natural gas presently included in rates is \$2.62 per dekatherm (\$0.262 per therm). The annual weighted average price for all hedges, including those entered into after the annual PGA filing, is \$2.30 per dekatherm (0.230 per therm).

Simply updating the 30-day historical average of forward wholesale natural gas prices, and reflecting all hedges entered into to date, results in a proposed \$3.2 million revenue reduction.

X.

**Demand Costs**

In order to expedite the processing of this filing so that customers can start receiving the benefit of lower natural gas costs this winter, the Company is not requesting any changes related to demand charges in this filing. Any changes to those items will occur in the Company's next annual PGA filing.

XI.

**Schedule 155 / Amortization Rate Change**

In order to expedite the processing of this filing so that customers can start receiving the benefit of lower natural gas costs this winter, the Company is not requesting any changes related to Rate Schedule

155/Amortization charges in this filing. Any changes to those items will occur in the Company's next annual PGA filing.

XII.

If approved as filed, the Company's annual revenue will *decrease* by approximately \$3.2 million or about 7.4% effective January 26, 2018. Residential or small commercial customers using an average of 49 therms per month (for the ten month period) would see a *decrease* of \$2.73 per month, or approximately 6.4%. The present bill for 49 therms is \$42.64 while the proposed bill is \$39.91.

XIII.

Exhibit "C" and Confidential Exhibit "D" attached hereto contains support workpapers for the rates proposed by Applicant contained in Exhibit "A".

XIV.

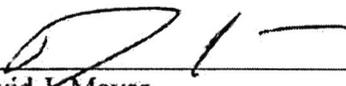
Avista requests that the rates proposed in this filing be approved to become effective on January 26, 2018, and requests that the matter be processed under the Commission's Modified Procedure rules through the use of written comments. Avista stands ready for immediate consideration on its Application.

XV.

WHEREFORE, Avista requests the Commission issue its Order finding its proposed rates to be just, reasonable, and nondiscriminatory and to become effective for all natural gas service on and after January 26, 2018.

Dated at Spokane, Washington, this 22<sup>nd</sup> day of December 2017.

AVISTA UTILITIES  
BY

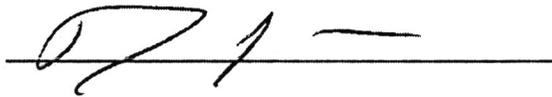
  
\_\_\_\_\_  
David J. Meyer  
Vice President and Chief Counsel for  
Regulatory and Governmental Affairs

VERIFICATION

STATE OF WASHINGTON    )  
  )  
County of Spokane        )

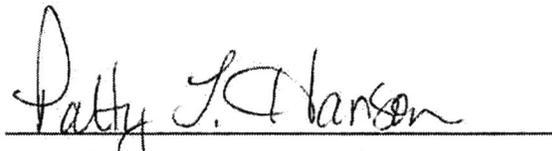
David J. Meyer, being first duly sworn on oath, deposes and says: That he is the Vice President and Chief Counsel for Regulatory and Governmental Affairs of Avista Utilities and makes this verification for and on behalf of Avista Corporation, being thereto duly authorized;

That he has read the foregoing filing, knows the contents thereof, and believes the same to be true.



SIGNED AND SWORN to before me this 22<sup>nd</sup> day of December 2017, by David J. Meyer





NOTARY PUBLIC in and for the State of  
Washington, residing at Spokane.

Commission Expires: 11/23/21

**AVISTA UTILITIES**

Case No. AVU-G-17-0\_\_

December PGA Commodity WACOG Update

EXHIBIT “A”

Proposed Tariff Sheet

December 22, 2017

AVISTA CORPORATION  
 d/b/a Avista Utilities

**SCHEDULE 150  
 PURCHASE GAS COST ADJUSTMENT - IDAHO**

**APPLICABLE:**

To Customers in the State of Idaho where Company has natural gas service available.

**PURPOSE:**

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

**RATE:**

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 26.929¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 16.371¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

**WEIGHTED AVERAGE GAS COST:**

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	10.558¢	16.371¢	26.929¢
Schedules 111 and 112	10.558¢	16.371¢	26.929¢
Schedules 131 and 132	0.000¢	16.371¢	16.371¢

**The above amounts include a gross revenue factor.**

	Demand	Commodity	Total
Schedules 101	10.497¢	16.276¢	26.773¢
Schedules 111 and 112	10.497¢	16.276¢	26.773¢
Schedules 131 and 132	0.000¢	16.276¢	16.276¢

**The above amounts do not include a gross revenue factor.**

**BALANCING ACCOUNT:**

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued December 22, 2017

Effective January 26, 2018

Issued by Avista Utilities

By

Patrick Ehrbar – Director of Rates



AVISTA CORPORATION  
 d/b/a Avista Utilities

**SCHEDULE 150  
 PURCHASE GAS COST ADJUSTMENT - IDAHO**

**APPLICABLE:**

To Customers in the State of Idaho where Company has natural gas service available.

**PURPOSE:**

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

**RATE:**

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by ~~32.449¢~~ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by ~~21.891¢~~ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

**WEIGHTED AVERAGE GAS COST:**

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	10.558¢	<del>21.891¢</del>	<del>32.449¢</del>
Schedules 111 and 112	10.558¢	<del>21.891¢</del>	<del>32.449¢</del>
Schedules 131 and 132	0.000¢	<del>21.891¢</del>	<del>21.891¢</del>

**The above amounts include a gross revenue factor.**

	Demand	Commodity	Total
Schedules 101	10.497¢	<del>21.765¢</del>	<del>32.262¢</del>
Schedules 111 and 112	10.497¢	<del>21.765¢</del>	<del>32.262¢</del>
Schedules 131 and 132	0.000¢	<del>21.765¢</del>	<del>21.765¢</del>

**The above amounts do not include a gross revenue factor.**

**BALANCING ACCOUNT:**

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued August 30, 2017

Effective November 1, 2017

Issued by Avista Utilities

By *Kelly Norwood*

Kelly O. Norwood - Vice-President, State & Federal Regulation

AVISTA CORPORATION  
 d/b/a Avista Utilities

SCHEDULE 150  
 PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 26.929¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 16.371¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	10.558¢	<u>16.371¢</u>	<u>26.929¢</u>
Schedules 111 and 112	10.558¢	<u>16.371¢</u>	<u>26.929¢</u>
Schedules 131 and 132	0.000¢	<u>16.371¢</u>	<u>16.371¢</u>

**The above amounts include a gross revenue factor.**

	Demand	Commodity	Total
Schedules 101	10.497¢	<u>16.276¢</u>	<u>26.773¢</u>
Schedules 111 and 112	10.497¢	<u>16.276¢</u>	<u>26.773¢</u>
Schedules 131 and 132	0.000¢	<u>16.276¢</u>	<u>16.276¢</u>

**The above amounts do not include a gross revenue factor.**

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued December 22, 2017

Effective January 26, 2018

Issued by Avista Utilities  
 By

Patrick Ehrbar – Director of Rates

December 22, 2017

**AVISTA UTILITIES**

Case No. AVU-G-17-0\_\_

December PGA Commodity WACOG Update

**EXHIBIT “B”**

Copy of Press Release



**Contact:**

Media: Casey Fielder (509) 495-4916, [casey.fielder@avistacorp.com](mailto:casey.fielder@avistacorp.com)

Investors: Lauren Pendergraft (509) 495-2998, [lauren.pendergraft@avistacorp.com](mailto:lauren.pendergraft@avistacorp.com)

Avista 24/7 Media Access (509) 495-4174

**Avista requests lower natural gas prices for Washington and Idaho customers**

*Declining wholesale prices to benefit customers this winter*

**SPOKANE, Wash. Dec., 22 2017, 1:05 p.m. PST:** Avista (**NYSE: AVA**) today filed Purchased Gas Cost Adjustment (PGA) requests with the utility commissions in Washington and Idaho to reduce overall natural gas prices by 7.1 percent and 7.4 percent respectively, to be effective Jan. 26, 2018, if approved.

Given the continued decline in wholesale natural gas prices, Avista is proposing to decrease the natural gas rates customers pay to better reflect current market prices for natural gas.

"We know our customers see higher bills as the weather gets colder, and we want to pass these price decreases on to them as quickly as we can," said Dennis Vermillion, president of Avista. "The decline in wholesale natural gas prices allows us to decrease customer energy bills during the winter months, when it matters most."

**Customer Bills**

**Washington:** If approved by the Washington Utilities and Transportation Commission (WUTC), residential natural gas customers in Washington using an average of 54 therms per month would see a \$3.05, or 6.3 percent, decrease per month, for a revised monthly bill of \$45.39.

If approved, customers would see the following rate adjustments:

**Natural Gas**

General Service - Schedule 101	- 6.5%
Large General Service - Schedule 111	- 9.6%
Ex. Large General Service - Schedule 121	- 10.6%
Interruptible Sales Service - Schedule 132	- 31.9%
Transportation Service - Schedule 146	<u>0.0%</u>
Overall	- 7.1%

**Idaho:** If approved by the Idaho Public Utilities Commission (IPUC), residential natural gas customers in Idaho using an average of 49 therms per month would see a \$2.73, or 6.4 percent, decrease per month, for a revised monthly bill of \$39.91.

If approved, customers would see the following rate adjustments:

### **Natural Gas**

General Service - Schedule 101	-6.7%
Large General Service - Schedule 111	<u>-10.3%</u>
Overall	-7.4%

The percentage change varies by rate schedule and is dependent upon how much energy customers on the respective rate schedules use.

### **Purchased Gas Cost Adjustment (PGA)**

Purchased Gas Cost Adjustments (PGAs) are filed each year, usually in the fall, to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates. This includes the natural gas commodity cost as well as the cost to transport natural gas on interstate pipelines to Avista's local distribution system. Avista filed its annual PGAs earlier this year, which were annual decreases in Washington and Idaho of 5.2 percent and 2.7 percent, respectively. Those decreases were approved by the WUTC and IPUC beginning on Nov. 1, 2017.

The primary drivers for the earlier rate reduction included continued low natural gas commodity costs due to the continued high production levels of natural gas and an abundance of natural gas in storage, which resulted in a decrease in wholesale natural gas prices. These factors have continued to put downward pressure on natural gas prices.

If approved, Avista's request is designed to decrease natural gas revenues by \$7.3 million in Washington and \$3.2 in Idaho.

About 40 percent of an Avista natural gas customer's bill is the combined cost of purchasing natural gas on the wholesale market and transporting it to Avista's system. These costs fluctuate up and down based on market prices. The costs are not marked up by Avista. The remaining 60 percent covers the cost of delivering the natural gas -- the equipment and people needed to provide safe and reliable service.

These filings have no impact on Avista's earnings, and are not related to the proposed acquisition of Avista by Hydro One.

Avista's rate applications are proposals, subject to public review and a decision by the WUTC and the IPUC. Copies of the applications are available for public review at the offices of the WUTC and the IPUC, as well as at Avista, and they are available on the WUTC's website at [utc.wa.gov](http://utc.wa.gov) and the IPUC's website at [puc.idaho.gov](http://puc.idaho.gov). Customers may file with the WUTC or IPUC written comments related to Avista's filings. In Idaho, customers may also subscribe to the IPUC's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via e-mail about the case. Copies of rate filings are also available on Avista's website at [www.myavista.com/rates](http://www.myavista.com/rates).

### **About Avista Corp.**

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is our operating division that provides electric service to 379,000 customers and natural gas to 343,000 customers. Its service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.6 million. Alaska Energy and Resources



Company is an Avista subsidiary that provides retail electric service in the city and borough of Juneau, Alaska, through its subsidiary Alaska Electric Light and Power Company. Avista stock is traded under the ticker symbol "AVA." For more information about Avista, please visit [www.avistacorp.com](http://www.avistacorp.com).

This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2016 and the Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 2017.

SOURCE: Avista Corporation

**-1784-**

To unsubscribe from Avista's news release distribution, send a reply message to [lena.funston@avistacorp.com](mailto:lena.funston@avistacorp.com)

The Avista logo is located in the bottom right corner of the page. It consists of a stylized 'A' symbol followed by the word 'AVISTA' in a bold, sans-serif font. The logo is set against a dark background that is part of a larger graphic element.

# AVISTA UTILITIES

Case No. AVU-G-17-0\_\_

December PGA Commodity WACOG Update

EXHIBIT “C”

Workpapers<sup>1</sup>

December 22, 2017

---

<sup>1</sup> Please note this sheets updated in this “Out of Cycle” filing have been color-coded in light blue for ease of reference. All other tabs (the ones that are not color coded) are from the Purchase Gas Adjustment effective November 1, 2017 in Case No. AVU-G-17-04.

<b>Title</b>	<b>Description</b>	<b>Page Number</b>
<b>DECEMBER UPDATE</b>		
<u>Revenue Change Summary IA1</u>	Change in Revenue as a result of filing	2
<u>Rate Change Summary IA1</u>	Change in rate, by schedule, Schedule 150 and 155	3
<u>Input IA1</u>	Demand Volumes and Customers Inputs	4
<u>Input IA26</u>	Commodity Inputs	5
<u>Commodity IA1</u>	Commodity WACOG Calculation	6
<u>Input - Demand Contracts IA1</u>	Demand WACOG Calculation	7
<u>Amortization IA1</u>	Amortization WACOG Calculation	8
<b>OTHER</b>		
<u>Conversion Factor IA1</u>	Revenue Conversion Factor	9
<u>GRI Funding</u>	GRI Funding	10
<u>Lost and Unaccounted for Gas</u>	Lost and Unaccounted for Gas	11

Schedule	Therms	Rate		Revenue
		Change	Incr (Decr)	
<u>Schedule 150 PGA (Commodity Only)</u>				
Rate Schedule 101	40,225,275	\$	(0.05520)	\$ (2,220,435)
Rate Schedule 111	17,011,656	\$	(0.05520)	\$ (939,043)
Rate Schedule 112	0	\$	(0.05520)	\$ -
Rate Schedule 131	0	\$	(0.05520)	\$ -
Rate Schedule 132	0	\$	(0.05520)	\$ -
	<u>57,236,932</u>			<u>(3,159,479)</u>

Summary of Rate Change				
	Proposed Rates	Present Billed		% Change
		Revenue	Revenue	
Rate Schedule 101	\$ (2,220,435)	\$	33,235,905	-6.7%
Rate Schedule 111	\$ (939,043)	\$	9,089,173	-10.3%
Rate Schedule 112	\$ -	\$	-	0.0%
Rate Schedule 131	\$ -	\$	-	0.0%
Rate Schedule 132	\$ -	\$	0	0.0%
Rate Schedule 146		\$	333,660	0.0%
Rate Schedule 148		\$	84,460	0.0%
Total Change	\$ (3,159,479)	\$	42,743,197	-7.4%

Avista Utilities  
State of Idaho  
Summary of Changes

Summary of Changes		Without Revenue Sensitive Costs				With Revenue Sensitive Costs			
		Rate Sch 150 (Commodity Only)	Rate Sch 150 (Demand Only)	Total Rate Schedule 150	Rate Sch 155 (Amortization)	Rate Sch 150 (Commodity Only)	Rate Sch 150 (Demand Only)	Total Rate Schedule 150	Rate Sch 155 (Amortization)
<b>Present</b>									
1	Rate Schedule 101	\$0.21765	\$0.10497	\$0.32262	(\$0.08811)	\$0.21891	\$0.10558	\$0.32449	(\$0.08862)
2	Rate Schedule 111	\$0.21765	\$0.10497	\$0.32262	(\$0.08811)	\$0.21891	\$0.10558	\$0.32449	(\$0.08862)
3	Rate Schedule 112	\$0.21765	\$0.10497	\$0.32262	\$0.00000	\$0.21891	\$0.10558	\$0.32449	\$0.00000
4	Rate Schedule 131 (no customers)	\$0.21765	\$0.00000	\$0.21765	\$0.00000	\$0.21891	\$0.00000	\$0.21891	\$0.00000
5	Rate Schedule 132 (no customers)	\$0.21765	\$0.00000	\$0.21765	\$0.00000	\$0.21891	\$0.00000	\$0.21891	\$0.00000
6									
<b>Proposed</b>									
8	Rate Schedule 101	\$0.16276	\$0.10497	\$0.26773	(\$0.08811)	\$0.16371	\$0.10558	\$0.26929	(\$0.08862)
9	Rate schedule 111	\$0.16276	\$0.10497	\$0.26773	(\$0.08811)	\$0.16371	\$0.10558	\$0.26929	(\$0.08862)
10	Rate Schedule 112	\$0.16276	\$0.10497	\$0.26773	\$0.00000	\$0.16371	\$0.10558	\$0.26929	\$0.00000
11	Rate Schedule 131 (no customers)	\$0.16276	\$0.00000	\$0.16276	\$0.00000	\$0.16371	\$0.00000	\$0.16371	\$0.00000
12	Rate Schedule 132 (no customers)	\$0.16276	\$0.00000	\$0.16276	\$0.00000	\$0.16371	\$0.00000	\$0.16371	\$0.00000
13									
<b>Change</b>									
15	Rate Schedule 101	(\$0.05489)	\$0.00000	(\$0.05489)	\$0.00000	(\$0.05520)	\$0.00000	(\$0.05520)	\$0.00000
16	Rate schedule 111	(\$0.05489)	\$0.00000	(\$0.05489)	\$0.00000	(\$0.05520)	\$0.00000	(\$0.05520)	\$0.00000
17	Rate Schedule 112	(\$0.05489)	\$0.00000	(\$0.05489)	\$0.00000	(\$0.05520)	\$0.00000	(\$0.05520)	\$0.00000
18	Rate Schedule 131 (no customers)	(\$0.05489)	\$0.00000	(\$0.05489)	\$0.00000	(\$0.05520)	\$0.00000	(\$0.05520)	\$0.00000
19	Rate Schedule 132 (no customers)	(\$0.05489)	\$0.00000	(\$0.05489)	\$0.00000	(\$0.05520)	\$0.00000	(\$0.05520)	\$0.00000
20									

\*AN - Allocated North sum of Washington + Idaho

Line No.		Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	10 month Ended Total
<b>VOLUME FORECAST</b>														
1	Demand Forecast													
2	Rate Schedule 101	7,575,300	10,596,116	10,009,763	7,780,202	6,946,610	4,314,120	2,436,163	1,445,578	1,206,631	1,092,032	1,370,575	3,623,603	40,225,275
3	Rate Schedule 111/112	3,258,608	3,467,722	3,312,282	2,525,917	2,364,175	1,485,732	970,693	885,781	1,028,906	1,172,408	1,101,196	2,164,566	17,011,656
5	FIRM DEMAND THERMS	10,834,008	14,063,838	13,322,045	10,306,119	9,310,785	5,799,852	3,406,856	2,331,359	2,235,537	2,264,439	2,471,771	5,788,170	82,134,778
4	Rate Schedule 132	0	0	0	0	0	0	0	0	0	0	0	0	0
5	COMMODITY THERMS (GALES)	10,834,008	14,063,838	13,322,045	10,306,119	9,310,785	5,799,852	3,406,856	2,331,359	2,235,537	2,264,439	2,471,771	5,788,170	82,134,778
6	Fuel	162,510	210,658	199,831	154,592	139,662	86,998	51,103	34,970	33,533	33,967	37,077	86,823	658,554
7	Lost and Unaccounted for	44,752	58,094	55,030	42,572	38,460	23,958	14,073	9,630	9,234	9,354	10,210	23,909	236,630
7	TOTAL PURCHASE THERMS	11,041,271	14,332,889	13,576,905	10,503,282	9,488,907	5,910,807	3,472,031	2,375,959	2,278,304	2,307,760	2,519,058	5,898,901	83,229,762
<b>CUSTOMER FORECAST</b>														
9	Demand Forecast													
11	Rate Schedule 101	80,798	81,146	81,283	81,281	81,269	81,234	81,223	81,212	81,319	81,402	81,601	81,755	813,578
12	Rate Schedule 111	1,457	1,457	1,461	1,463	1,465	1,467	1,468	1,470	1,472	1,473	1,475	1,477	14,692
13	Rate Schedule 132	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Customers	82,255	82,603	82,744	82,744	82,734	82,701	82,691	82,682	82,791	82,875	83,076	83,232	828,270

**COMMODITY**

Commodity Allocation (based on Calendar

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	10 Months Total
17 19 Volumes	31.67%	30.49%	30.01%	29.37%	30.56%	30.71%	31.71%	32.77%	34.73%	35.21%	33.32%	32.87%	
20 21 Hedges													
22 23 Executed													
24 AN* System Total Volumes (Th)	15,037,500	20,770,000	20,483,750	15,610,000	14,376,250	4,650,000	3,611,500	2,932,500	3,030,250	3,030,250	2,932,500	3,611,500	79,979,500
25 AN* System Total Dollars (\$)	4,086,382	5,305,784	5,194,620	4,140,297	3,994,745	720,498	568,790	485,754	501,946	501,946	485,754	577,508	17,171,857
26 27 ID Volumes (Th)	4,762,376	6,332,773	6,056,644	4,584,657	4,393,382	1,428,015	1,145,207	960,980	1,624,406	1,066,951	977,109	1,187,100	22,854,451
28 ID Dollars (\$)	1,294,157	1,617,733	1,558,905	1,216,005	1,220,794	221,265	180,363	159,182	174,326	176,735	161,853	189,827	5,259,255
29 WACOG	0.2777%	0.2584%	0.2573%	0.2652%	0.2778%	0.1549%	0.1574%	0.1656%	0.1656%	0.1656%	0.1656%	0.1599%	0.2301%
30 31 Deferred Exchange Credits													
32 AN* Deferred Exchange	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(3,750,000)
33 34 ID Deferred Exchange	(118,763)	(114,338)	(112,538)	(110,138)	(114,600)	(115,163)	(118,913)	(122,888)	(130,238)	(132,038)	(124,950)	(123,263)	(1,204,725)
35 36 Price Forecast													
37 30 Day average Price based on: 7.31.2017													
38 Aeco	2.00%	1.56%	1.49%	1.47%	1.34%	1.19%	1.17%	1.20%	1.27%	1.23%	1.24%	1.24%	1.36%
39 Sumas	2.70%	3.12%	2.96%	2.63%	2.09%	1.75%	1.67%	1.79%	2.09%	2.09%	2.11%	2.11%	2.09%
40 Rockies	2.71%	2.78%	2.68%	2.64%	2.40%	2.20%	2.13%	2.25%	2.37%	2.39%	2.37%	2.37%	2.55%
41 42 Basin Weighting													
43 Aeco	70.99%	74.98%	87.66%	91.42%	100.00%	100.00%	100.00%	75.86%	78.62%	92.94%	83.73%	78.52%	82%
44 Sumas	3.89%	4.81%	11.77%	8.40%	0.00%	0.00%	0.00%	24.14%	14.80%	5.79%	12.95%	1.30%	11%
45 Rockies	25.73%	20.21%	0.58%	0.18%	0.00%	0.00%	0.00%	0.00%	6.59%	1.26%	3.32%	20.18%	6%
46 47 Basin-Weighted Index Price	2,217%	1,884%	1,674%	1,570%	1,347%	1,195%	1,173%	1,400%	1,422%	1,371%	1,392%	1,571%	
48 Index Volumes (0Th)	7,518,261	5,918,625	5,918,625	4,822,732	2,225,824	1,414,979	1,225,888	1,240,809	1,541,949	1,541,949	1,541,949	4,711,801	35,477,465
49 Index Cost	1,259,964	932,208	686,689	536,107	271,090	175,201	160,940	160,940	214,771	214,771	740,637	5,168,219	
50 51 Embedded Charges													
52 Variable Transportation	5,258	6,264	5,516	3,935	5,091	9,664	12,247	9,176	8,589	8,568	2,755	4,756	70,296
53 54													
55 56													
57 58													
59 59 Amortization Rate													
60 Customer 1													
61 Customer 2													
62 Customer 3													
63 Customer 4													
64 Total	(239,344)	(56)	8	-	-	(3)	(239,395)						
65 Unamortized Deferrals (191000)	(6,972,494)	(80,525)	(815)	-	-	(7,053,835)							
66 Current Deferrals (191010)	(7,211,838)	(80,581)	(807)	-	-	(3)	(7,293,230)						

**AMORTIZATION BALANCES**

Avista Utilities  
 State of Idaho  
 Gas Cost Calculation (per Therm)

	Executed Hedges		Index Cost		Total Cost to Serve Average Load (including fuel)		Variable Charges		Deferred Exchange		Total Estimated Commodity Costs		Sales Volumes (to customers)		WACOG	
	Volumes (a)	Dollars (b)	Volumes (c)	Dollars (d)	Volumes (e) * (a) = (e)	Dollars (f) * (b) + (d) = (f)	Dollars (g) * (c) = (g)	Dollars (h)	Dollars (i)	Dollars (j)	Dollars (k) * (e) + (g) + (i) + (j) = (k)	Dollars (l) * (a) = (l)	Dollars (m)	Dollars (n)	Dollars (o)	Dollars (p)
Jan-18	6,058,644	\$ 1,558,905	7,518,261	\$ 1,258,964	13,576,905	\$ 2,817,869	\$ 5,516	\$ (112,538)	\$ 2,710,847	\$ 0.2035	13,322,045	\$ 0.2035	13,322,045	\$ 0.2035		
Feb-18	4,584,657	\$ 1,216,005	5,918,625	\$ 932,208	10,503,282	\$ 2,148,213	\$ 3,935	\$ (110,158)	\$ 2,042,010	\$ 0.1981	10,306,119	\$ 0.1981	10,306,119	\$ 0.1981		
Mar-18	4,393,382	\$ 1,220,794	5,095,525	\$ 686,689	9,488,907	\$ 1,907,483	\$ 5,091	\$ (114,600)	\$ 1,797,974	\$ 0.1931	9,310,785	\$ 0.1931	9,310,785	\$ 0.1931		
Apr-18	1,428,015	\$ 221,265	4,482,792	\$ 536,107	5,910,807	\$ 757,372	\$ 9,664	\$ (115,163)	\$ 651,873	\$ 0.1124	5,799,852	\$ 0.1124	5,799,852	\$ 0.1124		
May-18	1,145,207	\$ 180,363	2,326,824	\$ 273,090	3,472,031	\$ 453,453	\$ 12,247	\$ (118,913)	\$ 346,787	\$ 0.1018	3,406,856	\$ 0.1018	3,406,856	\$ 0.1018		
Jun-18	960,980	\$ 159,182	1,414,979	\$ 189,613	2,375,959	\$ 348,795	\$ 9,176	\$ (122,888)	\$ 235,084	\$ 0.1008	2,331,359	\$ 0.1008	2,331,359	\$ 0.1008		
Jul-18	1,052,406	\$ 174,326	1,225,898	\$ 175,201	2,278,304	\$ 349,527	\$ 8,589	\$ (130,238)	\$ 227,878	\$ 0.1019	2,235,537	\$ 0.1019	2,235,537	\$ 0.1019		
Aug-18	1,066,951	\$ 176,735	1,240,809	\$ 160,940	2,307,760	\$ 337,675	\$ 8,568	\$ (132,038)	\$ 214,206	\$ 0.0946	2,264,439	\$ 0.0946	2,264,439	\$ 0.0946		
Sep-18	977,109	\$ 161,853	1,541,949	\$ 214,771	2,519,058	\$ 376,624	\$ 2,755	\$ (124,950)	\$ 254,429	\$ 0.1029	2,471,771	\$ 0.1029	2,471,771	\$ 0.1029		
Oct-18	1,187,100	\$ 189,827	4,711,801	\$ 740,637	5,898,901	\$ 930,464	\$ 4,756	\$ (123,263)	\$ 811,957	\$ 0.1403	5,788,170	\$ 0.1403	5,788,170	\$ 0.1403		
<b>Average</b>	<b>22,854,451</b>	<b>\$ 5,259,255</b>	<b>35,477,465</b>	<b>\$ 5,168,219</b>	<b>58,331,916</b>	<b>\$ 10,427,474</b>	<b>\$ 70,296</b>	<b>\$ (1,204,725)</b>	<b>\$ 9,295,045</b>	<b>\$ 0.16236</b>	<b>57,236,952</b>	<b>\$ 0.16236</b>	<b>57,236,952</b>	<b>\$ 0.16236</b>		
		\$ 0.23012		\$ 0.14568		\$ 0.17876										
		39%		61%												

GRI Funding (no change) 0.00040  
 TOTAL Rate 0.16276

Proposed Rate  
 Proposed WACOG without RCF \$ 0.16276  
 Proposed WACOG with RCF \$ 0.16371

Present Rate  
 Present WACOG without RCF \$ 0.21765  
 Present WACOG with RCF \$ 0.21891

Change  
 Change WACOG without RCF \$ (0.05489)  
 Change WACOG with RCF \$ (0.05520)

RCF: 1.005812