



**Avista Corp.**

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***VIA – Electronic Mail***

December 7, 2015

Steven V. King  
Executive Director and Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive S. W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Dear Mr. King:

Attached for filing with the Commission is an electronic copy of Avista Corporation's d/b/a Avista Utilities ("Avista" or "Company") filing of its proposed revisions to the following tariffs, WN U-28 and WN U-29:

**Tariff Schedule 90 and 190 – Electric and Natural Gas Energy Efficiency Programs**

<b>Sixth Revision Sheet 90A</b>	Canceling	<b>Fifth Revision Sheet 90A</b>
<b>Second Revision Sheet 190</b>	Canceling	<b>First Revision Sheet 190</b>
<b>Fourth Revision Sheet 190A</b>	Canceling	<b>Third Revision Sheet 190A</b>

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully proposes revisions to Schedule 90 "Electric Energy Efficiency Programs" and Schedule 190 "Natural Gas Energy Efficiency Programs." The purpose of this filing is to flatten the incentives to \$.20 per kWh and \$3 per therm for all projects with a simple payback of less than 15 years consistent with other utilities and the Company's 2016 Business Plan filed in Docket No. UE-152076.

The Company engages in ongoing business planning efforts in response to changes in markets, technologies and regulatory direction. In recent months, several changes to the demand side management (DSM) portfolio that the Company believes would lead to improved portfolio performance have been identified and discussed with Avista's External Advisory Group.

The Company has regularly convened stakeholder meetings to gain input from customer representatives, Commission staff members, and individuals from the environmental communities. In these stakeholder meetings the Company's program offerings are reviewed as well as the underlying cost-effectiveness tests and results. Stakeholder involvement has grown in the past couple years, partly due to increased attention on the "I-937" conservation targets. The Company continues to appreciate the time and input provided by Avista's stakeholders.

Avista's electric DSM operations are governed by Schedule 90 tariff requirements and natural gas DSM operations are governed by Schedule 190. These tariffs detail the eligibility and allowable funding that the Company provides for energy efficiency measures. Though the tariff allows for considerable flexibility in how programs are designed and delivered and accommodates a degree of flexibility around incentives for prescriptive programs subject to reasonable justification, there remains the occasional need to modify the tariff to meet current and future market conditions and opportunities.

The Company discussed with its DSM Advisory Group during the September Advisory Group Meeting the proposed revisions to Schedules 90 and 190 to flatten the incentives to \$.20 per kWh and \$3 per therm for all projects with a simple payback of less than 15 years. The revisions would also include a 70% cap on the project incremental cost. The Company believes, and the Advisory Group supported this simplified approach that increases the clarity of our programs to customers as well as aligns our approach with the other regional utilities.

The following table in Schedule 90A flattens the incentives to \$.20 per kWh:

**Table No. 1**

Simple Pay-Back Period	Incentive Level (cents per first year kWh saved)
	<i>(Minimum measure life of 10 years)</i>
Under 15 years	20 cents
Over 15 years	0 cents

The following table in Schedule 190A flattens the incentives to \$3 per therm:

**Table No. 2**

Measures	Simple Pay-Back Period	Incentive Level (dollars/first year therm saved) (Minimum measure life of 10 years)
Natural Gas Efficiency	Under 15 years	\$3.00
	Over 15 years	\$0

In conclusion, Avista requests the Commission approve the proposed revisions in Schedules 90 and 190 with an effective date of January 7, 2016.

Pursuant to WAC 480-100-195(2) and 480-90-195(2), a “Notice of Tariff Change” will be posted on the Company’s website coincident with the date of this filing.

Please direct any questions on this matter to Dan Johnson at (509) 495-2807 or [dan.johnson@avistacorp.com](mailto:dan.johnson@avistacorp.com) or myself at (509) 495-4975 or [linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com).

Sincerely,

*/s/Linda Gervais*

Linda Gervais  
Manager, Regulatory Policy  
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Enclosures  
cc: Advisory Group