

Avista Corp.

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

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IDAHO PUBLIC
UTILITIES COMMISSION



June 29, 2018

Diane Hanian
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83702

Re: **Case No. AVU-G-18-03**
Natural Gas Fixed Cost Adjustment Annual Rate Filing of Avista Corporation

Dear Ms. Hanian:

Enclosed for filing with the Commission is Avista's natural gas Fixed Cost Adjustment (FCA) annual rate adjustment filing. This filing consists of an original and seven copies of Avista's Application, Exhibit A (the Company's proposed tariffs), Exhibit B (rate calculation), Exhibit C (2017 deferral), and Exhibit D (customer communications) in support of the Application. A computer readable copy of the Application, exhibits, and workpapers, required under Rule 231.05, are included on an enclosed compact disc.

Electronic versions of the Company's filing were emailed to the Commission, and the Service List, on June 29, 2018. Those documents have also been provided on the enclosed CD.

Please direct any questions on this matter to me at (509) 495-8620 or Tara Knox at (509) 495-4325.

Sincerely,

A handwritten signature in dark ink, appearing to read "Patrick D. Ehrbar", with a long horizontal flourish extending to the right.

Patrick D. Ehrbar
Director of Regulatory Affairs

Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 29th day of June, 2018, served the Application of Avista Corporation – Fixed Cost Rate Adjustment, upon the following parties, by mailing a copy thereof, properly addressed with postage prepaid to:

Diane Hanian, Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83702
diane.hanian@puc.idaho.gov

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Patrick D. Ehrbar
Director of Regulatory Affairs

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3 REGULATORY AND GOVERNMENTAL AFFAIRS
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7 SPOKANE, WASHINGTON 99220
8 PHONE: (509) 495-4316, FAX: (509) 495-8851

9

10 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

11

12 IN THE MATTER OF THE FIXED COST)
13 ADJUSTMENT MECHANISM (FCA)) CASE NO. AVU-G-18-03
14 ANNUAL RATE ADJUSTMENT FILING) APPLICATION OF AVISTA
15 OF AVISTA CORPORATION) CORPORATION
16
17

18 I. INTRODUCTION

19 In accordance with Idaho Code §61-502, Commission Order
20 No. 33437, and RP 052, Avista Corporation, doing business as
21 Avista Utilities (hereinafter "Avista" or "Company"), at 1411
22 East Mission Avenue, Spokane, Washington, respectfully makes
23 application to the Idaho Public Utilities Commission
24 ("Commission") for an order approving the level of natural
25 gas Fixed Cost Adjustment Mechanism (FCA) revenue deferred
26 during calendar year 2017 and authorizing FCA rates for
27 natural gas service from November 1, 2018 through October 31,
28 2019, and to approve the Company's corresponding
29 modifications to Schedule 175, "Fixed Cost Adjustment

1 Mechanism - Natural Gas". The proposed FCA rebate rate for
2 the Residential Group (Schedule 101) is -0.766¢ per therm,
3 and -1.067¢ per therm for the Non-Residential Group
4 (Schedules 111 and 112). The Residential Group rebate
5 represents a \$1.9 million, or 4.23%, to Schedule 101
6 customers, and the Non-Residential Group rebate represents a
7 \$0.7 million, or 5.55%, decrease. The Company has requested
8 a November 1, 2018 effective date.

9 The Company requests that this filing be processed under
10 the Commission's Modified Procedure Rules (RP 201-204).
11 Communications in reference to this Application should be
12 addressed to:

13 David J. Meyer, Esq.
14 Vice President and Chief Counsel for
15 Regulatory & Governmental Affairs
16 Avista Corporation
17 P.O. Box 3727
18 MSC-27
19 1411 E. Mission Ave
20 Spokane, WA 99220-3727
21 Phone: (509) 495-4316
22 David.Meyer@avistacorp.com
23

24 Patrick D. Ehrbar
25 Director of Regulatory Affairs
26 Avista Utilities
27 P.O. Box 3727
28 MSC-27
29 1411 E. Mission Ave
30 Spokane, WA 99220-3727
31 Phone: (509) 495-8620
32 patrick.ehrbar@avistacorp.com
33

1 of the FCA rebate. As part of the Stipulation, Staff and
2 other interested parties, will review the efficacy of
3 the FCA after its second full year to ensure it is
4 functioning as intended. Fixed cost adjustment
5 mechanisms are intended to encourage conservation, and
6 allow customers more control over their bills. Further,
7 the proposed FCA will remove any financial disincentive
8 of the Company to encourage energy conservation.
9

10 The Section 13 of the Stipulation and Settlement, as
11 amended by Addendum to the Stipulation approved by the
12 Commission in Order No. 34085 on June 15, 2018, provided
13 further details, reproduced below, regarding the mechanics of
14 the fixed cost adjustment mechanism. The proposed Tariff
15 Sheet 175 reflects the change in the term of the mechanism
16 from three years to four in accordance with the Addendum.

17 A. FCA Mechanisms Term. The Parties agree to an initial
18 FCA term of 4 years, with a review of how the mechanisms
19 have functioned conducted by Avista, Staff, and other
20 interested parties following the end of the third full-
21 year. Avista may seek to extend the term of the
22 mechanism prior to its expiration.
23

24 B. Rate Groups. There will be two rate groups
25 established for both the electric FCA and natural gas
26 FCA:

27 Electric Customer Rate Groups:

- 28 1. Residential - Schedule 1
29 2. Commercial - Schedules 11, 12, 21, 22, 31, 32

30 Natural Gas Rate Groups:

- 31 1. Residential - Schedule 101
32 2. Commercial - Schedules 111 and 112
33

34 C. Existing Customers and New Customers. The Parties
35 have agreed that revenue related to certain items
36 discussed below would not be included in the FCA for new
37 customers. The result is that the Fixed Cost Adjustment
38 Revenue-Per-Customer for new customers will be less than

1 the Fixed Cost Adjustment Revenue-Per-Customer for
2 existing customers. For new electric customers added
3 after the test period, recovery of incremental revenue
4 related to fixed production and transmission costs would
5 be excluded from the electric FCA. For new natural gas
6 customers added after the test period, recovery of
7 incremental revenue related to fixed production and
8 underground storage facility costs would be excluded.
9 These modifications are included in Appendices B and C
10 to the Stipulation.
11

12 D. Quarterly Reporting. Avista will file, within 45
13 days of the end of each quarter, a report detailing the
14 FCA activity by month. The reporting will also include
15 information related to the deferrals by rate group, what
16 the deferrals would have been if tracked by rate
17 schedule, use and revenue-per-customer for existing and
18 new customers, and other summary financial information.
19 Avista will provide such other information as may be
20 reasonably requested, from time to time, in the future
21 quarterly reports.
22

23 E. Annual Filings. On or before July 1, the Company
24 will file a proposed rate adjustment surcharge or rebate
25 based on the amount of deferred revenue recorded for the
26 prior January through December time period. The rate
27 adjustment would be calculated separately for each Rate
28 Group, with the applicable surcharge or rebate recovered
29 from each group on a uniform cents per kWh or per therm
30 basis. The proposed tariff (Schedule 75 for electric,
31 Schedule 175 for natural gas) included with that filing
32 would include a rate adjustment that recovers/rebates
33 the appropriate deferred revenue amount over a twelve-
34 month period effective on October 1 for electric (to
35 match with Power Cost Adjustment and Residential
36 Exchange annual rate adjustments time period) and
37 November 1st for natural gas (to match with the annual
38 Purchased Gas Cost Adjustment rate adjustment time
39 period). The deferred revenue amount approved for
40 recovery or rebate would be transferred to a balancing
41 account and the revenue surcharged or rebated during the
42 period would reduce the deferred revenue in the
43 balancing account. After determining the amount of
44 deferred revenue that can be recovered through a
45 surcharge (or refunded through a rebate) by Rate Group,
46 the proposed rates under Schedules 75 and 175 would be

1 determined by dividing the deferred revenue to be
2 recovered by Rate Group by the estimated kWh sales
3 (Electric FCA) or therm sales (Natural Gas FCA) for each
4 Rate Group during the twelve-month recovery period. Any
5 deferred revenue remaining in the balancing account at
6 the end of the amortization period would be added to the
7 new revenue deferrals to determine the amount of the
8 proposed surcharge/rebate for the following year.

9
10 F. Interest. Interest will be accrued on the
11 unamortized balance in the FCA balancing accounts at the
12 Customer Deposit Rate.

13
14 G. Accounting. Avista will record the deferral in
15 account 186 - Miscellaneous Deferred Debits. The amount
16 approved for recovery or rebate would then be
17 transferred into a Regulatory Asset or Regulatory
18 Liability account for amortization. On the income
19 statement, the Company would record both the deferred
20 revenue and the amortization of the deferred revenue
21 through Account 456 (Other Electric Revenue), or Account
22 495 (Other Gas Revenue), in separate sub-accounts. The
23 Company would file quarterly reports with the Commission
24 showing pertinent information regarding the status of
25 the current deferral. This report would include a
26 spreadsheet showing the monthly revenue deferral
27 calculation for each month of the deferral period
28 (January - December), as well as the current and
29 historical monthly balance in the deferral account.

30
31 H. 3% Rate Increase Cap. An FCA surcharge, by rate
32 group, cannot exceed a 3% annual rate adjustment, and
33 any unrecovered balances will be carried forward to
34 future years for recovery. There is no limit to the level
35 of the FCA rebate.

36
37
38 As detailed above, the Commission approved the following
39 procedural schedule for administering the annual natural gas
40 FCA filings:

41 July 1 - Company filing for prior January - December
42 deferral period
43

1 November 1 - Commission Order and effective date of
2 natural gas FCA rate adjustment
3

4 **III. DRIVERS OF NATURAL GAS FCA SURCHARGES**

5 The FCA rebate deferrals in 2017 were the result of
6 higher monthly use-per-customer than the use-per-customer
7 that was embedded in the 2014 test year (i.e., the FCA base).
8 Residential average monthly use-per-customer was higher by
9 3.5 therms, and non-residential average monthly use-per
10 customer was higher by 94 therms in 2017. The Company has
11 identified several primary drivers for the change in use-per-
12 customer.

13 First, weather was abnormally cold during 2017 giving
14 rise to a weather normalization adjustment² that required the
15 deduction of 2 million therms to residential usage (2 therms
16 per customer) and 0.5 million therms (27 therms per customer)
17 to non-residential usage. The estimated FCA revenue excess
18 associated with weather was approximately \$965,000
19 residential and \$107,000 non-residential.

20 Natural gas energy efficiency programs were suspended in
21 Idaho during 2014 and 2015, then reinstated during 2016.
22 Consequently, while energy efficiency is considered a

² The 2017 weather normalization adjustment was filed in Washington for Commission Basis reporting utilizing the same methodology as IPUC Case No. AVU-G-15-01 in developing the FCA base.

1 surcharge driver, the impact between the 2014 test year and
2 2017 appears to be small. Estimated savings derived from the
3 2016 and 2017 DSM Annual Reports reduced residential usage by
4 approximately 282,000 therms (0.3 therms-per-customer) and
5 non-residential usage by approximately 70,000 therms (4
6 therms-per-customer) during 2017. The estimated FCA revenue
7 shortfall associated with energy efficiency programmatic
8 savings is \$0.13 million residential and \$0.02 million non-
9 residential.

10 These drivers account for over half of the residential
11 rebate and about 25% of the non-residential rebate. The
12 "other" drivers are related to items not easily quantifiable,
13 such as the effects of non-programmatic energy efficiency,
14 changes in business cycles, etc. The following table
15 summarizes the impact of these drivers on the FCA Revenues
16 received from customers in 2017.

17

<u>Driver</u>	Residential Group		Non-Residential Group	
	<u>Use-per-Customer</u>	<u>FCA Revenue</u>	<u>Use-per-Customer</u>	<u>FCA Revenue</u>
Weather	2.1	\$1.00	27	\$0.11
Energy Efficiency	(0.3)	(\$0.13)	(4)	(\$0.02)
Other	1.7	\$0.76	71	\$0.29
Total	3.5	\$1.63	94	\$0.38

20

1 **IV. RESIDENTIAL GROUP RATE DETERMINATION**

2 The Company recorded \$1,636,265 in the rebate direction
3 in deferred revenue for the natural gas residential customer
4 group in 2017. Last year's surcharge rate was subject to the
5 3% surcharge limitation with an expected surcharge carry over
6 of approximately \$1.2 million. The proposed rate of -0.766
7 cents per therm is designed to rebate \$465,043, to the
8 Company's residential natural gas customers served under rate
9 Schedule 101. The following table summarizes the components
10 of the Company's request for rebate:

2017 Deferred Revenue	(\$1,636,265)
Add: 2016 Carry over balance	\$1,189,016
Add: Interest through 10/31/2019	(\$16,212)
Add: Revenue Related Expense Adj.	(\$1,581)
Total Rebate	(\$465,043)
Customer rebate	(\$465,043)
Carryover Deferred Revenue	\$0

11

12 Exhibit B, page 1 shows the derivation of the proposed
13 rate to rebate revenue of \$465,043, based on projected sales
14 volumes for Schedule 101 customers during the
15 rebate/amortization period (November 2018 through October
16 2019). As identified on tariff Sheet 175B under Step 6 of
17 "Calculation of Monthly FCA Deferral", interest on the
18 deferred balance accrues at the Customer Deposit Interest

1 Rate.³ If the proposed rebate is approved by the Commission,
2 the 2017 deferral balance, plus interest through October, and
3 the outstanding carry over balance approved for recovery in
4 the prior year FCA rate filing (Case No. AVU-G-17-03 Order
5 No. 33919), will be transferred into a regulatory liability
6 balancing account. The balance in the liability account will
7 be reduced each month by the rebate received by customers
8 under the tariff.

9

10 **V. NON-RESIDENTIAL GROUP RATE DETERMINATION**

11 The Company recorded \$377,623 in the rebate direction in
12 deferred revenue for the natural gas Non-Residential Group in
13 2017, plus interest and revenue-related expenses. Last
14 year's surcharge rate was subject to the 3% surcharge
15 limitation with an expected surcharge carry over of
16 approximately \$125,000 (the actual carry over is expected to
17 be slightly less than last year's estimate). The proposed
18 rebate rate of -1.067 cents per therm is designed to rebate
19 \$274,617 to the Company's commercial and industrial customers
20 served under rate Schedules 111 and 112. The following table
21 summarizes the components of the Company's request for

³ The Customer Deposit Interest Rate was 1.00% throughout 2017 and remains 1.00% for 2018. The current rate of 1.00% has been used going forward as an estimate for purposes of this rate determination.

1 rebate:

2017 Deferred Revenue	(\$377,623)
Add: 2016 Carry over balance	\$108,778
Add: Interest through 10/31/2018	(\$4,320)
Add: Revenue Related Expense Adj.	(\$1,452)
Total Rebate	(\$274,617)
Customer rebate	(\$274,617)
Carryover Deferred Revenue	\$0

2

3 Exhibit B, page 3 shows the derivation of the proposed
4 rate to rebate revenue of \$274,617 based on projected sales
5 volumes for Schedules 111 and 112 during the
6 rebate/amortization period (November 2018 through October
7 2019). As identified on the tariff Sheet 175B under Step 6
8 of "Calculation of Monthly FCA Deferral", interest on the
9 deferred balance accrues at the Customer Deposit Interest
10 Rate.⁴ If the proposed rebate is approved by the Commission,
11 the 2017 deferral balance, plus interest through October, and
12 the outstanding carry over balance approved from recovery in
13 the prior year FCA rate filing (Case No. AVU-G-17-03 Order
14 No. 33919), will be transferred into a regulatory liability
15 balancing account. The balance in the liability account will
16 be reduced each month by the rebate received by customers
17 under the tariff.

18 Support showing the monthly calculation of the 2017

⁴ Ibid.

1 deferral balances for both the Residential and Non-
2 Residential Groups is provided as Exhibit C. These
3 calculations were also provided to the Commission in
4 quarterly reports.

5

6 **VI. 3% ANNUAL RATE INCREASE TEST**

7 FCA rate adjustment surcharges are subject to a 3% annual
8 rate increase limitation. There is no limit to rebate rate
9 adjustments. As described in Tariff Schedule 175, the 3%
10 annual rate increase limitation will be determined by
11 dividing the incremental annual revenue to be collected
12 (proposed surcharge revenue less present surcharge revenue)
13 under this Schedule by the total "normalized" revenue for the
14 two Rate Groups for the most recent January through December
15 time period. Normalized revenue is determined by multiplying
16 the weather-corrected usage for the period by the present
17 rates in effect. If the incremental amount of the proposed
18 surcharge exceeds 3%, only a 3% incremental rate increase
19 will be proposed and any remaining deferred balance will be
20 carried over to the following year.

21 Exhibit B, page 6 shows the 3% test for the two rate
22 groups. As the 2017 Residential and Non-Residential
23 deferrals are both rebates, there is no limitation. The

1 incremental change from the existing surcharge to the
2 proposed rebate is a reduction of \$1.9 million or
3 approximately -4.2% for the Residential Group and a reduction
4 of \$0.7 million or approximately -5.5% for the Non-
5 Residential Group. As both residential and non-residential
6 deferrals are in the rebate direction for 2017, there is no
7 proposed carry over expected due to the 3% rule.

8

9 **VII. EXISTING CUSTOMERS AND NEW CUSTOMERS**

10 The Settlement Stipulation approved by the Commission
11 requires that natural gas customers that have been added since
12 the test year are subject to a FCA Revenue-Per-Customer that
13 excludes incremental revenue related to fixed production and
14 underground storage facility costs. Separate calculations
15 for new versus existing customers are clearly identified in
16 the FCA base that was approved in Order No. 33437 (included
17 in this filing as Attachment B, pages 3 through 6).

18 Due to this segregation, Avista tracks the usage of new
19 customers since January 1, 2015 as compared with existing
20 customers.⁵ In general, the average usage of new natural gas

⁵ "Existing customers" were part of the test year used to set the January 1, 2016 rates (2014 calendar year). "New customers" consist of all new hookups after the test year. The proposed Tariff Sheet 175 replaces the date specific language to state "after the FCA Base test year" as the FCA Base is updated with changes to Base rates and the associated test year.

1 customers is comparable to the average usage of existing
2 customers. Avista will continue to track the usage of new
3 customers over the Fixed Cost Adjustment term.

4

5 **VIII. PROPOSED RATES TO BE EFFECTIVE NOVEMBER 1, 2018**

6 The Company is proposing a per therm FCA rebate rate of
7 -0.766¢ for the Residential Group, and a per therm FCA rebate
8 rate of -1.067¢ for the Non-Residential Group, both to become
9 effective November 1, 2018. Exhibit B to this Application
10 provides the Residential and Non-Residential Rate
11 Calculation, and Exhibit C provides the support for the
12 deferrals for the January 1, 2017 through December 31, 2017
13 deferral period. Attached as Exhibit A is a copy of the
14 proposed tariff, Schedule 175, which contains the proposed
15 FCA rates and tariff revisions discussed earlier in this
16 Application. Exhibit A also includes the proposed changes to
17 Schedule 175 in strike/underline format.

18 Residential customers using an average of 63 therms per
19 month would see their monthly bills decrease from \$48.31 to
20 \$46.27, a decrease of \$2.04 per month, or 4.2%.

21

1 **IX. COMMUNICATIONS AND SERVICE OF APPLICATION**

2 In conformance with RP 125, this Application will be
3 brought to the attention of the Company's customers. First,
4 the Company has served a copy of this Application upon the
5 service list in Case Nos. AVU-E-15-05 and AVU-G-15-01, the
6 cases that gave rise to the FCA mechanisms. Second, a copy
7 of Company's news release and customer notice is provided as
8 Attachment D. The news release will be issued on July 2,
9 2018, and the customer notice will be inserted in customer
10 bills starting on or about July 9, 2018, and run for a full
11 billing cycle.

12
13 **X. REQUEST FOR RELIEF**

14 The Company requests that the Commission issue an order
15 approving recovery of FCA deferrals for the period January 1,
16 2017 through December 31, 2017, and approve a per therm FCA
17 rebate rate of -0.766¢ for the Residential Group, and a per
18 therm FCA rebate rate of -1.067¢ for the Non-Residential
19 Group, both to become effective November 1, 2018. The Company
20 also requests that the Commission approve the proposed tariff
21 modifications to tariff Sheet 175. The Residential Group
22 rebate represents a \$1.9 million, or 4.2%, decrease to
23 Schedule 101 customers, and the Non-Residential Group rebate

1 represents a \$0.7 million, or 5.5%, decrease to Schedule 111
2 and 112 customers. The Company requests that the matter be
3 processed under the Commission's Modified Procedure rules
4 through the use of written comments.

5 Dated at Spokane, Washington this 29th day of June 2018.

6

AVISTA CORPORATION

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8

9

10

BY 

Patrick D. Ehrbar

Director of Regulatory Affairs

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Patrick D. Ehrbar, being first duly sworn on oath, deposes and says: That he is the Director of Regulatory Affairs for Avista Corporation and makes this verification for and on behalf of said corporation, being thereto duly authorized;

going filing, knows the contents
ne to be true.

Sable

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



11/23/2021

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

AVISTA UTILITIES

CASE NO. AVU-G-18-__

EXHIBIT A

**Tariff Sheets – Proposed, Strikethrough and Underline
Natural Gas Service**

June 29, 2018

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS

PURPOSE:

This Schedule establishes balancing accounts and implements an annual Fixed Cost Adjustment ("FCA") rate mechanism that separates the recovery of the Company's Commission authorized revenues from therm sales to customers served under the applicable natural gas service schedules.

TERM:

The term of the FCA mechanism is four years, effective January 1, 2016 through December 31, 2019.

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This schedule shall be applicable to all retail customers taking service under Schedules 101, 111, and 112. This Schedule does not apply to Schedules 131/132 (Interruptible Service), Schedule 146 (Transportation Service For Customer-Owned Gas) or Schedule 148 (Special Contracts). Applicable Customers will be segregated into two (2) distinct Rate Groups:

Group 1 – Schedule 101

Group 2 – Schedules 111 and 112

Note – the recovery of incremental revenue related to fixed production and underground storage costs will be excluded for new natural gas customers added after the FCA Base test year.

MONTHLY RATE:

Group 1 – (\$0.00766) per therm

Group 2 – (\$0.01067) per therm

Issued June 29, 2018

Effective November 1, 2018

Issued by Avista Corporation

By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS

PURPOSE:

This Schedule establishes balancing accounts and implements an annual Fixed Cost Adjustment ("FCA") rate mechanism that separates the recovery of the Company's Commission authorized revenues from therm sales to customers served under the applicable natural gas service schedules.

TERM:

The term of the FCA mechanism is ~~three~~ years, effective January 1, 2016 through December 31, 2018.

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This schedule shall be applicable to all retail customers taking service under Schedules 101, 111, and 112. This Schedule does not apply to Schedules 131/132 (Interruptible Service), Schedule 146 (Transportation Service For Customer-Owned Gas) or Schedule 148 (Special Contracts). Applicable Customers will be segregated into two (2) distinct Rate Groups:

Group 1 – Schedule 101

Group 2 – Schedules 111 and 112

Note – the recovery of incremental revenue related to fixed production and underground storage costs will be excluded for new natural gas customers added after January 1, 2015.

MONTHLY RATE:

Group 1 – ~~\$0.02466~~ per therm

Group 2 – ~~\$0.01615~~ per therm

Issued June 30, 2017

Effective November 1, 2017

Issued by Avista Corporation

By

Kelly Norwood, Vice President, State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 175
FIXED COST ADJUSTMENT MECHANISM – NATURAL GAS

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Group 1 – (\$0.00766) per therm

Group 2 – (\$0.01067) per therm

Issued June 29, 2018

Effective November 1, 2018

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

AVISTA UTILITIES

CASE NO. AVU-G-18-__

EXHIBIT B

**FCA Rate Calculation
November 1, 2018 – October 31, 2019
Natural Gas Service**

June 29, 2018

Avista Utilities
Calculation of Fixed Cost Adjustment (FCA) Surcharge or Rebate Amortization Rates
Effective November 1, 2018 - October 31, 2019

Idaho Residential Natural Gas

Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		-0.00759	1.00%	
2	Oct-18	(\$460,936)		
3	Nov-18	(\$404,507)	(\$360)	7,479,864
4	Dec-18	(\$320,980)	(\$302)	11,041,248
5	Jan-19	(\$241,756)	(\$234)	10,465,583
6	Feb-19	(\$179,795)	(\$176)	8,184,125
7	Mar-19	(\$125,562)	(\$127)	7,159,800
8	Apr-19	(\$90,660)	(\$90)	4,608,906
9	May-19	(\$70,002)	(\$67)	2,729,731
10	Jun-19	(\$58,652)	(\$54)	1,501,881
11	Jul-19	(\$49,059)	(\$45)	1,269,456
12	Aug-19	(\$40,694)	(\$37)	1,106,725
13	Sep-19	(\$29,829)	(\$29)	1,434,843
14	Oct-19	(\$1,535)	(\$13)	3,728,406
15	Annual Total		(\$1,535)	60,710,567
16	Incremental Rate to Recover Estimated Interest		(\$0.00003)	
17	Estimated Rate to Recover Deferral Balance		(\$0.00759)	
18	Rate before Gross-up for Revenue-related items		(\$0.00762)	
19	Times: Gross-up for Revenue-related items (3)		1.005812	
20	Preliminary Proposed FCA Rate		(\$0.00766)	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed FCA Rate		(\$0.00766)	Rebate Rate
23	Adjusted for Revenue Related Expenses		(\$0.00762)	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$0	

Notes

- (1) Deferral balance at the end of the month, Rate of -\$0.00759 to recover the October 2017 balance of -\$460,936 over 12 months. See page 2 of Exhibit B for October 2018 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the present IPUC Consumer Deposit rate. The IPUC Consumer Deposit rate is updated annually.
<http://www.puc.idaho.gov/gas/33936.pdf>
- (3) AVU-G-15-01 conversion factor, see page 7 of Exhibit B.
- (4) See page 6 of Exhibit B for 3% test adjustment calculations.
- (5) See page 2 of Exhibit B for estimated carryover balance calculations.

Idaho Residential Natural Gas

Calculate Estimated Monthly Balances through October 2018

Line No.		Ending Balance	Consumer Deposit	
			Interest Rate	Amortization
			1.00%	
1	Dec-17	(\$1,636,265)		
4	Jan-18	(\$1,637,629)	(\$1,364)	
5	Feb-18	(\$1,638,993)	(\$1,365)	
6	Mar-18	(\$1,640,359)	(\$1,366)	
7	Apr-18	(\$1,641,726)	(\$1,367)	
8	May-18	(\$1,643,094)	(\$1,368)	
9	Jun-18	(\$1,644,463)	(\$1,369)	
10	Jul-18	(\$1,645,834)	(\$1,370)	
11	Aug-18	(\$1,647,205)	(\$1,372)	
12	Sep-18	(\$1,648,578)	(\$1,373)	
13	Oct-18	(\$1,649,952)	(\$1,374)	
14	prior year carryover	\$ 1,189,016		
15	Nov-18	(\$405,323)	(\$1,351)	(\$56,965)
16	Dec-18	(\$321,538)	(\$303)	(\$84,087)
17	Jan-19	(\$242,070)	(\$235)	(\$79,703)
18	Feb-19	(\$179,917)	(\$176)	(\$62,328)
19	Mar-19	(\$125,517)	(\$127)	(\$54,527)
20	Apr-19	(\$90,507)	(\$90)	(\$35,100)
21	May-19	(\$69,785)	(\$67)	(\$20,789)
22	Jun-19	(\$58,400)	(\$53)	(\$11,438)
23	Jul-19	(\$48,777)	(\$45)	(\$9,668)
24	Aug-19	(\$40,386)	(\$37)	(\$8,429)
25	Sep-19	(\$29,487)	(\$29)	(\$10,927)
26	Oct-19	(\$1,106)	(\$13)	(\$28,395)
27	Total		(\$16,212)	(\$462,356)

Summary

28	2017 Deferred Revenue	(\$1,636,265)
29	Add Prior Year Carryover Balance	\$ 1,189,016
30	Add Interest through 10/31/2019	(\$16,212)
31	Add Revenue Related Expense Adj.	(\$1,581)
32	Total Requested Recovery	(\$465,043)
33	Customer Rebate Revenue	(\$465,043)
34	Carryover Deferred Revenue	\$0

Avista Utilities
Calculation of Fixed Cost Adjustment (FCA) Surcharge or Rebate Amortization Rates
Effective November 1, 2018 - October 31, 2019

Idaho Non-Residential Natural Gas

Line No.	Date	Unamortized Balance (1)	Interest (2)	Forecast Usage
1		-0.01057	1.00%	
2	Oct-18	(\$272,004)		
3	Nov-18	(\$237,197)	(\$212)	3,313,543
4	Dec-18	(\$197,979)	(\$181)	3,727,981
5	Jan-19	(\$158,962)	(\$149)	3,705,939
6	Feb-19	(\$129,987)	(\$120)	2,753,064
7	Mar-19	(\$102,393)	(\$97)	2,620,119
8	Apr-19	(\$83,829)	(\$78)	1,763,846
9	May-19	(\$71,424)	(\$65)	1,179,900
10	Jun-19	(\$60,907)	(\$55)	1,000,362
11	Jul-19	(\$50,225)	(\$46)	1,015,127
12	Aug-19	(\$37,790)	(\$37)	1,180,083
13	Sep-19	(\$24,751)	(\$26)	1,236,181
14	Oct-19	(\$1,076)	(\$11)	2,241,176
15	Annual Total		(\$1,076)	25,737,320
16	Incremental Rate to Recover Estimated Interest		(\$0.00004)	
17	Estimated Rate to Recover Deferral Balance		(\$0.01057)	
18	Rate before Gross-up for Revenue-related items		(\$0.01061)	
19	Times: Gross-up for Revenue-related items (3)		1.005812	
20	Preliminary Proposed FCA Rate		(\$0.01067)	
21	3% Test Rate Adjustment (4)		\$0.00000	
22	Final Proposed FCA Rate		(\$0.01067)	Rebate Rate
23	Adjusted for Revenue Related Expenses		(\$0.01061)	Amortization Rate
24	Estimated Carryover Balance due to 3% test (5)		\$0	

Notes

- (1) Deferral balance at the end of the month, Rate of -\$0.01057 to recover the October 2018 balance of -\$272,004 over 12 months. See page 4 of Exhibit B for October 2018 balance calculation.
- (2) Interest computed on average balance between beginning and end of month at the present IPUC Consumer Deposit rate. The IPUC Consumer Deposit rate is updated annually.
<http://www.puc.idaho.gov/gas/33936.pdf>
- (3) AVU-G-15-01 conversion factor, see page 7 of Exhibit B.
- (4) See page 6 of Exhibit B for 3% test adjustment calculations.
- (5) See page 2 of Exhibit B for estimated carryover balance calculations.

Idaho Non-Residential Natural Gas
Calculate Estimated Monthly Balance through October 2018

Line No.		Ending Balance	Consumer Deposit	
			Interest Rate	Amortization
			1.00%	
1	Dec-17	(\$377,623)		
4	Jan-18	(\$377,938)	(\$315)	
5	Feb-18	(\$378,253)	(\$315)	
6	Mar-18	(\$378,568)	(\$315)	
7	Apr-18	(\$378,883)	(\$315)	
8	May-18	(\$379,199)	(\$316)	
9	Jun-18	(\$379,515)	(\$316)	
10	Jul-18	(\$379,831)	(\$316)	
11	Aug-18	(\$380,148)	(\$317)	
12	Sep-18	(\$380,465)	(\$317)	
13	Oct-18	(\$380,782)	(\$317)	
14	prior year carryover	\$ 108,778		
15	Nov-18	(\$237,156)	(\$303)	(\$35,151)
16	Dec-18	(\$197,789)	(\$181)	(\$39,548)
17	Jan-19	(\$158,624)	(\$148)	(\$39,314)
18	Feb-19	(\$129,538)	(\$120)	(\$29,205)
19	Mar-19	(\$101,839)	(\$96)	(\$27,795)
20	Apr-19	(\$83,205)	(\$77)	(\$18,711)
21	May-19	(\$70,752)	(\$64)	(\$12,517)
22	Jun-19	(\$60,195)	(\$55)	(\$10,612)
23	Jul-19	(\$49,471)	(\$46)	(\$10,769)
24	Aug-19	(\$36,989)	(\$36)	(\$12,519)
25	Sep-19	(\$23,900)	(\$25)	(\$13,114)
26	Oct-19	(\$135)	(\$10)	(\$23,775)
27	Total		(\$4,320)	(\$273,030)

Summary

28	2017 Deferred Revenue	(\$377,623)
29	Add Prior Year Carryover Balance \$	108,778
30	Add Interest through 10/31/2019	(\$4,320)
31	Add Revenue Related Expense Ad	(\$1,452)
32	Total Requested Recovery	(\$274,617)
33	Customer Rebate Revenue	(\$274,617)
34	Carryover Deferred Revenue	\$0

Avista Utilities
Decoupling Mechanism Prior Surcharge or Rebate Amortization
Effective November 1, 2017 - October 31, 2018

Residential Natural Gas Surcharge

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	June - October Forecast Usage
1	Nov-17	\$ 2,626,654.00	\$2,114.67	\$ (178,091.17)	\$ 2,450,677.50	1.00%	
2	Dec-17	\$ 2,450,677.50	\$1,931.34	\$ (266,140.83)	\$ 2,186,468.01	1.00%	
3	Jan-18	\$ 2,186,468.01	\$1,731.93	\$ (216,303.16)	\$ 1,971,896.78	1.00%	
4	Feb-18	\$ 1,971,896.78	\$1,549.03	\$ (226,110.71)	\$ 1,747,335.10	1.00%	
5	Mar-18	\$ 1,747,335.10	\$1,380.37	\$ (181,771.34)	\$ 1,566,944.13	1.00%	
6	Apr-18	\$ 1,566,944.13	\$1,254.45	\$ (123,217.82)	\$ 1,444,980.76	1.00%	
7	May-18	\$ 1,444,980.76	\$1,188.22	\$ (38,245.19)	\$ 1,407,923.79	1.00%	
8	Jun-18	\$ 1,407,923.79	\$1,156.66	\$ (39,874.59)	\$ 1,369,205.86	1.00%	1,626,207
9	Jul-18	\$ 1,369,205.86	\$1,128.55	\$ (29,897.81)	\$ 1,340,436.60	1.00%	1,219,323
10	Aug-18	\$ 1,340,436.60	\$1,106.42	\$ (25,465.15)	\$ 1,316,077.87	1.00%	1,038,546
11	Sep-18	\$ 1,316,077.87	\$1,081.50	\$ (36,553.98)	\$ 1,280,605.39	1.00%	1,490,782
12	Oct-18	\$ 1,280,605.39	\$1,028.58	\$ (92,618.33)	\$ 1,189,015.64	1.00%	3,777,256

Non-Residential Natural Gas Surcharge

Line No.	Date	Regulatory Asset Beginning Balance	Interest	Amortization	Regulatory Asset Ending Balance	Interest Rate	June - October Forecast Usage
13	Nov-17	\$ 500,253.00	\$400.09	\$ (40,286.58)	\$ 460,366.51	1.00%	
14	Dec-17	\$ 460,366.51	\$360.02	\$ (56,682.80)	\$ 404,043.73	1.00%	
15	Jan-18	\$ 404,043.73	\$318.20	\$ (44,396.53)	\$ 359,965.40	1.00%	
16	Feb-18	\$ 359,965.40	\$278.97	\$ (50,408.55)	\$ 309,835.82	1.00%	
17	Mar-18	\$ 309,835.82	\$240.29	\$ (42,966.99)	\$ 267,109.12	1.00%	
18	Apr-18	\$ 267,109.12	\$209.00	\$ (32,610.07)	\$ 234,708.05	1.00%	
19	May-18	\$ 234,708.05	\$187.85	\$ (18,577.15)	\$ 216,318.75	1.00%	
20	Jun-18	\$ 216,318.75	\$173.02	\$ (17,394.12)	\$ 199,097.65	1.00%	1,083,071
21	Jul-18	\$ 199,097.65	\$158.97	\$ (16,671.28)	\$ 182,585.34	1.00%	1,038,062
22	Aug-18	\$ 182,585.34	\$143.98	\$ (19,626.69)	\$ 163,102.63	1.00%	1,222,085
23	Sep-18	\$ 163,102.63	\$128.13	\$ (18,681.93)	\$ 144,548.83	1.00%	1,163,258
24	Oct-18	\$ 144,548.83	\$105.51	\$ (35,876.80)	\$ 108,777.54	1.00%	2,233,923

Avista Utilities
Fixed Cost Adjustment (FCA) 3% Test
2017 Idaho Natural Gas Deferrals

Line No.		Residential	Non-Residential	Total
1	Revenue From 2017 Normalized Loads and Customers at Present Billing Rates (Note 1)	\$46,440,055	\$12,433,282	\$58,873,337
2	November 2018 - October 2019 Usage	60,710,567	25,737,320	
3	Proposed FCA Recovery Rates	-\$0.00766	-\$0.01067	
4	Present FCA Recovery Rates	\$0.02466	\$0.01615	
5	Incremental FCA Recovery Rates	-\$0.03232	-\$0.02682	
6	Incremental FCA Recovery	(\$1,962,166)	(\$690,275)	(\$2,652,440)
7	Incremental Surcharge %	-4.23%	-5.55%	
8	3% Test Adjustment (2)	\$0	\$0	\$0
9	3% Test Rate Adjustment	\$0.00000	\$0.00000	
10	Adjusted Proposed FCA Recovery Rates	-\$0.00766	-\$0.01067	
11	Adjusted Incremental FCA Recovery	(\$1,962,166)	(\$690,275)	(\$2,652,440)
12	Adjusted Incremental Surcharge %	-4.23%	-5.55%	

Notes

(1) Total 2017 weather normalized billing determinants priced at the billing rates effective 06/01/2018.

(2) The carryover balances will differ from the 3% adjustment amounts due to the revenue related expense gross up partially offset by additional interest on the outstanding balance during the amortization period.

AVISTA UTILITIES
Revenue Conversion Factor
Idaho - Natural Gas System
TWELVE MONTHS ENDED DECEMBER 31, 2014

Line No.	Description	Factor	
1	Revenues	1.000000	1.000000
	Expense:		
2	Uncollectibles	0.003407	0.003407
3	Commission Fees	0.002371	0.002371
4	Idaho State Income Tax	0.048695	
5	Total Expense	0.054473	0.005778
6	Net Operating Income Before FIT	0.945527	0.994222
7	Federal Income Tax @ 35%	0.330934	
8	REVENUE CONVERSION FACTOR	0.614593	0.994222
	AVU-G-15-01 Settlement Conversion Factor		
9	Gross Up Factor		1.005812

Avista Utilities
Idaho Jurisdiction
2018 Decoupling Schedule 175 Filing
Natural Gas Service

Type of Service	Schedule Number	Decoupling Billing Determinants	Present Decoupling Rate	Present Decoupling Revenue	Proposed Decoupling Decrease	Proposed Decoupling Revenue	Proposed Decoupling Rate	Incremental Rate change	Present Billing Revenue
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
General Service	101	60,710,567	\$ 0.02466	\$ 1,497,123	\$ (1,962,166)	\$ (465,043)	\$ (0.00766)	\$ (0.03232)	\$ 46,440,055
Large General Service	111/112	25,737,320	\$ 0.01615	\$ 415,658	\$ (690,275)	\$ (274,617)	\$ (0.01067)	\$ (0.02682)	\$ 12,433,282
Interruptible Service	131/132	0	\$ 0.01615	\$ -	\$ -	\$ -	\$ (0.01067)	\$ (0.02682)	\$ -
Excluded Schedules	146/147/159	N/A							\$ 558,267
Total		86,447,887		\$ 1,912,780	\$ (2,652,440)	\$ (739,660)			\$ 59,431,604
Non-Residential Group Subtotal		25,737,320		415,658	(690,275)	(274,617)			\$ 12,433,282

Average Residential Bill			@63 therms
Basic Charge	\$6.00		\$6.00
Per Therm	\$0.67166		\$42.31
Residential Bill at 6/1/2018 rates			\$48.31
Proposed rate change	\$ (0.03232)		(\$2.04)
Residential Bill at Proposed rates			\$46.27
Proposed Percent Increase			-4.22%

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

AVISTA UTILITIES

CASE NO. AVU-G-18-__

EXHIBIT C

**FCA 2017 Deferred Revenue Calculation
Natural Gas Service**

June 29, 2018

Avista Utilities
Natural Gas Fixed Cost Adjustment Mechanism (Idaho)
Development of Natural Gas Deferrals (Calendar Year 2017)
AVU-G-15-01 FCA Base - Rates Effective 1/1/2016

Line No.	Source	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 YTD Total
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(s)
Residential Group														
1	Total Actual Billed Customers	79,942	79,924	80,012	79,995	79,923	80,011	80,115	80,326	80,523	80,844	81,251	81,401	964,267
2	Total Actual Usage (Therms)	12,030,330	8,205,105	7,018,804	4,807,641	2,613,794	1,233,197	1,087,844	986,275	1,445,438	4,795,103	7,458,718	10,866,998	63,549,247
3	Total Actual Base Rate Revenue	\$ 6,186,931	\$ 4,331,284	\$ 3,774,813	\$ 2,723,320	\$ 1,666,731	\$ 990,960	\$ 961,800	\$ 922,018	\$ 1,117,438	\$ 2,728,001	\$ 3,987,801	\$ 5,597,923	\$ 34,989,020
4	Total Actual Fixed Charge Revenue	\$ 421,632	\$ 421,576	\$ 422,315	\$ 422,681	\$ 422,633	\$ 423,841	\$ 423,651	\$ 424,665	\$ 425,355	\$ 426,699	\$ 428,006	\$ 429,181	\$ 5,092,236
Existing Customers														
7	Actual Customers on System During Test Year	76,070	75,938	75,914	75,755	75,566	75,469	75,392	75,461	75,558	75,680	75,802	75,788	908,393
8	Monthly Fixed Cost Adj. Revenue per Customer	\$56.04	\$48.88	\$42.77	\$24.66	\$16.04	\$10.18	\$6.35	\$6.24	\$7.56	\$23.79	\$47.79	\$61.06	\$29.33
9	Fixed Cost Adjustment Revenue	\$ 4,263,220	\$ 3,711,910	\$ 3,246,694	\$ 1,867,851	\$ 1,212,097	\$ 768,345	\$ 478,838	\$ 471,094	\$ 571,385	\$ 1,800,658	\$ 3,622,343	\$ 4,627,902	\$ 26,642,336
11	Actual Base Rate Revenue	\$ 5,901,730	\$ 4,105,302	\$ 3,585,147	\$ 2,574,562	\$ 1,560,693	\$ 929,021	\$ 912,460	\$ 875,709	\$ 1,064,647	\$ 2,627,906	\$ 3,788,329	\$ 5,312,365	\$ 33,237,872
12	Actual Fixed Charge Revenue	\$ 401,606	\$ 401,053	\$ 401,299	\$ 400,967	\$ 400,348	\$ 400,670	\$ 399,635	\$ 399,780	\$ 400,016	\$ 400,318	\$ 400,161	\$ 400,431	\$ 4,806,283
13	Actual Usage (Therms)	11,474,943	7,774,786	6,665,582	4,541,559	2,438,376	1,152,000	1,034,805	941,405	1,387,942	4,640,718	7,099,259	10,329,133	59,480,508
16	Customer Fixed Cost Adjustment Revenue	\$ 5,500,125	\$ 3,704,248	\$ 3,183,848	\$ 2,173,595	\$ 1,160,345	\$ 528,352	\$ 512,825	\$ 475,929	\$ 664,632	\$ 2,227,588	\$ 3,388,168	\$ 4,911,934	\$ 28,431,589
17	Residential Revenue Per Customer Received	\$72.30	\$48.78	\$41.94	\$28.69	\$15.36	\$7.00	\$6.80	\$6.31	\$8.80	\$29.43	\$44.70	\$64.81	\$31.30
18	Existing Customer Deferral - Surcharge (Rebate)	\$ (1,236,905)	\$ 7,662	\$ 62,846	\$ (305,744)	\$ 51,752	\$ 239,993	\$ (33,988)	\$ (4,835)	\$ (93,247)	\$ (426,930)	\$ 234,175	\$ (284,032)	\$ (1,789,253)
New Customers														
22	Actual Customers New Since Test Year	3,872	3,986	4,098	4,240	4,357	4,542	4,723	4,865	4,965	5,164	5,449	5,613	55,874
23	Monthly Fixed Cost Adj. Revenue per Customer	\$52.79	\$46.05	\$40.29	\$23.23	\$15.11	\$9.59	\$5.98	\$5.88	\$7.12	\$22.41	\$45.02	\$57.52	\$27.51
24	Fixed Cost Adjustment Revenue	\$ 204,420	\$ 183,543	\$ 165,103	\$ 98,483	\$ 65,836	\$ 43,561	\$ 28,258	\$ 28,611	\$ 35,370	\$ 115,744	\$ 245,295	\$ 322,881	\$ 1,537,105
25	Actual Base Rate Revenue	\$ 285,200	\$ 225,982	\$ 189,666	\$ 148,758	\$ 106,037	\$ 61,938	\$ 49,341	\$ 46,309	\$ 52,791	\$ 100,095	\$ 199,472	\$ 285,558	\$ 1,751,148
27	Actual Fixed Charge Revenue	\$ 20,026	\$ 20,522	\$ 21,017	\$ 21,714	\$ 22,285	\$ 23,171	\$ 24,017	\$ 24,885	\$ 25,340	\$ 26,381	\$ 27,845	\$ 28,750	\$ 285,954
28	Actual Usage (Therms)	555,387	430,319	353,222	266,082	175,418	81,197	53,039	44,870	57,496	154,385	359,459	537,865	\$ 3,068,739
31	Fixed Production and UG Storage Rate per Therm	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769	\$ 0.02769
32	Fixed Production and UG Storage Revenue	\$ 15,378	\$ 11,915	\$ 9,780	\$ 7,368	\$ 4,857	\$ 2,248	\$ 1,469	\$ 1,242	\$ 1,592	\$ 4,275	\$ 9,953	\$ 14,893	\$ 1,380,224
33	Customer Fixed Cost Adjustment Revenue	\$ 249,796	\$ 193,545	\$ 158,869	\$ 119,676	\$ 78,895	\$ 36,519	\$ 23,855	\$ 20,181	\$ 25,860	\$ 69,439	\$ 161,674	\$ 241,915	\$ 1,380,224
34	Residential Revenue Per Customer Received	\$64.51	\$48.56	\$38.77	\$28.23	\$18.11	\$8.04	\$5.05	\$4.15	\$5.21	\$13.45	\$29.67	\$43.10	\$24.70
35	New Customer Deferral - Surcharge (Rebate)	\$ (45,376)	\$ (10,002)	\$ 6,234	\$ (21,193)	\$ (13,059)	\$ 7,042	\$ 4,403	\$ 8,429	\$ 9,510	\$ 46,306	\$ 83,622	\$ 80,965	\$ 156,881
37	Total Residential Deferral - Surcharge (Rebate)	\$ (1,282,281)	\$ (2,340)	\$ 69,080	\$ (326,938)	\$ 38,692	\$ 247,035	\$ (29,585)	\$ 3,594	\$ (83,737)	\$ (380,624)	\$ 317,797	\$ (203,067)	\$ (1,632,373)
38	Deferral - Revenue Related Expenses	\$ 7,409	\$ 14	\$ (399)	\$ 1,889	\$ (224)	\$ (1,427)	\$ 171	\$ (21)	\$ 484	\$ 2,199	\$ (1,836)	\$ 1,173	\$ 9,432
39	Customer Deposit Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
40	Interest on Deferral	\$ (531)	\$ (1,064)	\$ (1,037)	\$ (1,145)	\$ (1,265)	\$ (1,148)	\$ (1,059)	\$ (1,070)	\$ (1,104)	\$ (1,298)	\$ (1,325)	\$ (1,278)	\$ (13,324)
41	Monthly Residential Deferral Totals	\$ (1,275,403)	\$ (3,390)	\$ 67,643	\$ (326,193)	\$ 37,204	\$ 244,460	\$ (30,473)	\$ 2,503	\$ (84,358)	\$ (379,722)	\$ 314,636	\$ (203,172)	\$ (1,636,265)
42														
43	Cumulative Residential Deferral (Rebate)/Surcharge	\$ (1,275,403)	\$ (1,278,793)	\$ (1,211,149)	\$ (1,537,342)	\$ (1,500,139)	\$ (1,255,679)	\$ (1,286,151)	\$ (1,283,648)	\$ (1,368,006)	\$ (1,747,728)	\$ (1,433,092)	\$ (1,636,265)	

Avista Utilities
Natural Gas Fixed Cost Adjustment Mechanism (Idaho)
Development of Natural Gas Deferrals (Calendar Year 2017)
AVU-G-15-01 FCA Base - Rates Effective 1/1/2016

Line No.	Source	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	2017 YTD Total
		(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(s)
Non-Residential Group														
(a)														
1	Revenue Reports	1,443	1,437	1,452	1,446	1,440	1,455	1,442	1,455	1,446	1,455	1,442	1,468	17,381
2	Total Actual Billed Customers	3,935,547	2,983,156	2,561,436	1,917,762	1,344,663	1,375,063	1,002,005	1,448,880	1,063,686	2,014,464	2,397,573	3,549,976	25,594,211
3	Revenue Reports	\$ 749,069	\$ 960,924	\$ 810,582	\$ 798,003	\$ 458,965	\$ 433,334	\$ 352,364	\$ 434,162	\$ 362,153	\$ 558,755	\$ 690,640	\$ 956,108	\$ 7,565,059
4	Total Actual Base Rate Revenue	\$ 145,525	\$ 145,408	\$ 146,358	\$ 145,975	\$ 145,515	\$ 146,872	\$ 145,495	\$ 146,863	\$ 146,049	\$ 147,330	\$ 146,484	\$ 149,083	\$ 1,756,958
5	Revenue Reports													
Existing Customers														
6	(1) - (22)													
7	Actual Customers on System During Test Year	1,409	1,400	1,411	1,407	1,401	1,414	1,401	1,409	1,401	1,410	1,392	1,415	16,870
8	Monthly Fixed Cost Adj. Revenue per Customer	\$502.94	\$448.14	\$403.10	\$278.75	\$200.50	\$210.35	\$148.84	\$175.32	\$153.93	\$332.26	\$411.65	\$478.17	\$312.07
9	Fixed Cost Adjustment Revenue	\$ 708,648	\$ 627,397	\$ 568,770	\$ 392,197	\$ 280,900	\$ 297,438	\$ 208,521	\$ 247,030	\$ 215,662	\$ 468,486	\$ 573,020	\$ 676,614	\$ 5,264,684
10	(7) x (8)													
11	Actual Base Rate Revenue	\$ 722,292	\$ 938,005	\$ 789,641	\$ 782,488	\$ 446,103	\$ 399,562	\$ 340,807	\$ 385,696	\$ 342,099	\$ 546,559	\$ 671,120	\$ 927,089	\$ 7,291,462
12	Actual Fixed Charge Revenue	\$ 137,502	\$ 138,021	\$ 140,404	\$ 142,093	\$ 141,586	\$ 142,943	\$ 141,416	\$ 142,732	\$ 142,020	\$ 143,073	\$ 140,374	\$ 142,770	\$ 1,694,933
13	Actual Usage (Therms)	3,849,239	2,910,773	2,495,124	1,868,881	1,305,775	1,225,216	966,754	1,220,375	987,178	1,982,493	2,345,030	3,465,417	24,622,254
14	(2) - (28)													
15	Customer Fixed Cost Adjustment Revenue	\$ 584,790	\$ 799,984	\$ 649,237	\$ 640,395	\$ 304,517	\$ 256,620	\$ 199,391	\$ 242,964	\$ 200,080	\$ 403,485	\$ 530,746	\$ 784,319	\$ 5,596,529
16	Non-Residential Revenue Per Customer Received	\$415.04	\$571.42	\$460.13	\$455.15	\$217.36	\$181.48	\$142.32	\$172.44	\$142.81	\$286.16	\$381.28	\$554.29	\$331.74
17	Existing Customer Deferral - Surcharge (Rebate)	\$ 123,858	\$ (172,587)	\$ (80,468)	\$ (248,198)	\$ (23,617)	\$ 40,819	\$ 9,131	\$ 4,065	\$ 15,582	\$ 65,001	\$ 42,274	\$ (107,706)	\$ (331,845)
18	(9) - (16)													
19	Revenue Reports													
20	(11) - (12) - (15)													
21	Customer Fixed Cost Adjustment Revenue	\$ 584,790	\$ 799,984	\$ 649,237	\$ 640,395	\$ 304,517	\$ 256,620	\$ 199,391	\$ 242,964	\$ 200,080	\$ 403,485	\$ 530,746	\$ 784,319	\$ 5,596,529
22	Non-Residential Revenue Per Customer	\$415.04	\$571.42	\$460.13	\$455.15	\$217.36	\$181.48	\$142.32	\$172.44	\$142.81	\$286.16	\$381.28	\$554.29	\$331.74
23	Existing Customer Deferral - Surcharge (Rebate)	\$ 123,858	\$ (172,587)	\$ (80,468)	\$ (248,198)	\$ (23,617)	\$ 40,819	\$ 9,131	\$ 4,065	\$ 15,582	\$ 65,001	\$ 42,274	\$ (107,706)	\$ (331,845)
24	(9) - (16)													
25	Revenue Reports													
26	Actual Base Rate Revenue	\$ 26,777	\$ 22,918	\$ 20,940	\$ 15,515	\$ 12,862	\$ 33,772	\$ 11,558	\$ 48,466	\$ 20,054	\$ 12,196	\$ 19,520	\$ 29,019	\$ 273,598
27	Actual Fixed Charge Revenue	\$ 8,023	\$ 7,387	\$ 5,954	\$ 3,882	\$ 3,929	\$ 3,929	\$ 4,079	\$ 4,131	\$ 4,030	\$ 4,257	\$ 6,110	\$ 6,313	\$ 62,026
28	Actual Usage (Therms)	86,308	72,383	66,312	48,881	38,888	149,848	35,251	228,505	76,508	31,971	52,543	84,559	971,957
29	(9) - (33)													
30	Page 1 wtd avg	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869
31	Fixed Production and UG Storage Rate per Therm	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869	\$ 0.02869
32	Customer Fixed Cost Adjustment Revenue	\$ 2,476	\$ 2,076	\$ 1,902	\$ 1,402	\$ 1,116	\$ 4,298	\$ 1,011	\$ 6,555	\$ 2,195	\$ 917	\$ 1,507	\$ 2,426	\$ 138,355
33	Customer Fixed Cost Adjustment Revenue	\$ 16,278	\$ 13,455	\$ 13,084	\$ 10,231	\$ 7,818	\$ 25,544	\$ 6,467	\$ 37,780	\$ 13,829	\$ 7,022	\$ 11,903	\$ 20,280	\$ 183,692
34	Non-Residential Revenue Per Customer Received	\$478.77	\$363.65	\$319.11	\$262.33	\$200.45	\$623.03	\$157.74	\$821.31	\$307.32	\$156.05	\$238.05	\$382.64	\$359.47
35	New Customer Deferral - Surcharge (Rebate)	\$ (1,444)	\$ 928	\$ 1,253	\$ (801)	\$ (1,035)	\$ (18,063)	\$ (1,174)	\$ (30,784)	\$ (7,821)	\$ 5,948	\$ 5,952	\$ 1,704	\$ (45,336)
36	(9) - (33)													
37	Total Non-Residential Deferral - Surcharge (Rebate)	\$ 122,414	\$ (171,659)	\$ (79,215)	\$ (248,998)	\$ (24,652)	\$ 22,756	\$ 7,957	\$ (26,719)	\$ 7,762	\$ 70,948	\$ 48,226	\$ (106,002)	\$ (377,181)
38	Rev Conv Factor	\$ (707)	\$ 992	\$ 458	\$ 1,439	\$ 142	\$ (131)	\$ (46)	\$ 154	\$ (45)	\$ (410)	\$ (279)	\$ 612	\$ 2,179
39	Customer Deposit Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
40	Interest on Deferral	\$ 51	\$ 30	\$ (74)	\$ (210)	\$ (323)	\$ (324)	\$ (312)	\$ (320)	\$ (328)	\$ (296)	\$ (246)	\$ (271)	\$ (2,621)
41	Monthly Non-Residential Deferral Totals	\$ 121,757	\$ (170,636)	\$ (78,831)	\$ (247,769)	\$ (24,832)	\$ 22,300	\$ 7,599	\$ (26,884)	\$ 7,389	\$ 70,243	\$ 47,701	\$ (105,600)	\$ (377,623)
42	(18) + (35)													
43	Cumulative Non-Residential Deferral (Rebate)/Surcharge	\$ 121,757	\$ (48,879)	\$ (127,710)	\$ (375,479)	\$ (400,311)	\$ (378,011)	\$ (370,412)	\$ (397,296)	\$ (389,907)	\$ (319,664)	\$ (271,963)	\$ (377,623)	
44	Total Cumulative Deferral	\$ (1,153,646)	\$ (1,327,672)	\$ (1,338,859)	\$ (1,912,821)	\$ (1,900,450)	\$ (1,633,690)	\$ (1,656,563)	\$ (1,680,944)	\$ (1,757,913)	\$ (2,067,393)	\$ (1,705,056)	\$ (2,013,888)	

Avista Utilities
Natural Gas Fixed Cost Adjustment Mechanism (Idaho)
Development of Fixed Cost Adjustment Revenue by Rate Schedule - Natural Gas
AVU-G-15-01 Rates Effective 1/1/2016

	TOTAL	GENERAL SERVICE SCHEDULE 101	LARGE GENERAL SERVICE SCH. 111/112	OTHER SERVICE SCHEDULES
1 Total Normalized Test Year Revenue	\$ 36,274,000	\$ 29,140,000	\$ 6,625,000	\$ 509,000
2 Proposed Revenue Increase	\$ 2,500,000	\$ 2,231,000	\$ 246,000	\$ 23,000
3 Total Base Rate Revenue (January 1, 2016)	\$ 38,774,000	\$ 31,371,000	\$ 6,871,000	\$ 532,000
4 Normalized Therms (Test Year)	119,606,640	55,714,011	22,947,786	40,944,843
5 WACOG Rate Embedded in Base Rates	\$ -	\$ -	\$ -	\$ -
6 Variable Gas Cost Revenue (Ln 4 * Ln 5)	\$ -	\$ -	\$ -	\$ -
6A Fixed Production and Underground Storage (New Customers Only)	\$ 0.02769	\$ 0.02769	\$ 0.03000	
6B Fixed Production and Underground Storage (New Customers Only)	\$ 2,288,089	\$ 1,542,686	\$ 688,403	\$ 57,000
7 Subtotal (Ln 3 - Ln 6)	\$ 38,242,000	\$ 31,371,000	\$ 6,871,000	Excluded From
7A Subtotal (Ln 3 - Ln 6 - Ln 6B)	\$ 36,010,911	\$ 29,828,314	\$ 6,182,597	Fixed Cost
8 Customer Bills (Test Year)	925,130	908,483	16,647	Adjustment
9 Proposed Fixed Charges	\$ 5.25	\$ 5.25	\$ 100.75	
10 Fixed Charge Revenue (Ln 8 * Ln 9)	\$ 6,446,721	\$ 4,769,536	\$ 1,677,185	
11 Fixed Cost Adjustment Revenue (Ln 7 - Ln 10)	\$ 31,795,279	\$ 26,601,464	\$ 5,193,815	
11A Fixed Cost Adjustment Revenue (Ln 7A - Ln 10)	\$ 29,564,190	\$ 25,058,778	\$ 4,505,412	
12 Average Number of Customers (Line 8 / 12)		Residential	Non-Residential Group	
13 Annual kWh		75,707	1,387	
14 Basic Charge Revenues		55,714,011	22,947,786	
15 Customer Bills		4,769,536	1,677,185	
16 Average Basic Charge		908,483	16,647	
		\$5.25	\$100.75	

Avista Utilities
Natural Gas Fixed Cost Adjustment Mechanism (Idaho)
Development of Annual Fixed Cost Adjustment Revenue Per Customer - Natural Gas
AVU-G-15-01 Rates Effective 1/1/2016

Line No.	(a)	Source	Residential	Non-Residential Schedules*
		(b)	(c)	(d)
<u>Existing Customer FCA</u>				
1	Fixed Cost Adjustment Revenue	Page 1	\$ 26,601,464	\$ 5,193,815
2	Test Year Number of Customers	Revenue Data	75,707	1,387
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 351.37	\$ 3,743.96
<u>New Customer FCA</u>				
1	Fixed Cost Adjustment Revenue	Page 1	\$ 25,058,778	\$ 4,505,412
2	Test Year Number of Customers	Revenue Data	75,707	1,387
3	Fixed Cost Adjustment Revenue Per Customer	(1) / (2)	\$ 331.00	\$ 3,247.73

* Schedules 111 and 112.

AVISTA UTILITIES
Company Settlement Summary by Function with Margin Analysis
Case For the Year Ended December 31, 2014

Natural Gas Utility
Idaho Jurisdiction

	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(j)	(k)
					System	Residential	Large Firm	Interrupt	Transport
Line	Description	Total	Sch 101	Sch 111	Sch 131	Sch 146			
Functional Cost Components at Current Rates									
1	Production	337,031	235,918	97,171	1,399	2,542			
2	Underground Storage	1,746,119	1,135,497	561,698	5,600	43,324			
3	Distribution	24,249,668	19,367,003	4,614,046	46,393	222,226			
4	Common	9,840,181	8,401,406	1,352,211	14,204	72,360			
5	Total Current Rate Revenue	36,173,000	29,139,824	6,625,127	67,596	340,452			
6	Exclude Cost of Gas w / Revenue Exp.	0	0	0	0	0			
7	Total Margin Revenue at Current Rates	36,173,000	29,139,824	6,625,127	67,596	340,452			
Margin per Therm at Current Rates									
8	Production	\$0.00413	\$0.00423	\$0.00423	\$0.00423	\$0.00094			
9	Underground Storage	\$0.02137	\$0.02038	\$0.02448	\$0.01695	\$0.01600			
10	Distribution	\$0.29681	\$0.34761	\$0.20107	\$0.14042	\$0.08207			
11	Common	\$0.12044	\$0.15080	\$0.05893	\$0.04299	\$0.02672			
12	Total Current Margin Melded Rate per Therm	\$0.44275	\$0.52303	\$0.28870	\$0.20459	\$0.12574			
Functional Cost Components at Uniform Current Return									
13	Production	337,031	235,918	97,171	1,399	2,542			
14	Underground Storage	1,689,279	1,231,419	416,370	5,255	36,235			
15	Distribution	24,223,976	20,296,739	3,685,561	44,149	197,526			
16	Common	9,922,715	8,625,255	1,215,502	13,913	68,045			
17	Total Uniform Current Cost	36,173,000	30,389,331	5,414,605	64,716	304,348			
18	Exclude Cost of Gas w / Revenue Exp.	0	0	0	0	0			
19	Total Uniform Current Margin	36,173,000	30,389,331	5,414,605	64,716	304,348			
Margin per Therm at Uniform Current Return									
20	Production	\$0.00413	\$0.00423	\$0.00423	\$0.00423	\$0.00094			
21	Underground Storage	\$0.02068	\$0.02210	\$0.01814	\$0.01590	\$0.01338			
22	Distribution	\$0.29650	\$0.36430	\$0.16061	\$0.13363	\$0.07295			
23	Common	\$0.12145	\$0.15481	\$0.05297	\$0.04211	\$0.02513			
24	Total Current Uniform Margin Melded Rate per Therm	\$0.44275	\$0.54545	\$0.23595	\$0.19587	\$0.11240			
25	Margin to Cost Ratio at Current Rates	1.00	0.96	1.22	1.04	1.12			
Functional Cost Components at Proposed Rates									
26	Production	337,031	235,918	97,171	1,399	2,542			
27	Underground Storage	1,951,059	1,306,768	591,232	6,200	46,859			
28	Distribution	26,114,616	21,027,055	4,802,732	50,288	234,541			
29	Common	10,270,295	8,801,083	1,379,992	14,709	74,511			
30	Total Proposed Rate Revenue	38,673,000	31,370,824	6,871,127	72,596	358,452			
31	Exclude Cost of Gas w / Revenue Exp.	0	0	0	0	0			
32	Total Margin Revenue at Proposed Rates	38,673,000	31,370,824	6,871,127	72,596	358,452			
Margin per Therm at Proposed Rates									
33	Production	\$0.00413	\$0.00423	\$0.00423	\$0.00423	\$0.00094			
34	Underground Storage	\$0.02388	\$0.02345	\$0.02576	\$0.01876	\$0.01731			
35	Distribution	\$0.31964	\$0.37741	\$0.20929	\$0.15221	\$0.08662			
36	Common	\$0.12571	\$0.15797	\$0.06014	\$0.04452	\$0.02752			
37	Total Proposed Margin Melded Rate per Therm	\$0.47335	\$0.56307	\$0.29942	\$0.21973	\$0.13238			
Functional Cost Components at Uniform Proposed Return									
38	Production	337,031	235,918	97,171	1,399	2,542			
39	Underground Storage	1,903,251	1,387,397	469,110	5,920	40,825			
40	Distribution	26,093,052	21,808,556	4,022,507	48,472	213,517			
41	Common	10,339,666	8,989,242	1,265,112	14,474	70,838			
42	Total Uniform Proposed Cost	38,673,000	32,421,113	5,853,900	70,265	327,722			
43	Exclude Cost of Gas w / Revenue Exp.	0	0	0	0	0			
44	Total Uniform Proposed Margin	38,673,000	32,421,113	5,853,900	70,265	327,722			
Margin per Therm at Uniform Proposed Return									
45	Production	\$0.00413	\$0.00423	\$0.00423	\$0.00423	\$0.00094			
46	Underground Storage	\$0.02330	\$0.02490	\$0.02044	\$0.01792	\$0.01508			
47	Distribution	\$0.31938	\$0.39144	\$0.17529	\$0.14671	\$0.07886			
48	Common	\$0.12656	\$0.16135	\$0.05513	\$0.04381	\$0.02616			
49	Total Proposed Uniform Margin Melded Rate per Therm	\$0.47335	\$0.58192	\$0.25510	\$0.21267	\$0.12104			
50	Margin to Cost Ratio at Proposed Rates	1.00	0.97	1.17	1.03	1.09			
51	Current Margin to Proposed Cost Ratio	0.94	0.90	1.13	0.96	1.04			