

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 190
NATURAL GAS EFFICIENCY PROGRAMS
WASHINGTON

1. AVAILABILITY

Effective September 1, 2012, natural gas efficiency programs, incentives and rebates are available only for projects that meet the following conditions:

A. Site Specific Programs:

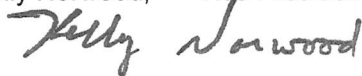
- 1) Customer has an existing contract with Avista – the Company will honor all terms and conditions of contracts and agreements that were fully executed prior to September 1, 2012. Such contracts and agreements must be signed by both the Company and the customer.
- 2) Natural gas energy efficiency projects, proposed by the customer to Avista prior to September 1, 2012, but without fully executed contracts, will be honored by the Company under the following conditions:
 - i. The Company has already conducted an analysis of a proposed natural gas energy efficiency measure. If the Company has not already conducted an analysis of a proposed natural gas energy efficiency measure, customers seeking incentive funding will submit an overview of their proposed natural gas energy efficiency project to the Company in writing or via email by September 1, 2012.
 - ii. All material documentation required for Avista to conduct an analysis to determine energy efficiency savings and potential incentive funding must be received by the Company by October 15, 2012. The Company has the sole discretion to determine if such documentation is sufficient for analysis, and if the documentation is not sufficient, will reject the project from incentive funding consideration.
 - iii. Customers who wish to proceed with any natural gas energy efficiency measure which has been evaluated by the Company subject to the terms and conditions of this tariff must sign an energy efficiency agreement with the Company by January 15, 2013.
 - iv. Customers must complete any contracted projects by January 15, 2014, unless otherwise agreed to in certain contracts executed prior to September 1, 2012.

B. Residential and Non-Residential Prescriptive Rebate Programs: Qualifying customers in the Company's Residential and Non-Residential Prescriptive Rebate Programs must send to Avista all required rebate forms and other required documentation postmarked by November 1, 2012 to be eligible for payment. Any requests received after November 1, 2012 will not be eligible for payment.

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By Kelly Norwood, Vice President, State and Federal Regulation



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(N)

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C. Limited Income Programs: All existing 2012 Community Action Partnership contracts with natural gas incentives will be honored. No additional natural gas measures will be funded effective January 1, 2013.

(N)

The services described herein are available to qualifying residential, commercial, and industrial, retail natural gas distribution customers of Avista Corporation for the purpose of promoting the efficient use of natural gas. Customers receiving natural gas distribution service provided under special contract and/or customers receiving natural gas services not specified under Tariff Schedule 191 (Natural Gas Efficiency Rider Adjustment) are not eligible for services contained in this schedule unless specifically stated in such contract or other service agreement. The Company may provide partial funding for the installation of natural gas efficiency measures and may provide other services to customers for the purpose of identification and implementation of cost effective natural gas efficiency measures as described in this schedule. Facilities-based services are available to owners of facilities, and also may be provided to tenants who have obtained appropriate owner consent.

(D)

Assistance provided under this schedule is limited to end uses where natural gas is or would be the energy source and to measures which increase the efficient use of natural gas. Customer participation under this schedule shall be based on eligibility requirements contained herein.

2. ELIGIBLE CUSTOMER SEGMENTS

All customers in all customer segments to whom this tariff is available are eligible for participation in natural gas efficiency programs developed in compliance with this tariff.

(D)

3. MEASURES

Only natural gas efficiency measures with verifiable energy savings are eligible for assistance. Measure eligibility may not necessarily apply to all customer segments. Final determination of applicable measures will be made by the Company.

(D)

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:

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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
	6 to under 13 years	3.50
	13 years and Over	0.00

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.

(D)

5. BUDGET & REPORTING

The natural gas efficiency programs defined within this tariff will be funded by surcharges levied within Schedule 191. The Company will manage these programs to obtain resources that are cost-effective from a Total Resource Cost perspective and achievable through utility intervention. Schedule 191 will be reviewed periodically and revised as necessary to provide adequate funding for natural gas efficiency efforts.

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6. GENERAL RULES AND PROVISIONS

Service under this schedule is subject to the General Rules and Provisions contained in this tariff and is limited to facilities receiving natural gas service from the Company.

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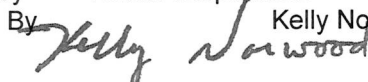
All installations and equipment must comply with all local code and permit requirements applicable and be properly inspected, if required, by appropriate agencies. The Company may establish specifications regarding any natural gas efficiency measures and modifications to be effected under this schedule and may conduct inspections to insure that such specifications are met.

Removed First Revision Sheet 190C.

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