

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
v.)	DOCKETS UE-160228 and UG-160229 (Consolidated)
)	
AVISTA CORPORATION, DBA AVISTA UTILITIES,)	
)	
Respondent.)	
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EXHIBIT NO. RRS-10

SCHEDULE 78 – LARGE CUSTOMER DEMAND RESPONSE PILOT PROGRAM

AUGUST 17, 2016

**SCHEDULE 78
LARGE CUSTOMER DEMAND RESPONSE PILOT PROGRAM**

PURPOSE

This schedule is an optional supplemental service that provides participating large nonresidential customers incentives for reducing a committed amount of load at the request of the Company for reliability and economic reasons. Under this tariff, the customer provides a Load Reduction Commitment that the Company calls at any time according to the conditions listed below.

AVAILABLE

In all territory served by the Company.

APPLICABLE

To qualifying customers served under Schedule 25, who at the notification by the Company, during a load reduction event, are able to commit to load reduction of at least 25 Megawatts of demand at a single point or contiguous points of delivery. Participating customers must execute a load reduction agreement to participate in this program. The agreement shall specify the customer's Load Reduction Commitment.

ELIGIBILITY

Large customers served under Schedule 25.

LOAD REDUCTION EVENTS

Capacity and energy will be made available to Avista for reliability and economic purposes during load reduction events as set forth below.

- a. Reliability load reduction events can only be called at times of system emergencies, when sufficient power cannot be generated or purchased by Avista to serve its system firm power needs and curtailment of firm service customers would result, absent the program.
- b. Economic load reduction events can be called at Avista's discretion, within the parameters set forth below, in order to avoid high production or purchase costs.

RESERVATION AND ENERGY PAYMENTS

The Company shall provide a reservation payment in the form of monthly credits on the demand charges to participating customers in the amount specified below. The Company shall also provide energy payments to participating customers in months when load reduction events are called, as specified below.

For capacity reservation payments, the monthly credit will be equal to the Schedule 25 second block per kVA demand charge.

The energy payment is the energy reduction amount times the hourly Mid-Columbia Electricity Index (Mid-C) as reported by the Powerdex.

LOAD REDUCTION EVENTS

Consistent with the parameters set forth below, the Company at its discretion may initiate a load reduction event by providing the participating customer with the appropriate notification consistent with the Notification requirements set forth below. The Company shall be limited to initiating load reduction events for no more than 100 hours per customer year, except as set forth below for reliability load reduction events. The Company shall be limited to initiating load reduction events in no more than 2 consecutive days. The Company shall provide 18 hours between economic load reduction events. The Company shall provide at a minimum 48 hours following an economic load reduction event occurring on consecutive days before initiating another economic load reduction event.

- a. For reliability load reduction events, the maximum duration of a load reduction event shall be no more than 4 hours. Hours of reliability load reduction events count toward the 100 hours per customer per year limit. However, if the Company has already used its limit of load reduction events or hours in a year and a system emergency occurs, as set forth above, then up to two (2) additional reliability load reduction events may be called.
- b. For economic load reduction events, the maximum duration of an event shall be no more than 4 hours.

The customer shall reduce its demand served by the Company, for each hour of a load reduction event by not less than the demand reduction commitment set forth in the agreement.

DEMAND REDUCTION COMMITMENT

The amount of load that the participating customer agrees to reduce upon receipt of notification of a load reduction event from the Company. This may be no less than 25 MW. Compliance with a load reduction event shall be measured as the difference between the average demand during the load reduction events in a month and the customer's maximum 30-minute demand registered in the month .

ENERGY REDUCTION AMOUNTS FOR LOAD REDUCTION EVENTS

The energy reduction amounts for each hour of load reduction events, in kWh, is the difference between the customer's highest kW demand in the month and the hourly kW demand measured during load reduction events in the month. Energy payments for load reduction events will be computed hourly.

NOTIFICATION

The Company shall notify the participating customer of a load reduction event via telephone, with a confirming email notice to the customer's representative specified by the customer at the time of enrollment. The notification must be received at least one hour prior to the hour in which an economic load reduction event is to occur and fifteen (15) minutes prior to a reliability load reduction event. The Company's notification shall include a time and date by which the customer must reduce the committed demand for each period of the load reduction event.

NONCOMPLIANCE

In the event of a reliability load reduction event (only), if customer fails to meet its load reduction commitment set forth above, then the customer shall not receive the load reduction credit for that month.