



Avista Corp.

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March 26, 2020

Mr. Mark L Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

Re: Tariff WN U-28, Electric Service – WA Renewable Energy Credit Revenue Mechanism

Dear Mr. Johnson:

Attached for electronic filing with the Commission is the following tariff sheet proposed to be effective July 1, 2020:

Fifth Revision Sheet 98 Canceling Fourth Revision Sheet 98

The proposed tariff sheet reflects an electric rate adjustment to increase the present rebate customers are receiving related to Renewable Energy Credits (“RECs”). In Docket Nos. UE-140188 and UG-140189, the Settlement Stipulation approved by the Commission in Order No. 05 required Avista to file an adjustment to the REC Revenue rebate on or before April 1, 2016, and each year thereafter, to reflect both the under or over amortized balance from the current rebate as well as the projected net REC revenues for the following July – June time period.¹ The new rates would go into effect July 1 for a twelve-month period.

As provided in the workpapers accompanying this filing, approximately \$0.1 million is the expected surcharge balance remaining from the July 2019 through June 2020 time period, and the projected REC revenues (rebate direction) for the July 2020 through June 2021 time period is \$1.9 million, for a total rebate effective July 1, 2020 of approximately \$1.8 million. The current rebate in effect is designed to rebate approximately \$1.4 million.

The net effect of the new and expiring REC rebate is an increased benefit (i.e., rate decrease) to electric customers of approximately \$0.4 million, or 0.1%. The table below illustrates the impact by rate schedule:

¹ See Docket Nos. UE-140188 and UG-140189, Settlement Stipulation Appendix 2, p. 4.

Schedule No.	Rate Schedule	Increase in Billed Revenue
1/2	Residential	-0.08%
11/12	General Service Schedule	-0.05%
21/22	Large General Service Schedule	-0.06%
25	Ext. Lg General Service Schedule	-0.12%
31/32	Pumping Service Schedule	-0.10%
41-48	Street and Area Lights	0.03%
Overall		-0.08%

The change in the rate credit has no effect on Avista's earnings. Enclosed is a set of workpapers which shows the derivation of the proposed per kilowatt-hour rate credit proposed to be effective for a twelve-month period beginning July 1, 2020.

The average residential customer using 918 kWhs per month will see a decrease of \$0.06 per month, or approximately 0.1%. The present bill for 918 kWhs is \$82.22 while the proposed bill is \$82.16. The actual bill change will vary based on customer usage.

Information contained in this filing is confidential in nature and is filed under seal, per WAC 480-07-160 along with a redacted version. In accordance with the requirements of WAC 480-100-103, attached to this filing is a draft notice to customers, which the Company will provide through a bill insert, during the May 2020 bill cycle.

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

Sincerely,

/S/ Patrick D. Ehrbar

Patrick D. Ehrbar
Director of Regulatory Affairs

Enclosures



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 98

RENEWABLE ENERGY CREDIT REVENUE MECHANISM - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has electric service available. This Renewable Energy Credit Revenue Mechanism shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service.

This rebate will be based on the projected net REC revenues for the July 2020 through June 2021 time period, as well as a true-up of the amortization of the prior rebate in effect from July 1, 2019 through June 30, 2020. Interest on the deferred balance will accrue at the after-tax cost of capital interest rate (6.654%) from the Company's most recent approved general rate case (UE-190334). The revenue conversion factor used in the development of the rates set forth below will be from the Company's most recent approved general rate case (UE-190334).

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MONTHLY RATE:

The rate spread is based on the generation allocation factor E02 from the Company's most recent approved general rate case (UE-190334). The energy charges of the individual rate schedules are to be decreased by the following amounts:

Schedules 1 & 2	0.032¢ per kWh
Schedules 11 & 12	0.032¢ per kWh
Schedules 21 & 22	0.032¢ per kWh
Schedules 25	0.031¢ per kWh
Schedules 31 & 32	0.033¢ per kWh
Schedules 41 – 48	0.035¢ per kWh

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TERM:

The energy charges will be reduced for the July 1, 2020 through June 30, 2021 time period.

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SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued March 26, 2020

Effective July 1, 2020

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

