



Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

June 10, 2011

Jean Jewell, Commission Secretary
State of Idaho
Idaho Public Utilities Commission
Statehouse
Boise, ID 83720

RECEIVED
2011 JUN 13 AM 9:41
IDAHO PUBLIC UTILITIES COMMISSION

Application No. AVU-E-11- and AVU-G-11-03
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Dear Ms. Jewell:

Enclosed for filing with the Commission is an original and 7 copies of the Company's application requesting a decrease to Schedule 91 and 191 rates, "Energy Efficiency Rider Adjustment," also known as the "energy efficiency tariff rider." Schedule 91 and 191 are designed to recover the costs incurred by the Company associated with providing electric and natural gas energy efficiency services to customers.

Please direct any questions on this matter to Bruce Folsom, Sr. Manager, Energy Efficiency at (509) 495-8706 or myself at (509) 495-4975.

Sincerely,

Manager, Regulatory Policy
Avista Utilities
linda.gervais@avistacorp.com
509-495-4975

Attachements

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2011 JUN 13 AM 9:4

IDAHO PUBLIC
UTILITIES COMMISSK

DAVID J. MEYER
VICE PRESIDENT AND CHIEF COUNSEL FOR
REGULATORY AND GOVERNMENTAL AFFAIRS
AVISTA CORPORATION
P.O. BOX 3727
1411 EAST MISSION AVENUE
SPOKANE, WASHINGTON 99220-3727
TELEPHONE: (509) 495-4316
FACSIMILE: (509) 495-8851

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION FOR THE)
REQUEST TO DECREASE ITS ENERGY)
EFFICIENCY PUBLIC PURPOSE RIDER)
SCHEDULES 91 AND 191)

CASE NO. AVU-E-11-62
CASE NO. AVU-G-11-03

APPLICATION OF AVISTA CORPORATION

I. INTRODUCTION

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully requests approval of a decrease to Schedule 91 and 191 rates (“Energy Efficiency Rider Adjustment”), also known as the “public purpose tariff rider.”

The Company intends to make this filing on a periodic basis to revise the Demand Side Management (DSM) portions of Schedules 91 and 191 (“Energy Efficiency Rider Adjustment”). The purpose of this filing is to establish tariff riders that are sufficient to fund the following twelve months of DSM as well as amortize any tariff rider imbalance, thus minimizing the amount of future under- or over-collections. In this filing, Avista proposes to reduce billed electric rates by 0.3% through proposed revisions in Schedule 91 and to reduce billed natural gas rates by 4.2% through proposed revisions in Schedule 191.

The Company requests that this filing be processed under the Commission’s Modified Procedure rules.

Communications in reference to this Application should be addressed to:

David J. Meyer, Esq.
Vice President and Chief Counsel for
Regulatory and Governmental Affairs
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue, MSC-13
Spokane, WA 99220-3727
Phone: (509) 495-4316
Fax: (509) 495-8851

Bruce Folsom
Senior Manager, Energy Efficiency
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue, MSC-15
Spokane, WA 99220-3727
Phone: (509) 495-8706
Fax: (509) 495-8856

II. BACKGROUND

The Company's energy efficiency targets are established in the process of developing its electric and natural gas Integrated Resource Plans (IRPs). In 2010, approximately 34 people (23 Full Time Equivalents (FTE)) delivered energy efficiency programs and measures resulting in electric savings of 68,911 MWh (or 105% of the IRP goal) and natural gas savings of 1.9 million therms (or 85% of the IRP goal). Approximately 77% of the energy efficiency budget was provided to participating customers as rebates (residential) and financial incentives (commercial and industrial). This does not include additional benefits such as site audits and technical analyses provided to customers by the Company's DSM engineering staff.

The revenue expected to be generated by the schedule 91 and 191 surcharges, at their present levels, would exceed the requirements necessary to fund the DSM task during the next twelve month cycle, including adjustments for the disposition of tariff rider imbalances. As of the close of April 2011, Avista's Idaho electric DSM tariff rider balance is \$723,240 (Company owes ratepayer) and the Idaho natural gas DSM tariff rider balance is \$897,808 (Company owes ratepayer).

Schedules 91 and 191 fund DSM programs described in Schedules 90 and 190. All Schedule 91 and 191 DSM revenue is applied only to the provision of electric and natural gas efficiency service including programs offered by the Company directly, through designated contractors, or as part of regional electric and natural gas efficiency programs, including evaluation, measurement and verification (EM&V). These programs include, but are not limited to, the following:

- Appliance measures
- Compressed air measures
- HVAC measures
- Industrial measures
- Lighting measures
- Maintenance measures
- Motor measures
- Shell measures
- Sustainable Building measures
- Northwest Energy Efficiency Alliance participation

The Company's programs are based on providing a financial incentive, or "rebate," for cost-effective efficiency measures with a simple payback of greater than one year and up to thirteen years (eight years for lighting measures due to their shorter measure life). This includes over 300 measures that are packaged into over 30 programs for customer convenience.

Avista has long encouraged the direct-use of natural gas by its electric customers. As an electric energy efficiency program, the Company is continuing this effort with residential rebates for the conversion of electric to natural gas space and water heat loads, as well as a broad program for any non-residential electric-to-natural gas conversions meeting specified criteria for relative British Thermal Unit (BTU) efficiency. The cost-effective potential for these measures has been incorporated into Avista's Integrated Resource Planning effort and are contained within the identified acquisition goal. Avista's residential programs include high efficiency equipment, electric to natural gas conversions, Compact Fluorescent Lights (CFLs), "second" refrigerator recycling, weatherization, rooftop chimney dampers as well as providing educational assistance through various community events.

For non-residential customers, in addition to prescriptive (or "standard offer") programs, Avista offers site specific (or customized) services. The site specific program

provides incentives on any cost-effective commercial and industrial energy efficiency measure with a simple financial payback exceeding one year, and up to thirteen years (eight years for lighting measures). This is implemented through site analyses, customized diagnoses, and incentives determined for savings generated specific to customers' premises or process. In addition to the site specific offering, commercial and industrial programs available to Avista customers include lighting and controls, commercial food service equipment, premium efficiency motors, power management for personal computer (PC) networks, commercial HVAC variable frequency drives (VFDs), refrigerated warehouses, vending machine controllers, demand controlled ventilation, side-stream filtration, steamtrap replacement and repair, multifamily development, electric-to-natural gas water heater conversions, and commercial clothes washers.

In addition to Avista's prescriptive and site-specific programs, the Company funds the activities of the Northwest Energy Efficiency Alliance (NEEA). NEEA focuses on using a regional approach to obtain electric efficiency through the transformation of markets for efficiency measures and services. An example of NEEA-sponsored programs that benefits Avista customers is decreasing the cost of CFLs and high-efficiency appliances by working through manufacturers. For some measures, a large-scale, cross-utility approach is the most cost-effective means to achieve energy efficiency savings. This approach is particularly effective for markets composed of large numbers of smaller usage homogeneous consumers, such as the residential and small commercial markets. Historically, Avista has received approximately 1.5 to 2 aMW of savings in its service territory from NEEA programs.

The Company provided approximately \$465,000 for low-income weatherization in 2010 and an additional \$25,000 for conservation education in Idaho. This program is administered by the local community action agencies in our Idaho service territory.

The aggregated Tariff Riders (Idaho and Washington, electric and natural gas) have been returned to a “zero balance”. Because customer demand for our energy efficiency services had outstripped our tariff rider funding, at the beginning of 2010 the tariff riders were underfunded by \$11.9 million (i.e., the Company had “pre-funded” energy efficiency services in advance of receiving tariff rider funding). In the past year, however, increases to the tariff riders have allowed for adequate revenue to both fund current energy efficiency operations and to reduce the underfunded balance to the point where the balances need to be adjusted through a decrease in the tariff rates.

III. EVALUATION, MEASUREMENT AND VERIFICATION

Current analyses of DSM are much more refined than almost two decades ago. The Company has been responsive to the Memorandum of Understanding (MOU) dated January 25, 2010 between the Company and the Idaho Commission Staff, addressing the evaluation, measurement and verification (EM&V) of DSM activities. Toward that end, Avista has engaged The Cadmus Group to perform independent evaluation at a system cost approaching \$1 million.

Several metrics are applied to determine the costs and benefits of these programs. The primary cost-effectiveness test is the Total Resource Cost (TRC) test; the Program Administrator Cost (PAC) is another key determinant of program efficacy.¹ Ratios over

¹ The Total Resource Cost Test measures the net costs of a demand-side management program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. The Program Administrator Cost Test measures the net costs of a demand-side management program as a resource option based on the costs incurred by the program administrator (including incentive costs) and excluding any net costs incurred by the participant. The benefits are similar to the TRC benefits. Costs are defined more narrowly.

1.0 illustrate that benefits exceed costs. For 2010, the Company's DSM portfolios were cost-effective with TRC and PAC ratios of 2.33 and 5.02, respectively, for its electric portfolio, and 1.62 and 3.60, respectively, for its natural gas portfolio.

IV. STAKEHOLDER INVOLVEMENT

The Company has regularly convened stakeholder meetings to gain input from customer representatives, Commission staff members, and individuals from the environmental communities². These stakeholder meetings review the Company's program offerings as well as the underlying cost-effectiveness tests and results. The Company continues to appreciate the time and input provided by its stakeholders.

V. REQUEST FOR APPROVAL

In conclusion, Avista respectfully requests the Commission approve the proposed reduction in rates and charges to its tariff Schedule 91 and 191. The estimated annual revenue change associated with this filing is approximately a decrease of \$750,000 for electric Schedule 91, or a decrease of 0.3% of billed rates, and a decrease of \$2.9 million for natural gas Schedule 191, or a decrease of 4.2% of billed rates. The proposed rate decrease will have an average monthly bill impact to electric residential customers using 964 kWhs of \$0.06. The proposed natural gas rate decrease will have an average monthly bill impact to residential customers using 70 therms of \$2.68.

VI. CUSTOMER NOTIFICATION

Notice to the public of the proposed rates and charges, pursuant to IDAPA 31.21.02.102, will be given simultaneously with the filing, by posting a notice at each of the Company's district offices in Idaho, which is attached as Attachment A. Notice of

² Among those participating were Commission Staff, Northwest Energy Coalition, Northwest Energy Efficiency Alliance, Northwest Power and Planning Counsel, and Northwest Industrial Gas Users.

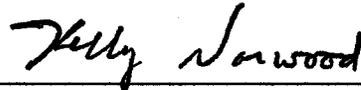
proposed rates will also be given to all Idaho customers by individual bill insert as required by rule. The proposed effective date is July 18, 2011.

VII. CONCLUSION

WHEREFORE, Applicant respectfully requests the Commission issue its Order finding the proposed rates and charges in Schedules 91 and 191 attached to this Application as Attachment B to be fair, just, reasonable and nondiscriminatory, and effective for electric and natural gas service rendered on and after August 1, 2011, with this application being processed under Modified Procedure.

DATED at Spokane, Washington, this 10th day of June, 2011.

AVISTA CORPORATION

By 

Kelly O. Norwood,
Vice President, State and Federal Regulation

AVISTA CORPORATION
dba Avista Utilities
NOTICE OF TARIFF CHANGE
(Idaho Electric Service)

Notice is hereby given that the "Sheets" listed below of Tariffs I.P.U.C. No. 28, covering electric service, have been filed with the Idaho Public Utilities Commission (IPUC) in Idaho.

Eighth Revision Sheet 91 Canceling Seventh Revision Sheet 91

This filing requests approval of an increase to Schedule 191, "Energy Efficiency Rider Adjustment." Schedule 91 is designed to recover the costs incurred by the Company associated with providing electric energy efficiency services to customers.

Copies of the proposed tariff changes are available for inspection in the Company's offices and on the Company website at <http://www.avistautilities.com/services/energypricing/Pages/default.aspx>. The Company will provide notice to customers with the first bill after the change becomes effective.

Issue Date: June 10, 2011
Keep Posted Until: August 1, 2011

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 91

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	- .252 ¢ per kWh	Schedule 25	- .136 ¢ per kWh
Schedule 11 & 12	- .270 ¢ per kWh	Schedule 25P	- .128 ¢ per kWh
Schedule 21 & 22	- .185 ¢ per kWh	Schedule 31 & 32	- .254 ¢ per kWh

Flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Services (Schedules 41, 42, 43, 44, 45, 46, 47, 48 & 49) are to be increased by 3.07%.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued June 10, 2011

Effective August 1, 2011

Issued by Avista Utilities

By Kelly O. Norwood, Vice-President, State & Federal Regulation



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 91

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	- <u>.252 ¢</u> per kWh	Schedule 25	- <u>.136 ¢</u> per kWh
Schedule 11 & 12	- <u>.270 ¢</u> per kWh	Schedule 25P	- <u>.128 ¢</u> per kWh
Schedule 21 & 22	- <u>.185 ¢</u> per kWh	Schedule 31 & 32	- <u>.254 ¢</u> per kWh

Flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Services (Schedules 41, 42, 43, 44, 45, 46, 47, 48 & 49) are to be increased by 3.07%.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued June 10, 2011

Effective August 1, 2011

Issued by Avista Utilities
By Kelly O. Norwood, Vice-President, State & Federal Regulation

Kelly Norwood

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 91

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	-.258 ¢ per kWh	Schedule 25	-.166 ¢ per kWh
Schedule 11 & 12	-.303 ¢ per kWh	Schedule 25P	-.146 ¢ per kWh
Schedule 21 & 22	-.232 ¢ per kWh	Schedule 31 & 32	-.242 ¢ per kWh

Flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Services (Schedules 41, 42, 43, 44, 45, 46, 47, 48 & 49) are to be increased by ~~3.64%~~.

SPECIAL TERMS AND CONDITIONS:

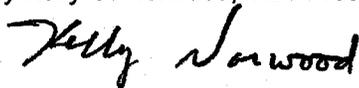
Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued September 23, 2010

Effective October 1, 2010

Issued by Avista Utilities
By Kelly O. Norwood, Vice-President, State & Federal Regulation



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 91

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	- .258 ¢ per kWh	Schedule 25	- .166 ¢ per kWh
Schedule 11 & 12	- .303 ¢ per kWh	Schedule 25P	- .146 ¢ per kWh
Schedule 21 & 22	- .232 ¢ per kWh	Schedule 31 & 32	- .242 ¢ per kWh

Flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Services (Schedules 41, 42, 43, 44, 45, 46, 47, 48 & 49) are to be increased by 3.64%.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued September 23, 2010

Effective October 1, 2010

Issued by Avista Utilities
By Kelly O. Norwood, Vice-President, State & Federal Regulation



AVISTA CORPORATION
dba Avista Utilities
NOTICE OF TARIFF CHANGE
(Idaho Natural Gas Service)

Notice is hereby given that the "Sheets" listed below of Tariffs I.P.U.C. No. 27, covering natural gas service, have been filed with the Idaho Public Utilities Commission (IPUC) in Idaho.

Sixth Revision Sheet 191

Canceling

Fifth Revision Sheet 191

This filing requests approval of an increase to Schedule 191, "Energy Efficiency Rider Adjustment." Schedule 191 is designed to recover the costs incurred by the Company associated with providing natural gas energy efficiency services to customers.

Copies of the proposed tariff changes are available for inspection in the Company's offices and on the Company website at <http://www.avistautilities.com/services/energypricing/Pages/default.aspx>. The Company will provide notice to customers with the first bill after the change becomes effective.

Issue Date: June 10, 2011
Keep Posted Until: August 1, 2011

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 131, and 132. This Rate Adjustment, is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers. The Company may, at its discretion to match revenue under this schedule with demand for services under Schedule 190, reduce or increase this charge on an annual basis. Any change in this charge is subject to Commission approval and its review of the previous year expenditures under Schedule 190 and determinations with regard to any revenue carry forward, and prospective budget on an annual basis. Any annual expenditures exceeding annual collections when combined with any carry forward budget surplus shall be at the Company's risk of future recovery.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	\$0.01939 per Therm
Schedule 111 & 112	\$0.00950 per Therm
Schedule 131 & 132	\$0.00860 per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

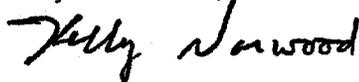
Issued

June 10, 2011

Effective

August 1, 2011

Issued by Avista Utilities
By Kelly O. Norwood, Vice President, State and Federal Regulation



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 131, and 132. This Rate Adjustment, is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers. The Company may, at its discretion to match revenue under this schedule with demand for services under Schedule 190, reduce or increase this charge on an annual basis. Any change in this charge is subject to Commission approval and its review of the previous year expenditures under Schedule 190 and determinations with regard to any revenue carry forward, and prospective budget on an annual basis. Any annual expenditures exceeding annual collections when combined with any carry forward budget surplus shall be at the Company's risk of future recovery.

MONTHLY RATE:

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Schedule 101	<u>\$0.01939</u> per Therm
Schedule 111 & 112	<u>\$0.00950</u> per Therm
Schedule 131 & 132	<u>\$0.00860</u> per Therm

SPECIAL TERMS AND CONDITIONS:

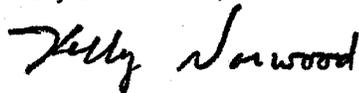
Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued
June 10, 2011

Effective
August 1, 2011

Issued by Avista Utilities
By Kelly O. Norwood, Vice President, State and Federal Regulation



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 131, and 132. This Rate Adjustment, is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers. The Company may, at its discretion to match revenue under this schedule with demand for services under Schedule 190, reduce or increase this charge on an annual basis. Any change in this charge is subject to Commission approval and its review of the previous year expenditures under Schedule 190 and determinations with regard to any revenue carry forward, and prospective budget on an annual basis. Any annual expenditures exceeding annual collections when combined with any carry forward budget surplus shall be at the Company's risk of future recovery.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	\$0.05762 per Therm
Schedule 111 & 112	\$0.05038 per Therm
Schedule 131 & 132	\$0.04020 per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

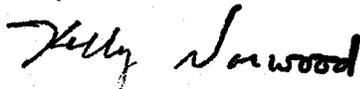
Issued

February 12, 2010

Effective

October 1, 2010

Issued by Avista Utilities
By Kelly O. Norwood, Vice President, State and Federal Regulation



AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 131, and 132. This Rate Adjustment, is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers. The Company may, at its discretion to match revenue under this schedule with demand for services under Schedule 190, reduce or increase this charge on an annual basis. Any change in this charge is subject to Commission approval and its review of the previous year expenditures under Schedule 190 and determinations with regard to any revenue carry forward, and prospective budget on an annual basis. Any annual expenditures exceeding annual collections when combined with any carry forward budget surplus shall be at the Company's risk of future recovery.

MONTHLY RATE:

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Schedule 111 & 112	\$0.05038 per Therm
Schedule 131 & 132	\$0.04020 per Therm

SPECIAL TERMS AND CONDITIONS:

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The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued

February 12, 2010

Effective

October 1, 2010

Issued by Avista Utilities

By Kelly O. Norwood, Vice President, State and Federal Regulation

