

AVISTA CORPORATION
 dba Avista Utilities

SCHEDULE 190 - continued

4. FUNDING AND NONMONETARY ASSISTANCE

4.1 Funding

The incentive level provided by the Company to a customer for natural gas efficiency measure(s) is based upon the simple payback of the measure prior to the application of an incentive, as calculated by Company staff and based upon standardized measure cost(s). Simple payback is defined as the incremental capital cost associated with the energy efficiency of the project divided by the energy savings per year. Energy savings are calculated using the current energy rates. The incentives shall be as follows:

(N)
 (N)
 (N)

Measures	Simple Pay-Back Period	Incentive Level (dollars/first year therm saved) (Minimum measure life of 10 years)
Natural Gas Efficiency	1 to under 2 years	2.00
	2 to under 4 years	2.50
	4 to under 6 years	3.00
	<u>6 to under 13 years</u>	3.50
	13 years and Over	0.00

(D)

(C)
 (N)

(D)

Incentives in which the tier structure applies will be capped at 50% of the incremental project cost with the exception of the following that may be capped at a maximum of 100% of the measure cost:

- 4.1.1 Energy efficiency programs delivered by community action agencies contracted by the Company to serve Limited Income or vulnerable customer segments including agency administrative fees and health and human safety measures;
- 4.1.2 Low-cost natural gas efficiency measures with demonstrable energy savings (e.g. rooftop unit service);
- 4.1.3 Programs or services supporting or enhancing local, regional or national natural gas efficiency market transformation efforts.

Avista Corporation will actively pursue natural gas efficiency opportunities that may not fit within the prescribed services and simple pay-back periods described in this tariff. In these circumstances the customer and Avista Corporation will enter into a site specific services agreement.

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