

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 151A - Continued

EXTENSION RULES:

Before the start of construction, the Customer must submit a written application for service and pay an extension cost to the Company which is computed as follows:

- Line Extension Cost
- Cost Reductions
- Allowance
- = Extension cost

1) "Line Extension Cost" is the Company's estimate of the cost of furnishing and installing natural gas facilities.

2) "Cost Reduction" is a decrease allowed when the Company allows the Customer to do some of the work (i.e., constructing the ditch). All facilities provided by the Customer must meet the Company's specifications.

3) "Allowance" is a credit to each new Customer. The Allowance shall be the sum of twelve months of the basic or minimum charges plus the decoupled revenue per customer as determined by the Commission and administered through Schedule 175, "Decoupling Mechanism – Natural Gas", divided by the Commission-approved pre-tax rate of return.

The allowance for Schedules 111/112/116 and 121/122/126 will be determined in the same manner as for Schedule 101, but will be divided by the average usage for those schedules, individually, to determine a per therm allowance rate. The Allowance will be calculated using the rates and charges in effect at the time a customer requests service, and will not change should the Allowance values change during the first twelve months the customer takes service.

(N)

ALLOWANCE

- Schedule 101 Customer: \$4,678
- Schedule 111/112/116 Customer: \$3.44 per first year therm (as calculated by Avista)
- Schedule 121/122/126 Customer: \$2.65 per first year therm (as calculated by Avista)
- Schedules 131, 132 & 146: Calculated on a case-by-case basis by Avista

(I)
(N)(I)
(N)(I)

EXCEPTION: The Company will not grant an immediate Allowance if the Company, in its sole judgment, determines that the load will be in service less than five years.

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By

Patrick Ehrbar, Director of Regulatory Affairs



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SCHEDULE 151B - Continued

EXCESS ALLOWANCE FOR EXISTING SINGLE-FAMILY, RESIDENTIAL SCHEDULE 101 CUSTOMERS* – Effective through February 28, 2019 – Existing Single-family, Residential Schedule 101 customers who convert to natural gas from another fuel source and who have an estimated cost of construction that is less than the Schedule 101 Customer allowance may elect to receive the unused portion of the allowance and apply those funds towards the purchase and installation of high efficiency space heating equipment and/or water heating equipment. For high efficiency space heating, a high efficiency natural gas furnace or boiler must have a 90% AFUE (Annual Fuel Utilization Efficiency) or greater. Efficiencies for space and water heating equipment are verified according to the contractor invoice or Air-Conditioning, Heating, and Refrigeration Institute (AHRI). www.ahridirectory.org.

The example below provides the calculation, for illustrative purposes:

Schedule 101 Allowance	\$4,678	(I)
Less Illustrative Line Extension Cost	<u><\$3,200></u>	
Excess Allowance	\$1,478	(I)

Customers who have excess allowance must fill out an Excess Allowance Rebate Form which must be submitted, along with a copy of the paid receipt, within ninety (90) days of the purchase and installation of the customer's space and/or water heating equipment. Avista will validate the request and process the payment within eight weeks of the receipt of the Washington Line Extension Allowance Rebate form and receipt. The amount of the rebate shall not exceed the total purchase and installation costs of the Customer.**

*The Excess Allowance Rebate is not applicable for new construction.

** If a customer is also requesting rebates for electric to natural gas conversions as detailed in Tariff Schedule 90 ("Electric Rebate"), or high efficiency rebates as detailed in Tariff Schedule 190 ("Natural Gas Rebate"), the Excess Allowance Rebate will be applied after incorporating the effects of the Electric Rebate and Natural Gas Rebate. In no circumstance will a customer receive rebates in excess of the total purchase and installation costs of equipment.

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