

AVISTA CORPORATION
dba Avista Utilities

WASHINGTON
RULES AND REGULATIONS - continued

5. DEFINITIONS: - continued

5.2 Premises:

The term "premises" as used in the Company's Rules and Regulations shall mean each building, structure, dwelling or residence of the Customer. If the Customer uses several buildings or structures in the operation of a single integrated commercial, industrial, or institutional enterprise, the Company, on request of the Customer, shall consider all such buildings or structures that are in proximity to each other to be the premises, even though intervening ownerships or public thoroughfares exist. In such instances, the Customer shall own and be responsible for the installation, operation, and maintenance of all electric facilities on the Customer's side of the point of delivery to all structures constituting such premises including the responsibility for obtaining the rights-of-way, permits, governmental licenses or other approvals. Should the Company find that undue hardship could result from such a Customer owning electric facilities on the Customer's side of the point of delivery, the Company may, pursuant to a rental arrangement, provide, own, and maintain such facilities which will be comprised of only regular inventory items of the Company. If it becomes necessary for the Company to abandon any of its electric facilities due to several buildings or structures becoming the premises, the Customer may be required to pay for the investment in such facilities less net salvage.

5.3 Basis of Rates:

The Company's rates are based upon, and are applicable to, the furnishing of electric service to a Customer at a single point of delivery on its premises, through a single meter installation, at a single voltage and phase classification unless otherwise specifically provided in the rate schedule or contract.

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5.4 Electric Service - Energy - Demand:

Electric service is the availability of electric power (demand) and energy at the point of delivery in the form and for the purpose specified in the service agreement, irrespective of whether said power and energy is actually utilized by the Customer. Electric energy delivered will be measured in kilowatt hours (kWh). "Demand" is the maximum rate measured in kilowatts (kW) registered over a 15-minute period, except as otherwise provided, at which electric energy is taken during a month.

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RULES AND REGULATIONS - continued

5. DEFINITIONS: - continued

5.5 Point of Delivery:

The "point of delivery" shall be the location, designated by the Company, on the Customer's premises, where the "Company's Service Conductors" and the "Customer's Service Entrance" conductors are connected at a common point in such manner to permit the use of a Company single meter installation. Service supplied to the same Customer at other points of delivery, or premises, or at a different voltage or phase classification shall be separately metered and billed as a separate rate application. The Company will not add, totalize, telemeter, or otherwise combine the meter readings for separate and distinct premises for measuring electric service or for the application of a rate schedule or schedules.

6. APPLICATION AND AGREEMENT FOR SERVICE:

Each prospective Customer desiring electric service may be required to complete the Company's standard form of application for service or other form of agreement before service is supplied by the Company.

An application for service shall be deemed to be a notice that the applicant desires service from the Company as a Customer and represents its agreement to comply with the Company's Rules and Regulations on file with the Commission and in effect at the time service is furnished. In the absence of a signed application or agreement for service, the delivery of electric service and the taking thereof by the Customer shall be deemed to constitute an agreement by and between the Company and the Customer for the delivery and acceptance of service under the applicable rate schedule or schedules and said Rules and Regulations.

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The Company will provide to its Customers at time of application for service and thereafter such information relative to its rates, rules and regulations as may from time to time be required by law or Commission rule and regulation.


All service shall be furnished under an agreement for a term of one year, at the option of the Company, or longer when so provided in the applicable rate schedule. When optional rate schedules are available, the Customer may not change from one rate schedule to another more frequently than once in any 12-month period.

For service in large volumes or received under unusual circumstances, the Company may require the Customer to execute a special written agreement.

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7. CUSTOMER'S SERVICE ENTRANCE AND RELATED FACILITIES:

Customer shall provide a suitable service entrance facility to the premises to be served at the point specified by the Company which facility shall meet local, state and national code requirements. The Customer shall also provide a structurally sound point of attachment for the Company's service connections which will permit the clearance required for safety. All wiring and other distribution facilities on the Customer's side of the point of delivery shall be provided by the Customer and maintained and operated at its expense.

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The Customer shall furnish a convenient place, readily accessible without risk of bodily harm to the Company employees, free from vibration, corrosive atmosphere, and abnormal temperatures, in which to install the metering equipment. Usually residential meters will be installed on outside walls and all meter locations shall be approved by the Company. Relocation of meters to exterior walls, when requested by the Company, shall be at the Customer's expense.

The Customer shall exercise proper care to protect the Company's property on its premises. In the event of loss or damage to the Company's property, arising from neglect, carelessness or misuse by the Customer, its employees, servants, or agents, the cost of necessary repairs or replacements shall be paid by the Customer.

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8. ACCESS TO PREMISES:

The Customer shall grant all necessary permission to enable the Company to install and maintain the service on the premises of the Customer and to carry out its contract. The Company shall have the right through its agents, or other employees, to enter upon the premises of the Customer at all reasonable times for the purpose of installing, reading, inspecting, repairing, or removing the metering devices, facilities, and wiring of the Company. In the event the Customer is not the owner of the premises occupied, the Customer shall obtain such permission from the owner as the Company may require.

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9. REFUSAL OF SERVICE:

A. The Company will not connect service to a master meter in any new building with permanent occupants when:

- (1) There is more than one unit in such building;
- (2) The occupant of each such unit has control over a significant portion of the electric energy used in such unit; and
- (3) With respect to such portion of electric energy used in such unit, the long-run benefits of separate meters to the electric customers in such building exceed the cost of purchasing and installing separate meters in such building.

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9. REFUSAL OF SERVICE: - continued

B. The Company may refuse to connect an applicant for service or may refuse to render additional service to a customer when such service will adversely affect service being rendered to other customers, or where the applicant or customer has not complied with state, county, or municipal codes or regulations concerning the rendition of such service.

C. The Company may refuse to serve an applicant or a customer if, in its judgment, said applicant's or customer's installation of wiring or electrical equipment is hazardous or of such character that satisfactory service cannot be provided. In case equipment is installed which uses electric current intermittently, or with violent fluctuations which may interfere with normal service, the Company may require the Customer to provide, at its own expense, equipment that will limit such fluctuation. The Company reserves the right to refuse to supply service to loads of a character which may seriously impair service to any Customer and shall have the right to discontinue service to any Customer who shall continue to use appliances or apparatus detrimental to the service after being notified thereof by the Company.

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D. The installation of proper protective devices on the applicant's or customer's premises, at its expense, may be required whenever the utility deems such installation necessary to protect its property or that of its customers.

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E. The Company shall not be required to connect with or render service to an applicant unless and until it can secure all necessary rights-of-way, easements, and permits.

F. The Company may not be required to provide service if, to do so, it would be economically unfeasible or is not in accordance with Company line extension policies.

Nothing in these rules shall be construed as placing upon the Company any responsibility for the condition or maintenance of the Customer's wiring, current consuming devices or other equipment, and the Company shall not be held liable for any loss or damage resulting from defects in the Customer's installation and shall not be held liable for damage to persons or property arising from the use of the service on the premises of the Customer.


10. INCREASED USE:

In order to prevent damage to Company's equipment and impairment of its service, the customer shall notify the Company, in writing, in advance of all changes in equipment or usage which will materially affect the service to be rendered. Such notice shall be given within a reasonable time to permit the Company to provide necessary facilities and acquire additional power supply if required.

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12. ESTABLISHMENT OF CREDIT/DEPOSITS: - continued

(f) Demonstration that applicant is a satisfactory risk by appropriate means including, but not limited to, the production in person at a listed business office of two major credit cards, or other credit references, which may be quickly and easily checked by the utility.

(2) Non-Residential. Applicant may be required to demonstrate that it is a satisfactory credit risk by reasonable means appropriate under the circumstances.

B. Deposits

(1) Deposit Requirements. The Company may require a deposit under any of the following circumstances: provided, that during the winter period no deposit may be required of a customer who, in accordance with WAC 480-100-113 (5)(c), has notified the Company of inability to pay a security deposit and has satisfied the remaining requirements to qualify for a payment plan.

(a) Where the applicant has failed to establish a satisfactory credit history or otherwise demonstrate that it is a satisfactory credit risk, in the manner prescribed above;

(b) When, within the last 12 months an applicant's or customer's similar class of service has been disconnected for failure to pay amounts owing, to any gas or electric utility;

(c) There is an unpaid, overdue balance owing to any gas or electric utility for similar class of service;

(d) Three or more delinquency notices have been served upon the applicant or customer by any electric or gas company during the most recent 12 months;

(e) Initiation or continuation of service to a residence where a prior customer still resides and where any balance for such service to that prior customer is past due or owing to the Company.


(2) Amount of Deposit. In instance where the Company may require a deposit, the deposit shall not exceed two-twelfths of estimated annual billings.

(3) Transfer of Deposit. Where a customer of whom a deposit is required transfers service to a new location within the Company's service area, the deposit, plus accrued interest less any outstanding balance from the current account, shall be transferable and applicable to the new service location.

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RULES AND REGULATIONS - continued

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13. DISCONTINUANCE OF SERVICE:

A. By Customer/Notice

A Customer shall give notice to the Company of its intentions to discontinue service within seven calendar days thereof.

B. Grounds for Termination by Company

The Company reserves the right to discontinue service for any of the following reasons:

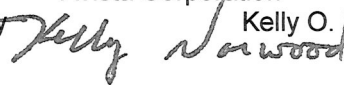
- (1) For nonpayment of delinquent bills for electric service, or for nonpayment of any other proper charges or installments, including deposits.
- (2) For the use of electricity for any property or purpose other than that described in the application for service.
- (3) Under the flat rate service, for addition to such property or fixtures, or increase in the use to be made of electricity without approval of the Company.
- (4) For tampering with any service wires, meter, seal, or any other facilities of the Company.
- (5) In case of vacation of premises by the Customer.
- (6) For use of equipment which adversely affects the Company's service to its other Customers.
- (7) For refusal of reasonable access to property to the owner or employee of the Company for the purpose of installing, inspecting

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13. DISCONTINUANCE OF SERVICE: - continued

(3) All notices of delinquency or pending disconnection shall detail procedures pertinent to the situation such as providing notice of means by which the Customer can make contact with the utility to resolve any differences or avail themselves of rights and remedies as set forth in WAC 480-100-173 (complaints and disputes). The Company shall accurately state amounts owing for service(s) which are subject to disconnection. A new notice will be provided in cases where information is incorrect.

(4) Before effecting disconnection of service, the Company will make a good faith effort to reach the Customer in person, by telephone or by additional mailed notice to advise the Customer of the pending disconnection.

(a) Where telephone contact is elected, at least two attempts to reach the Customer will be made during the Company's regular business hours. If a business or message telephone number is provided by the Customer, the Company will shall endeavor by that means to reach that Customer if unable to make contact through the Customer's home telephone. A log or record of the attempts shall be maintained a minimum of 90 days by the Company showing the telephone number called, the time of call, and details of the results of each attempt. When the Company has been unable to reach the Customer by telephone, a written notice shall be mailed a minimum of three business days prior to the intended date of disconnection.

(b) Where additional written notice is elected, disconnection shall not be permitted prior to 5:00 p.m. of the third business day following mailing of such notice. The day of mailing will not be considered the first day of the three-day notice period.

(c) Additional mailed notice, telephone attempts, or delivered notice shall not be a substitute for written notice of disconnection specified in C(1) of this subsection.

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(2) "Base Period" is the corresponding monthly billing cycle in a 12-month period ending the previous July 31.

E. The Base Period loads of Major Use Customers will be adjusted to take into account installed increase in normal load. Customers becoming Major Use Customers in the period after August 1 of the curtailment year by reason of increased usage shall have a Base Period load determined by the Company on the basis of the projected usage before curtailment.

F. The Base Period loads of customers other than Major Use Customers may be modified where additional load requirements have occurred and where such additional load cannot be avoided during the curtailment period. A customer desiring such modification shall notify the Company with description of reasons therefor.

G. Prior to implementing Step (7), the Company will establish the Base Period load for Major Use Customers in consultation with such customers, where required.

H. In the event a customer and the Company cannot agree on the Base Period load, the matter may be submitted by the customer to the Commission, and, pending final decision by the Commission, the Base Period load shall be that determined by the Company.

I. The percentage specified for mandatory curtailment under Step (7) may be increased or decreased as system conditions require.

J. If competent public authority determine that differing percentage curtailment should apply to different uses of power, the percentages provided for under Step (7) will be modified accordingly.

K. Any customer who considers that curtailment in accordance with the provisions of this rate schedule shall impose an unusual and excessive hardship upon it may present its reasons therefor, and a statement of the facts supporting such reasons, to the Commission.

L. Customers may schedule load curtailment in any period and in any manner to minimize economic costs, hardship or inconvenience, provided that the required load curtailment (if determined on other than a daily basis) shall be assured within each period, such period not to be longer than one month.

M. The Company shall have the right to inspect the customer's facilities and operating schedules to determine whether the customer has complied

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with load curtailment required under Steps (7) through (9). If a customer has not so complied and continues to fail to comply after receiving notice of noncompliance from the Company and adequate time to cure, the Company may discontinue service to such customer until it is assured that the customer will comply with directed load curtailment.

17. OPTIONAL PHASE AND VOLTAGE:

The Company will advise Customer of and supply it with the most suitable phase and voltage available upon established circuits. At the option of Company voltages in excess of the available distribution voltage may be supplied on request for Customers whose demands exceed 25 kw provided that only one voltage will be supplied to a Customer's premises.

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18. REACTIVE POWER (POWER FACTOR) ADJUSTMENT:

Where Customer's kilowatt demand is 50 kw or more and Customer's maximum 15 minute reactive kilovolt amperes demand for that month is in excess of 48% of the kw demand, Customer will pay 50¢ per month for each reactive kilovolt ampere of such excess. The reactive kilovolt ampere demand may be determined by permanently installed instruments or by tests at reasonable intervals. The Company may waive the application of this charge to the extent the reactive kilovolt ampere demand is due to Customer's compliance with North American Electric Reliability Corporation or Western Electricity Coordinating Council reliability standards and the Company's directives regarding Customer's operation of its generation.

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19. BALANCING OF LOAD:

Load unbalance shall not exceed 20% on single phase or 10% on three phase loads at any time on the various phase wires. On combined loads, single and three phase loads shall be measured separately.

20. LOW POWER FACTOR DEVICES:

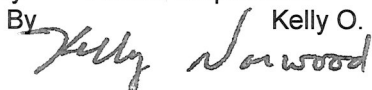
Installations of neon, fluorescent, mercury vapor lamps or tubes or other types of gaseous tube lamps shall be corrected by Customer so that such units or groups of units have a power factor of not less than 90% lagging. Where such correction is not made there will be an additional charge of \$1.00 per kva of installed capacity provided no charge will be made for uncorrected equipment of 1/10 kva or less.

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21. METER TEST PROCEDURES:

A. Reporting.

After December 31 of each year, meter test results will be prepared, analyzed and forwarded to the Commission. Retention and filing of records will be in accordance with WAC 480-100-228.

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B. Meter Records.

Meter history records are to be maintained in accordance with WAC 480-100-353.

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C. New Meters.

Each meter shipment will be inspected for mechanical damage. Meters found in damaged boxes will be tested, repaired and/or calibrated. If a meter shipment fails to pass inspection, every meter in the lot will be tested and calibrated or returned to the manufacturer, at the discretion of the Company. All costs for tests and/or calibration shall be borne by the manufacturer.

(1) Single phase and Network. A random sample of each meter shipment will also be selected in accordance with ANSI Z 1.0 MIL-STD-414 Part II (see Table 1). The "as received" sample will be tested with seals intact, where possible, and no meters will be adjusted during the test. The accuracy limits shall be from 99.5 to 100.5 percent at full load and from 99.2 to 100.8 percent at light load.

(2) Three phase. All meters will be tested "as received" from the manufacturer. The watt-hour meter shall be accurate as referenced to the watt-hour standard, at two unity power factor loads at 10 percent and 100 percent of the meter test rating. Meters shall be tested at 50 percent-lagging power factor 100 percent load.

The maximum allowable creep shall be one full revolution of the meter disk, in five minutes, with the load wires disconnected and potential impressed. The element balance, on polyphase meters, shall be within 1.0 percent at 100 percent load at unity power factor and at 1.5 percent approximately 50 percent power factor 100 percent load. The meters will be calibrated to 99.5 to 100.5 percent at full load, 99.2 to 100.8

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percent at light load, and 99.0 to 101.0 percent at 50% power factor in accordance with ANSI C-12 Code for Electric Metering and WAC 480-100 Rules Relating to Electric Companies

(3) Demand Meters. All meters will be tested "as received" from the manufacturer. Demand accuracy will be 99.0 to 101.0 at a minimum of 200 pulses. Each electronic meter will be programmed with the correct program.

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(4) Instrument Transformers. Each shall be accompanied by a factory test certificate indicating the transformer is in compliance with the provisions of ANSI C-12 Code for Electric Metering and WAC 480-100 Rules Relating to Electric Companies.

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D. Shop Testing

(1) All meters returned from the field will be evaluated, then repaired, cleaned and/or calibrated within acceptable standards tolerances. Any meter that cannot be calibrated within the standards described in WAC 480-100 will be retired from service. All meter registers will be reset to "zero" before they are returned to field service.

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(2) Shop testing of meters will involve the same testing procedures as described in Section C, above.

(3) All instrument transformers, returned from the field, are subject to the same procedures as described in section D(1) and shall be in compliance with the provisions of ANSI C-12.

E. Field Testing

(1) Single/Three Phase Mechanical.

Each January, a random sample of each non-demand type meter shall be selected for testing. The testing shall occur during the following 12-month period and shall be in accordance with "American National Standard Sampling Procedures and Tables," ANSI Z 1.9, MIL-STD-414 Part II. (see Table 1)

Samples shall be randomly selected by computer, from throughout the system. The sample shall be 1.1 times the number required by Table 1. (Additional selections shall be tested, to complete the sample size, only when a selection in the primary sample is found to be uniquely defective. Meters

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