

AVISTA CORPORATION
d/b/a Avista Utilities

IDAHO RULES AND REGULATIONS

1. ADOPTION OF RULES OF REGULATORY AUTHORITIES:

The rules regulating electric service, prescribed by the Idaho Public Utilities Commission, hereinafter called the Commission, are hereby adopted and by this reference are made a part of this tariff.

The following customer relations rules are not listed in detail in this tariff: Deposits, Termination/Discontinuance of Service, Master-Metering, Bills, Complaint Procedures, Information to Electric Customers, and Meter Reading and Billing Practices. These rules will instead be able to be found in the Commission's "Utility Customer Relations Rules" and "Master Metering Rules for Electric Utilities". Current copies of these Rules will be available for Customer reference at each of the Company's business offices.

2. SCHEDULES AND CONDITIONS:

The schedules and conditions specified in this tariff for electric service are subject to change in accordance with the laws of the State of Idaho or any amendment thereof. All schedules apply to electric service available on the established circuits of the Company.

3. TAX ADJUSTMENT:

The rates named in this tariff shall be proportionately increased to compensate for any county or municipal tax, including franchise fees, or other charges, upon or in respect of the right of the Company to operate, to use the public streets, alleys or thoroughfares, or to do business within the jurisdiction imposing the charge.

4. SUPPLY AND USE OF SERVICE:

Service will be supplied only under and pursuant to these Rules, and any modifications or additions thereto lawfully made, and under such applicable rate schedule or schedules as may from time to time be lawfully fixed. Service will be supplied only to those who secure their source of electric power exclusively from the Company, unless otherwise provided under appropriate contract. Service shall be used by the Customer only for the purposes specified in the service agreement and applicable rate schedule or schedules, and Customers shall not sell, or permit others to use such service, except when expressly authorized to do so under appropriate contract, or where the electricity is purchased from a public utility as defined in Section 61-129, Idaho Code, to charge the batteries of an electric motor vehicle as provided by order or rule of the Commission.

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By

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

AVISTA CORPORATION
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RULES AND REGULATIONS - continued

5. DEFINITIONS:

5.1 Applicant:

Any potential Customer who applies for service from the Company and either has no previous service from the Company or has not had service with the Company within the most recent sixty days.

5.2 Customer:

Any individual, partnership, corporation, association, governmental agency, political subdivision, municipality or other entity who has applied for, been accepted, and is currently (1) receiving service, or (2) assuming responsibility for payment of service provided to another or others.

If the person receiving service is not the same person as the person assuming responsibility for payment of service, the latter is the customer for purposes of obtaining service, cancelling service, receiving refunds, etc. Additionally, a person who moves within the Company's service territory and requests that service be terminated at the customer's previous location and service be initiated at a new location within sixty days is considered an existing Customer and not an applicant.

5.3 Premises:

Each building, structure, dwelling or residence of the Customer. If the Customer uses several buildings or structures in the operation of a single integrated commercial, industrial, or institutional enterprise, the Company, on request of the Customer, shall consider all such buildings or structures that are in proximity to each other to be the premises, even though intervening ownerships or public thoroughfares exist. In such instances, the Customer shall own and be responsible for the installation, operation, and maintenance of all electric facilities on the Customer's side of the point of delivery to all structures constituting such premises including the responsibility for obtaining the rights-of-way, permits, governmental licenses or other approvals. Should the Company find that undue hardship could result from such a Customer owning electric facilities on the Customer's side of the point of delivery, the Company may, pursuant to a rental arrangement, provide, own, and maintain such facilities which will be comprised of only regular inventory items of the Company. If it becomes necessary for the Company to abandon any of its electric facilities due to several buildings or structures becoming the premises, the Customer may be required to pay for the investment in such facilities less net salvage.

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By

Thomas D. Dukich, Manager, Rates & Tariff Administration

AVISTA CORPORATION
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RULES AND REGULATIONS – continued

5. DEFINITIONS: - continued

5.4 Basis of Rates:

The Company's rates are based upon, and are applicable to, the furnishing of electric service to a Customer at a single point of delivery on his premises, through a single meter installation, at a single voltage and phase classification unless otherwise specifically provided in the rate schedule or contract.

5.5 Electric Service - Energy - Demand:

Electric service is the availability of electric power (demand) and energy at the point of delivery in the form and for the purpose specified in the service agreement, irrespective of whether said power and energy is actually utilized by the Customer. Electric energy delivered will be measured in kilowatt hours (Kwh). "Demand" is the maximum rate measured in kilowatts (Kw) registered over a 15-minute period, except as otherwise provided, at which electric energy is taken during a month.

5.6 Point of Delivery:

The "point of delivery" shall be the location, designated by the Company, on the Customer's premises, where the "Company's Service Conductors" and the "Customer's Service Entrance" conductors are connected at a common point in such manner to permit the use of a Company single meter installation. Service supplied to the same Customer at other points of delivery, or premises, or at a different voltage or phase classification shall be separately metered and billed as a separate rate application. The Company will not add, totalize, telemeter, or otherwise combine the meter readings for separate and distinct premises for measuring electric service or for the application of a rate schedule or schedules.

6. APPLICATION AND AGREEMENT FOR SERVICE:

Each prospective Customer desiring electric service may be required to complete the Company's standard form of application for service or other form of agreement before service is supplied by the Company.

An application for service shall be deemed to be a notice that the applicant desires service from the Company as a Customer and represents his agreement to comply with the Company's Rules and Regulations on file with the Commission and in effect at the time service is furnished. In the absence of a signed application or agreement for service, the delivery of electric service and the taking thereof by the Customer shall be deemed

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RULES AND REGULATIONS - continued

6. APPLICATION AND AGREEMENT FOR SERVICE: - continued
to constitute an agreement by and between the Company and the Customer for the delivery and acceptance of service under the applicable rate schedule or schedules and said Rules and Regulations.

The Company will provide to its Customers at time of application for service and thereafter such information relative to its rates, rules and regulations as may from time to time be required by law or Commission rule and regulation.

All service shall be furnished under an agreement for a term of one year, at the option of the Company, or longer when so provided in the applicable rate schedule. When optional rate schedules are available the Customer may not change from one rate schedule to another more frequently than once in any 12-month period.

For service in large volumes or received under unusual circumstances, the Company may require the Customer to execute a special written agreement.

6.1 New Customer Turn-On Charge (After-Hours):
There will be no charge for new customer turn-ons when such service connection is performed during office hours regularly maintained by the Company. For new customer turn-ons requested to be completed during other hours there will be a charge of \$48.00. If the new customer has electric service only and service is turned on remotely without having to visit the customer's premises, the charge for connection shall be \$12.00 during other hours. When a new customer receives Company-supplied electric and gas service, a single charge of \$48.00 will be required for after hours service turn-ons.

6.2 Return Trip Charge
If the conditions stated in Sections 7 and 8, below, are not satisfied prior to the Customer's request for temporary service, a \$55.00 charge, per trip, will be billed to the Customer whenever Company personnel are dispatched to the job site but are unable to connect the service. The charge will be billed after the conditions have been satisfied and the connection has been made. When a residential Customer supplies the trench, backfill, conduit, and compaction for an underground service, a charge of \$55.00 per trip return charge will be assessed if the Company's installation crew cannot install cable on the first appointment or subsequent appointments.

7. CUSTOMER'S SERVICE ENTRANCE AND RELATED FACILITIES:
The Customer shall provide a suitable service entrance facility to the premises to be served at the point specified by the Company which facility shall meet local, state and national code requirements. The Customer shall also provide a structurally sound point of attachment for the Company's service connections which will permit the clearance required for safety. All wiring and other distribution facilities on the Customer's side of the point of delivery shall be provided by the Customer and maintained and operated at his expense.

The Customer shall furnish a convenient place, readily accessible without risk of bodily harm to the Company employees, free from vibration, corrosive atmosphere, and abnormal temperatures, in which to install the metering equipment. Usually residential meters will be installed on

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

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RULES AND REGULATIONS - continued

7. **CUSTOMER'S SERVICE ENTRANCE AND RELATED FACILITIES:** - continued
outside walls and all meter locations shall be approved by the Company. Relocation of meters to exterior walls, when requested by the Company, shall be at the Customer's expense.

The Customer shall exercise proper care to protect the Company's property on his premises. In the event of loss or damage to the Company's property, arising from neglect, carelessness or misuse by the Customer, his employees, servants, or agents, the cost of necessary repairs or replacements shall be paid by the Customer.

8. **ACCESS TO PREMISE:**

The Customer shall grant all necessary permission to enable the Company to install and maintain the service on the premises of the Customer and to carry out its contract. The Company shall have the right through its agents, or employees, to enter upon the premises of the Customer at all reasonable times for the purpose of reading, inspecting, repairing, or removing the metering devices, facilities, and wiring of the Company. In the event the Customer is not the owner of the premises occupied, he shall obtain such permission from the owner as the Company may require.

9. **REFUSAL OF SERVICE:**

Nothing in these rules shall be construed as placing upon the Company any responsibility for the condition or maintenance of the Customer's wiring, current consuming devices or other equipment, and the Company shall not be held liable for any loss or damage resulting from defects in the Customer's installation and shall not be held liable for damage to persons or property arising from the use of the service on the premises of the Customer.

A. The Company may refuse to connect an applicant for service or may refuse to render additional service to a Customer when such service, including compliance with these Rules and Regulations, will adversely affect service being rendered to other Customers, or where the applicant or Customer has not complied with state, county, or municipal codes or regulations concerning the rendition of such service.

B. The Company may refuse to serve an applicant or a Customer if, in its judgment, said applicant's or Customer's installation of wiring or electrical equipment is hazardous or of such character that satisfactory service cannot be provided. In case equipment is installed which uses electric current intermittently or with violent fluctuations which may interfere with normal service, the Company may require the Customer to provide, at his own expense, equipment that will limit

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RULES AND REGULATIONS - continued

9. REFUSAL OF SERVICE: - continued

such fluctuation. The Company reserves the right to refuse to supply service to loads of a character which may seriously impair service to any Customer and shall have the right to discontinue service to any Customer who shall continue to use appliances or apparatus detrimental to the service after being notified thereof by the Company.

C. The installation of proper protective devices on the applicant's or Customer's premises, at his expense, may be required whenever the Company deems such installation necessary to protect its property or that of its Customers.

D. The Company shall not be required to connect with or render service to an applicant unless and until it can secure all necessary rights-of-way, easements, and permits.

E. The Company may not be required to provide service if, to do so, it would be economically unfeasible.

F. See other denial grounds as listed in Utility Customer Relations Rules 302-303 and 602-604.

9.1 Notice of Service Refusal:

If the Company intends to deny service to an applicant, the Company shall deliver to the applicant written notice of the Company's refusal to serve. The notice shall state:

- A. the reasons for denial of service;
- B. actions the applicant may take in order to receive service; and
- C. that an informal or formal complaint concerning denial of service may be filed with the Commission.

10. INCREASED USE:

In order to prevent damage to Company's equipment and impairment of its service, the Customer shall notify the Company, in writing, in advance of all changes in equipment or usage which will materially affect the service to be rendered. Such notice shall be given within a reasonable time to permit the Company to provide necessary facilities and acquire additional power supply if required.

11. PAYMENTS:

One bill will be rendered, for each monthly billing period, listing charges for electricity, gas, or other charges, to a Customer receiving one or more of such services from Company at one premises.

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RULES AND REGULATIONS - continued

11. PAYMENTS: - continued

Company employees collecting payment at the customer's premises will not accept cash. If the customer offers payment in cash during a field collection visit, discontinuance of service will be postponed and the customer given the opportunity to either make payment at a designated payment agency or provide an alternative form of payment acceptable to the Company.

Monthly bills for services rendered and other charges are due and payable in full within 15 days from their date and if not so paid shall be in default. When a residential Customer certifies in writing that payment by the ordinary due date creates a hardship due to the particular date when the Customer receives funds, the due date shall be extended up to an additional 15 days.

In the event the Customer tenders a payment of less than the full amount of the monthly bill for services and/or other charges, the Company, unless otherwise directed by the Customer when payment is made, will apply said payment pro rata first to the charges in default and the remainder, if any, to the current monthly charges.

11.1 Returned Check Charge; Checks or payments remitted by Customers in payment of bills are accepted conditionally. A charge of \$20.00 will be assessed the Customer for handling checks or payments upon which payment has been refused by the bank.

11.2 Late Payment Charge; Payments not received by the next month's bill date will be considered late. A late payment charge may be applied to the delinquent amount and will be computed at the rate of 12 percent per annum or one percent per month. The late payment charge will not be applied to time-payment or equal payment accounts that are current.

12. DEPOSITS:

See Utility Customer Relations Rules 100-110 and 601.

13. DISCONTINUANCE OF SERVICE:

See Utility Customer Relations Rules 300-313 and 602-605.

13.1 Field Collection Charge:

A personal visit performed by a Company representative to a service address subsequent to satisfying the provisions regarding Discontinuance of Service shall be deemed a field collection visit. A \$16.00 fee will be assessed for visits that result in the collection of past-due balances from the Customer during the visit. The fee will be waived if service is disconnected during the visit. The Customer will receive one free visit on a 12-month rolling basis.

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AVISTA CORPORATION
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IDAHO
RULES AND REGULATIONS - continued

14. SERVICE RECONNECTION AND REESTABLISHMENT CHARGES:

14.1 Reconnection Charge:

When service has been discontinued for failure of the Customer to comply with the Company's rules and regulations under this tariff including nonpayment, a charge shall be made for reconnection. Satisfactory arrangements for payment must be made before service will be restored.

If a visit to the customer's premises is required to manually restore service, the charge for reconnection shall be:

\$24.00, provided satisfactory payment arrangements have been made during the hours of 8:00 a.m. through 4:00 p.m. Monday through Friday, except holidays; or

\$48.00 if such arrangements are made during the hours of 4:00 p.m. through 7:00 p.m. Monday through Friday, except holidays.

If such arrangements are made during hours other than the above, the reconnection shall be completed on the following day except for medical emergencies or a customer disconnected in error. Any reconnection completed on a weekend or holiday* will be charged \$48.00.

If the customer's service is restored remotely without visiting the customer's premises, the charge for reconnection shall be:

\$12.00 any day, any time, provided satisfactory payment arrangements have been made.

*Charges assessed if connection is requested and completed on the following holidays:

New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Friday after Thanksgiving, and Christmas Day.

14.2 Electric Reestablishment Charge

When service has been discontinued at the Customer's request and then reestablished within a twelve-month period, the Customer shall be required to pay the monthly minimum charges that would have been billed had service not been discontinued, as well as a reestablishment charge. The charge for reestablishment shall be:

\$24.00, provided satisfactory payment arrangements have been made during the hours of 8:00 a.m. through 4:00 p.m. Monday through Friday, except holidays; or

\$48.00 if such arrangements are made during the hours of 4:00 p.m. through 7:00 p.m. Monday through Friday, except holidays.

If such arrangements are made during hours other than the above, the reestablishment shall be completed on the following day except for medical emergencies or a customer disconnected in error. Any reestablishment completed on a weekend or holiday* will be charged \$48.00.

If the customer's service is restored remotely without visiting the customer's premises, the charge for reconnection shall be:

\$12.00 any day, any time, provided satisfactory payment arrangements have been made.

*Charges assessed if connection is requested and completed on the following holidays:

New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Friday after Thanksgiving, and Christmas Day.

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RULES AND REGULATIONS - continued

15. PERSONALIZED BILLING PLANS (CLB):

Personalized Billing Plans for payment of bills for electric service (and natural gas service where applicable) are available to Customers who want level payments. The Personalized Billing Plans are offered to Customers without regard to time of year, home/business ownership or how long they have been at current residence or place of business.

15.1 Comfort-Level Billing Plan:

A Customer with an unpaid balance may join the Comfort-Level Billing Plan. Any unpaid balance will typically be paid off through a payment plan. Upon completion of that payment plan, the customer will begin their Comfort-Level Billing Plan.

The CLB plan will be based upon previous use, or estimated future use, and will approximate a monthly average of the Customer's estimated annual billings. Actual annual charges will differ. The "Base Plan Amount" will be billed on the regular statement each month. The amount shall apply only to the premises occupied by the Customer.

A Customer will remain on the CLB plan until the: (1) Customer requests removal from the plan, (2) Customer moves from their premises, (3) Customer fails to pay the billed amounts for two (2) or more months, or (4) Company notifies the Customer of the termination of the CLB Plan. In the case of non-payment, the Customer may remain on the CLB Plan if the customer pays the delinquent amount. Upon termination, any amount owed by the Customer for actual charges shall immediately become due and any amount owed to the Customer shall be refunded. The Company will not pay interest on any credit balance and will not charge the Customer interest on any debit balance in the Customer's CLB account.

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RULES AND REGULATIONS - continued

15. PERSONALIZED BILLING PLANS: - continued

The Company will review each Customer's CLB account on a regular basis. At the time of the review, the Company will recalculate the Customer's Base Plan Amount by using the most recent twelve months of consumption history. If the "recalculated" Base Plan Amount differs, by 25% or more from the "previous" Base Plan Amount, the customer will be given the choice of either discontinuing the CLB Plan or continuing the CLB Plan with the recalculated amount. Under normal circumstances, the company will not change the amount more than twice in any twelve (12) month period.

A review will be completed at the twelfth month anniversary of the date the Customer began their CLB plan. If the Customer's recalculated Base Plan Amount differs by 10% or more from the previous Base Plan Amount, the customer will be given the choice of either continuing or discontinuing their CLB Plan. If the Customer chooses to continue their CLB Plan, their new monthly payments will be their recalculated Base Plan Amount. This recalculated Base Plan Amount will be based on previous usage or estimated future usage. A Customer's Base Plan Amount may decrease, increase, or remain the same. Customers with a debit balance will be given the opportunity to either pay off their balance or have it included in their CLB payments. If the customers elect to have their debit balance included in their monthly payments, their monthly payments will equal their Base Plan Amount plus 1/12th of their debit balance. Customers with credit balances will have the overpayment applied to their next statement(s). At the customer's request, any credit balance will be refunded in full.

16. CONTINUITY OF SERVICE:

Electric service is inherently subject to interruption, suspension, curtailment, and fluctuation. The Company will endeavor at all times to provide a regular and uninterrupted supply of service, but in case the supply of service shall be interrupted or irregular or defective or fail from causes beyond its control, the Company will not be liable therefor. Circumstances exonerating the Company shall include, but not be limited to:

(a) causes beyond Company's reasonable control including fire, flood, drought, winds, acts of the elements, court orders, insurrections or riots, generation failures, lack of sufficient generating capacity, breakdowns of or damage to facilities of Company or of third parties, acts of God or public enemy, strikes or other labor disputes, civil, military or governmental authority, electrical disturbances originating on or transmitted through electrical systems with which Company's system is interconnected and acts or omissions of third parties;

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RULES AND REGULATIONS - continued

16. CONTINUITY OF SERVICE: - continued

(b) repair, maintenance, improvement, renewal or replacement work on Company's electrical system, which work in the sole judgment of Company is necessary or prudent; to the extent practicable work shall be done at such time as will minimize inconvenience to Customer and, whenever practicable, Customer shall be given reasonable notice of such work;

(c) actions taken by Company, which in its sole judgment are necessary or prudent to protect the performance, integrity, reliability or stability of Company's electrical system or any electrical system with which it is interconnected, which actions may occur automatically or manually;

(d) actions taken to conserve or curtail energy consumption at times of anticipated deficiency of resources at the Company's discretion or as required by governmental authority.

Automatic actions would occur through the operation of automatic protective equipment installed in Company's electrical system, including, without limitation, such equipment as automatic relays, generator controls, circuit breakers, and switches. This equipment is preset to operate under certain prescribed conditions which, in the sole judgment of Company, threaten system performance, integrity, reliability or stability.

Manual actions occur when switches, circuit breakers, relays, voltage regulators or other equipment are manually operated or when Company directs a customer to curtail its load. If manual actions are undertaken, then to the extent permitted by the operating characteristics of the electrical system, Company will perform such manual actions so that interruption, suspension, curtailment, or fluctuation of service to Customers will be accomplished in the following sequence unless it is necessary in the sole judgment of Company or if required by governmental authority to vary said sequence in order to protect system performance, integrity, reliability or stability.

(1) Large industrial and commercial Customers to the extent that this can be done after considering Customer's load and system conditions and then, if necessary;

(2) Selected distribution feeders throughout the service area for short periods of time, alternating among circuits and avoiding, if practicable, interruptions at facilities which are essential to the public welfare, such as hospitals, other health facilities, airports, police stations, fire stations, communication facilities, domestic water pumping stations, defense installations, civil defense centers, sewage disposal plants and others and then, if necessary;

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RULES AND REGULATIONS - continued

16. CONTINUITY OF SERVICE: - continued

(3) Selected distribution feeders throughout the service area for longer periods of time with less alteration among circuits while continuing to avoid, if practicable, interruptions at facilities which are essential to the public welfare and then, if necessary;

(4) Customers whose functions are essential to the public welfare beginning with those Customers whose service is least essential and continuing to those whose functions are progressively more essential.

To the extent permitted by the operating characteristics of the system, Company will restore service to Customers whose service has been manually interrupted, suspended, curtailed, or fluctuated hereunder (or whose service has been automatically interrupted, suspended, curtailed, or fluctuated hereunder if such service is not automatically restored) by manually restoring service in reverse sequence to that set out above unless it is necessary in the sole judgment of Company or if required by governmental authority to vary said sequence in order to protect system performance, integrity, reliability or stability.

Actions under subsection (d) above are expected to be taken only when a regional deficiency exists. Actions by the Company will be integrated with actions of other utility systems in the region taken to meet regional deficiencies. Where governmental action has designated authority to proclaim power emergencies, actions under subsection (d) above would be implemented by the Company in accordance with proclamation of such authority. The Company will implement the Regional Curtailment Plan for Electric Energy, dated May 22, 1992, upon declaration of state-initiated curtailment by the Idaho Public Utilities Commission (IPUC) with the deletion of Section VI.5.(A), Penalties for Non-Compliance. The Regional Plan with the noted exception is referred to herein as the Curtailment Plan.

The Company shall make determinations of load curtailment requirements in the absence of such authority, and the Company may, in the absence of proclamation by such authority, if the Company deems it essential to maintaining the integrity of its system or its ability to provide a power supply, implement the actions enumerated hereinafter. Action by civil authorities and by the Company to obtain load curtailment by customers other than Major Use Customers are intended to effect appropriate approximate equality of curtailment amongst all customers. If curtailment actions are undertaken, then to the extent permitted by the operating characteristics of the electrical system, such actions will be accomplished in the following sequence unless it is necessary in the sole judgment of the Company to vary said sequence in order to protect system performance, integrity, reliability or stability. The enumerated actions may also be

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IDAHO
RULES AND REGULATIONS - continued

16. CONTINUITY OF SERVICE: - continued

taken simultaneously, or within a short period, as the situation may require.

- A. Curtailment by voluntary curtailment of nonessential uses.
- (1) Initiate curtailment of all nonessential Company use.
 - (2) Request to public news media that all customers voluntarily curtail all nonessential uses.
 - (3) Request curtailment of nonessential use by governmental agencies and institutions at all levels.
 - (4) Request voluntary curtailment of nonessential use in all large buildings.
 - (5) Direct specific requests to Major Use Customers for voluntary curtailment of nonessential use.
- B. If additional curtailment is required: (If possible, Step (6) would be implemented in advance of the time it is predicted that involuntary curtailment may be needed.)
- (6) Intensify request to the public, including request to curtail less essential uses, and with notice that if curtailment does not occur, mandatory curtailment would be required.
 - (a) In the event of a Stage 2 curtailment designation as defined in the Curtailment Plan and declared by the IPUC, the Company will notify customers of the percentage level of state-initiated voluntary targets.
- C. In the event it appears that the above actions will not provide the required load curtailment, the Company will take the following actions, after giving notice to the Commission:
- (7) Implement nonvoluntary curtailment in accordance with governmental directives or, in absence thereof, implement nonvoluntary curtailment of all Major Use Customers by a percentage of Base Period load, which percentage shall be identical for all such customers.
 - (a) In the event of a Stage 3 curtailment designation as defined in the Curtailment Plan and declared by the IPUC, the Company will notify customers of the percentage level of state-initiated voluntary targets over the Customer's Base Period load.
 - (8) Provide on request Base Period load and current consumption figures to civil authorities.
 - (9) Inform all customers other than Major Use Customers of the recommended means of achieving comparable load curtailment.

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16. CONTINUITY OF SERVICE: - continued
- (10) In addition to the foregoing, the Company may utilize operational procedures, including voltage reduction and interruption of service, as necessary to maintain integrity of service. Public notice will be given through news media before such operational procedures are implemented.
- D. As used in this rule:
- (1) "Major Use Customer" is a customer who used 75,000 Kwh in any monthly billing cycle in the Base Period, or who would use 75,000 Kwh (without curtailment) in any monthly billing cycle in the 12-month period beginning the previous August 1.
- (2) "Base Period" is the corresponding monthly billing cycle in a 12-month period ending the previous July 31.
- E. The Base Period loads of Major Use Customers will be adjusted to take into account installed increase in normal load. Customers becoming Major Use Customers in the period after August 1 of the curtailment year by reason of increased usage shall have a Base Period load determined by the Company on the basis of the projected usage before curtailment.
- F. The Base Period loads of customers other than Major Use Customers may be modified where additional load requirements have occurred and where such additional load cannot be avoided during the curtailment period. A customer desiring such modification shall notify the Company with description of reasons therefor.
- G. Prior to implementing Step (7), the Company will establish the Base Period load for Major Use Customers in consultation with such customers, where required.
- H. In the event a customer and the Company cannot agree on the Base Period load, the matter may be submitted by the customer to the Commission, and, pending final decision by the Commission, the Base Period load shall be that determined by the Company.
- I. The percentage specified for mandatory curtailment under Step (7) may be increased or decreased as system conditions require, or as established by governmental authority.
- J. If competent public authority determine that differing percentage curtailment should apply to different uses of power, the percentages provided for under Step (7) will be modified accordingly.

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RULES AND REGULATIONS - continued

16. CONTINUITY OF SERVICE: - continued

K. Any customer who considers that curtailment in accordance with the provisions of this rate schedule shall impose an unusual and excessive hardship upon him may present his reasons therefor, and a statement of the facts supporting such reasons, to the Commission.

L. Customers may schedule load curtailment in any period and in any manner to minimize economic costs, hardship or inconvenience, provided that the required load curtailment (if determined on other than a daily basis) shall be assured within each period, such period not to be longer than one month.

M. The Company shall have the right to inspect the Customer's facilities and operating schedules to determine whether the Customer has complied with load curtailment required under Steps (7) through (9). If a Customer has not so complied and continues to fail to comply after receiving notice of noncompliance from the Company and adequate time to cure, the Company may discontinue service to such Customer until it is assured that the Customer will comply with directed load curtailment.

N. At the time of state-initiated curtailment, the Company will implement all phases of the Curtailment Plan including, but not limited to, auditing customer compliance with curtailment targets, granting qualified consumer requests for exemption from mandatory curtailment, and measuring amount of curtailment achieved. Customers, during periods of state-initiated curtailment, are subject to the requirements, terms, and conditions of the Curtailment Plan.

17. OPTIONAL PHASE AND VOLTAGE:

The Company will advise Customer of and supply him or her with the most suitable phase and voltage available upon established circuits. At the option of Company voltages in excess of the available distribution voltage may be supplied on request for Customers whose demands exceed 25 kw provided that only one voltage will be supplied to a Customer's premises.

18. REACTIVE POWER (POWER FACTOR) ADJUSTMENT:

Where Customer's kilowatt demand is 50 kw or more and Customer's maximum 15 minute reactive kilovolt amperes demand for that month is in excess of 60% of the kw demand, Customer will pay 25¢ per month for each reactive kilovolt ampere of such excess. The reactive kilovolt ampere demand may be determined by permanently installed instruments or by tests at reasonable intervals.

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19. BALANCING OF LOAD:

Load unbalance shall not exceed 20% on single phase or 10% on three phase loads at any time on the various phase wires. On combined loads, single and three phase loads shall be measured separately.

20. LOW POWER FACTOR DEVICES:

Installations of neon, fluorescent, mercury vapor lamps or tubes or other types of gaseous tube lamps shall be corrected by Customer so that such units or groups of units have a power factor of not less than 85% lagging. Where such correction is not made there will be an additional charge of \$1.00 per kva of installed capacity provided no charge will be made for uncorrected equipment of 1/10 kva or less.

21. MASTER METERING:

See Master Metering Rules 101-104.

Master metering is prohibited when service to units of commercial buildings and shopping centers whose electric load is determined to exceed 20 kw of demand.

22. BILLS - CONTENTS OF, ERRORS IN, FINAL, AND TRANSFER OF:

See Utility Customer Relations Rules 200-206.

23. COMPLAINT PROCEDURES:

See Utility Customer Relations Rules 401-403.

24. INFORMATION REQUIRED TO BE AVAILABLE TO CUSTOMERS:

See Utility Customer Relations Rule 701 and Utility Customer Information Rules 101-105.

25. METER READING AND BILLING PRACTICE:

1. The normal monthly billing period shall be approximately 30 days between meter readings as scheduled by the Company. However, Saturdays, Sundays, holidays, or some other unusual situation may alter the normal billing period. In such situations, electric service covering 27 to 35 days inclusive will be billed as a normal billing period.

2. The Company reserves the right to modify meter reading schedules as required by changing conditions.

3. When other than normal billing periods are caused by the Customer; i.e., opening an account, services for six days or less will be treated as an addition to the next normal billing period, and the total billed on the basis of a normal billing period; consumptions for seven days or more will be billed as a normal billing period; i.e., closing an account, services for 27 to 35 days will be billed as a normal billing period. The billings for services less than 27 and more than 35 days will be prorated.

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4. When other than normal billing periods are caused by the Company, due to modification of meter reading schedules as required by changing conditions, services will be billed on a normal billing period basis, or prorated, whichever produces the smaller bill.

5. The Company may estimate meter readings for fractional month's use and render bills based on these estimated readings.

6. Where the Company's meter reader is unable to gain access to the premises to read the meter on his regular meter trip, the Company may estimate meter readings or request the Customer to send in the meter reading on a post card furnished by the Company.

7. See Utility Customer Relations Rule 204.

8. Monthly minimum charges shall be billed in their entirety and shall not be prorated during partial billing periods caused by disconnect and reconnect transactions. Monthly minimum charges shall not apply to a billing period when service has been disconnected for the entire billing period.

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26. BUY-BACK OF CUSTOMER POWER:

Where customer premise is supplied through one meter installation for a demand of not less than 3,000 Kva, the Customer may voluntarily curtail power usage with Company agreement and receive a billing credit with the specific credit amount and period of load curtailment specified by written agreement. The highest credit amount received by any customer will be provided to all other customers taking service on that day under this rule. The minimum curtailment period is one day (midnight to midnight) and the minimum amount of curtailment is one megawatt hour. The curtailed amount will be calculated by comparing the difference between energy consumed each day during the load curtailment period and energy consumed on the 14 work week days immediately preceding the load curtailment period. Other methods of verification may be utilized with mutual written agreement between the customer and the Company.

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27. BUY-BACK OF CUSTOMER POWER—Pumping Service:

This offer is available to customers presently taking service under Pumping Service Schedules 31 or 32 who have historically used at least 50,000 kilowatt-hours of electricity for the period of May through September and who can provide a minimum of 25,000 cumulative kilowatt-hour savings during the period of May through September in 2001. Eligible customers will be notified by the Company and must respond to the Company in writing by April 15, 2001 if they wish to participate. Participants must acknowledge that this tariff influenced their decision to reduce their energy consumption. The Company will pay participants who exceed 50,000 kilowatt-hours of reduced energy usage ten (10) cents for each kilowatt-hour of reduced energy usage. Participants who do not achieve 50,000 kilowatt-hours of savings but exceed 25,000 kilowatt-hours will be paid five (5) cents for each kilowatt-hour of reduced energy usage. Participants who do not achieve 25,000 kilowatt-hours of reduced energy usage will not receive any payment for energy saved.

The amount of reduced energy usage will be determined by subtracting the customer's total energy usage for May through September, 2001 from the annual average of the customer's total energy usage during May through September for the preceding five years. If the customer does not have five prior years of billing history, the Company will utilize the billing history available for all prior May through September periods. The customer must have at least one prior billing history period of May through September available in order to be eligible. The customer's May through September usage will be determined based on the customer's first five normal monthly billings occurring on or after May 15th and ending prior to October 31st. Verification of energy savings and payment to customers will occur after October 31, 2001. This rule expires on October 31, 2001.

28. INTERCONNECTION STANDARDS

A. General Conditions - The following states the general conditions and requirements and technical specifications for the safe and reliable operation of interconnected Customer-owned generating facilities, 25 kW or less in capacity, that are intended to generate energy to serve all or a part of the Customer's load or for purchase by the Company.

(1) Electrical Generation Systems (25 kW and Smaller) –

Any electrical generating facility with a maximum electrical generating capacity of 25 kW or less, including rotating machines (synchronous or induction generators) with nameplate rating of no more than 25 kVA, must

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comply with these standards to be eligible to connect and operate in parallel with the Company's distribution system.

(2) Application –

Each Customer seeking to interconnect qualifying generation must fill out and submit an application, available on the Company's website or by contacting the Company. Information must be accurate, complete, and the application must be approved by the Company prior to installing the generating facility. Customers will be charged an interconnection application fee of \$100.

(3) Application Prioritization -

All generation interconnection requests for facilities 25 kW or less from Customers will be prioritized by the Company the same as any new load requests. Preference will not be given to either request type. The Company will process the application and provide interconnection in a time frame consistent with other service connections.

(4) Interconnection Agreement -

Prior to interconnection all qualifying Customers must obtain a Certificate of Completion and sign an appropriate Interconnection Agreement (documents available on the Company's website or by contacting the Company). This Agreement between the Company and the Customer outlines the interconnection standards, billing and revenue agreements, and on-going maintenance and operation requirements.

(5) Unauthorized Connections -

For the purposes of public and working personnel safety, any non-approved generation interconnections discovered will be immediately disconnected from the Company's system.

(6) Dedicated Distribution Transformer -

To ensure reliable service to all the Company's Customers and to minimize possible problems for other Customers, the Company will review the need for a dedicated-to-single-customer distribution transformer. Interconnecting generation under 25 kW may require a separate transformer. If the Company requires a dedicated distribution transformer, the Customer shall pay for all costs of the new transformer and related facilities.

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(7) Metering -

(a) Net Metering: The Company shall install, own and maintain a kilowatt-hour meter, or meters, as the Company may deem necessary, capable of registering the bi-directional flow of electricity at the Point of Common Coupling at a level of accuracy that meets all applicable standards, regulations and statutes. The meter(s) may measure such parameters as time of delivery, power factor, voltage and such other parameters as the Company shall specify. The Customer shall provide space for metering equipment. It will be the Customer's responsibility to provide the current transformer enclosure (if required), meter socket(s) and junction box after the Customer has submitted his/her drawings and equipment specifications for the Company's approval. The Company may approve other generating sources for net metering but is not required to do so.

(b) Production Metering: The Company may require separate metering for production. This meter will record all generation produced and may be billed separately from any net metering or customer usage metering. The Customer shall pay all costs associated with the installation of production metering.

(8) Labeling -

Common labeling furnished or approved by the Company and in accordance with National Electric Code (NEC) requirements must be posted on meter bases, disconnects, and transformers informing working personnel that generation is operating at or is located on the premises.

(9) Insurance & Liability -

Generation facilities permitted under these standards may require additional insurance and indemnification. Qualifying generation must meet these interconnection standards and maintain compliance with these standards during operation.

(10) Future Modification or Expansion -

Prior to any future modification or expansion of the customer-owned generating facility, the Customer must obtain the Company's review and approval. The Company reserves the right to require the Customer, at the Customer's expense, to provide corrections or additions to existing electrical devices in the event of modification of government or industry regulations and standards.

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(11) The Company's System Capacity -

For the overall safety and protection of the Company's system the interconnection of generation for net metering shall be limited to 0.1% of the Company's peak demand during 1996. Additionally, interconnection of qualified customer-owned generation to individual distribution feeders will be limited to 10% of the feeder's peak capacity. However, it is at the discretion of the Company to allow additional generation interconnection beyond these stated limits.

(12) Customer-Owned Equipment Protection -

It is the responsibility of the Customer to protect their facilities, loads and equipment and comply with the requirements of all appropriate standards, codes, statutes and authorities.

(13) Interconnection Costs -

Additional costs above and beyond the application fee, if any, will be cost based and applied as appropriate at the Customer's cost. For example, costs may be incurred for transformers, production meters, and the Company's testing, qualification, and approval of non-UL 1741 listed equipment.

B. Technical Specifications - The following sets forth the technical specifications and conditions that must be met to interconnect non-Avista Utilities-owned electric generation, 25 kW or less, for parallel operation with the distribution system of the Company.

(1) General Interconnection Requirements -

(a) Any Facility desiring to interconnect with the Company's Electrical Power System (EPS) or modify an existing interconnection must meet all minimum specifications applicable, as set forth in the following documents and standards and requirements in this Section in their most current approved version at the time of interconnection.

(b) The specifications and requirements listed herein are intended to mitigate possible adverse impacts caused by the Facility on the Company's equipment and personnel and on other customers of the Company. They are not intended to address protection of the Facility itself or its internal load. It is the responsibility of the Facility to comply with the requirements of all appropriate standards, codes, statutes and authorities to protect itself and its loads.

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(c) The specifications and requirements listed herein shall apply generally to the non-Avista Utilities-owned electric generation equipment to which this standard and agreement(s) apply throughout the period encompassing the Customer's installation, testing and commissioning, operation, maintenance, decommissioning and removal of said equipment. The Company may verify compliance at any time, with reasonable notice.

(d) The Customer will comply with the following requirements in this Section. At its sole discretion, the Company may approve alternatives that satisfy the intent of, and/or may excuse compliance with, any specific elements of the requirements contained in this Section.

- (1) Code and Standards. Customer shall conform to all applicable codes and standards for safe and reliable operation. Among these are the National Electric Code (NEC), National Electric Safety Code (NESC), the Institute of Electrical and Electronics Engineers (IEEE), American National Standards Institute (ANSI), and Underwriters Laboratories (UL) standards, and local, state and federal building codes. The Customer shall be responsible to obtain all applicable permit(s) for the equipment installations on their property.
 - (2) Safety. All safety and operating procedures for joint use equipment shall be in compliance with the Occupational Safety and Health Administration (OSHA) Standard 29, CFR 1910.269, the NEC, and the Idaho Public Utilities Commission (IDAPA) rules.
 - (3) Power Quality. Installations will be in compliance with all applicable standards including IEEE Standard 519-1992 Harmonic Limits.
- (2) Inverter Based Interconnection Requirements, as Applicable:
- (a) IEEE Std 1547-2003 Standard for Interconnecting Distributed Resources with Electric Power Systems.
 - (b) UL Standard 1741, Inverters, Converters, and Controllers for Use in Independent Power Systems – Equipment must be UL listed.
 - (c) IEEE Standard 929-2000, IEEE Recommended Practice for the Company's Interface of Photovoltaic (PV) Systems.

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(3) Non Inverter Based Interconnection Requirements - The Application for such Interconnection may require more detailed Company review, testing, and approval, at Customer cost, of the equipment proposed to be installed to ensure compliance with applicable standards including:

(a) IEEE Std 1547-2003 Standard for Interconnecting Distributed Resources with Electric Power Systems.

(b) ANSI Standard C37.90, IEEE Standard for Relays and Relay Systems Associated with Electric Power Apparatus.

(c) Customers proposing such interconnection may also be required to submit a power factor mitigation plan for the Company's review and approval.

(4) Specific Interconnection Requirements –

(a) Visible/Lockable Disconnect. Customer shall furnish and install on Customer's side of meter a UL approved safety disconnect switch which shall be capable of fully disconnecting the Customer's energy generating equipment from the Company's electric service. The disconnect switch shall be located adjacent to the Company's meters and shall be of the visible break type in a metal enclosure which can be secured by a padlock. The disconnect switch shall be accessible to the Company's personnel at all times. This requirement may be waived by the Company if: (1) Customer provides interconnection equipment that Customer can demonstrate, to the satisfaction of the Company, performs physical disconnection of the generating equipment supply internally; and, (2) Customer agrees that its service may be disconnected entirely if generating equipment must be physically disconnected for any reason. The Company shall have the right to disconnect the Facility from the Company's supply at the disconnect switch when necessary to maintain safe electrical operating conditions or, if the Facility does not meet required standards or, if the Facility at any time adversely affects the Company's operation of its electrical system or the quality of the Company's service to other customers.

(b) Voltage and Phasing. Nominal voltage and phase configuration of Customer generation must be compatible to the Company's system at the Point of Common Coupling (PCC).

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(c) Interconnection to secondary Network Distribution System (distribution systems with multiple sources of secondary supply). Customer must provide evidence that their generation will never result in reverse current flow through the Company's Network Protectors. All instances of interconnection to secondary Distribution Networks shall require review and written pre-approval by designated Company engineering staff. Interconnection to distribution secondary area networks is not allowed. Closed Transition Transfer Switches are not allowed in secondary Network Distribution Systems.

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