



Avista Corp.

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March 1, 2016

Advice No. 16-04-G

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
Salem, OR 97302

Attention: Filing Center

Pursuant to OAR 860-022-0025(1), attached for filing with the Commission is an electronic copy of Avista Corporation's, dba Avista Utilities ("Avista or the Company"), filing of its proposed changes to the following tariff sheets, P.U.C. OR No. 5:

Third Revision Sheet 486A	Canceling	Second Revision Sheet 486A
Third Revision Sheet 486C	Canceling	Second Revision Sheet 486C
Fourth Revision Sheet 486D	Canceling	Substitute Third Revision Sheet 486D
Third Revision Sheet 490	Canceling	Second Revision Sheet 490
Second Revision Sheet 490A	Canceling	First Revision Sheet 490A
Second Revision Sheet 490B	Canceling	First Revision Sheet 490B

The purpose of this filing is to make modifications to the Company's Demand Side Management (DSM) program as required by Order No. 15-288 issued in Docket LC 61 on September 22, 2015. There are no proposed changes to any rates or charges in this filing.

Subsequent to Order No. 15-288 issued in Docket LC 61 the Company agreed as part of a settlement stipulation reached in Docket UG 288 to transition its DSM program to the Energy Trust of Oregon (ETO) on January 1, 2017. In Order No. 16-076 in Docket UG 288 the Commission approved of the settlement stipulation. As a result of the transition of the DSM programs to the ETO and after several discussions with Commission Staff, the Company has

proposed changes in this filing that are slightly different than the Company was required to make in Order No. 15-288. The changes proposed with this filing are designed to help make the transition of the DSM program to the ETO as seamless as possible for its customers, such that programs for the remainder of 2016 are closely aligned with the programs currently being offered by the ETO.

The following are the specific changes made to each tariff sheet listed above.

Schedule 486 – Residential Energy Efficiency Schedule

1. Sheet 486A – in first paragraph for Energy Efficiency Measures, criteria for double glazed windows was clarified to state “with a U-Value of 0.30 or lower” instead of original language “class 30 or lower). In section 1 of Home Energy Analysis the term “audit” was replaced with “analysis” as the term is better suited to the work that is performed.
2. Sheet 486C – in the first paragraph “double glazed windows (only when replacing single glazed windows), when done in conjunction with qualifying attic insulation” was removed and the provision that “floor insulation when installed in conjunction with qualifying attic insulation and submitted on the same incentive application” was added. Item 4 in the “expected life cycles” section was modified by removing the provision “class 30” from double glazed window replacements. These changes align specific measure requirements with those of the Energy Trust of Oregon (ETO).
3. Sheet 486D – In section B the criteria “when existing is \leq R19” was added to the attic incentive requirement. The amount paid for the floor incentive was changed from \$0.31 to \$0.30 and a cap of “up to \$150” was added. In Section D, the amount paid per square foot for double glazed windows was decreased from \$2.25 per square foot of windows installed to \$1.75 per square foot of windows installed. A new provision was also added for double glazed windows with a U-Value of 0.27 or less, in which the incentive shall be \$4.00 per square foot of windows installed.” These changes align with specific measure incentives provided by the ETO.

Schedule 490 – Residential Energy Efficiency Equipment Program

1. Sheet 490 – Smart thermostats were removed from the table under the Prescriptive Efficiency Measures as required.
2. Sheet 490A – Language was added to describe that a designated third-party vendor, such as the ETO, could provide energy efficiency programs under this scheduled. As agreed to in Docket UG 288, the Company’s DSM program will be transitioning to the ETO on January 1, 2017 and that the ETO may offer a program to Avista customers in 2016. This language provides for that opportunity.
3. Sheet 490B – the definition of “Smart Thermostats” was removed from the tariff language as smart thermostat rebates will be handled by the ETO.



The Company requests the tariff changes be effective for service rendered on and after April 1, 2016. If you have any questions regarding this filing, please contact me at (509) 495-2782 or Kerry Shroy, Manager of OR DSM, at (541) 858-4743.

Sincerely,

Shawn Bonfield

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Enclosures



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 486 (continued)
RESIDENTIAL ENERGY EFFICIENCY SCHEDULE - OREGON

Energy efficiency measure means measures that include the installation of items and the items installed to improve the space heating and energy utilization efficiency of a dwelling. These items include: caulking, weatherstripping, and other infiltration preventative materials, ceiling and wall insulation, crawl space insulation, vapor barrier materials, insulation of heating ducts and hot water pipes, and double glazed windows with a U-Value of 0.30 or lower. "Energy efficiency measures" does not include the dwelling owner's own labor.

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INFORMATION TO CUSTOMERS:

Avista Utilities will provide information to its residential customers, which includes:

1. Information about energy efficiency measures, financing services available and any other services which improve the efficiency of gas space heating and gas energy utilization of the dwelling, on an annual basis.
2. Technical information about energy efficiency and technical advice concerning advantages and disadvantages of various methods of saving energy.
3. An address and telephone number which the customer can call to make arrangements to receive services.

HOME ENERGY ANALYSIS:

1. Primary responsibility for furnishing an energy analysis lies with the Company providing the primary source of home heating energy, and the Company, if not the primary supplier, may discharge its energy analysis obligation by arranging for the primary supplier of space heating to perform the energy audit.
2. The Home Energy Analysis will be written and include a heat loss analysis and results of an inspection of furnace, filters, heating ducts, door and windows, ceilings, walls, ground floor, and major gas energy consuming appliances. Such analysis shall be performed within 60 days of the customer's request. Such analysis shall include an estimate of the savings to be gained from recommended energy efficiency measures.
3. Energy Efficiency Recommendations which have been found to be cost-effective will be provided to the customer after performance of the home inspection.

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By

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SCHEDULE 486 (continued)
RESIDENTIAL ENERGY EFFICIENCY SCHEDULE - OREGON

- 3. Floor insulation when installed in conjunction with qualifying attic insulation and submitted on the same incentive application.
- 4. Attic ventilation, excluding power ventilators, when installed in conjunction with ceiling or attic insulation.

(C)(D)
(C)(D)

The following expected life cycles of energy efficiency measures will be used in determining cost effectiveness:

- 1. Attic, ceiling, and under-floor insulation: 45 years;
- 2. Insulation of walls in heated basements: 45 years;
- 3. Insulation of heating system supply and return air ducts: 45 years;
- 4. Double glazed window replacements: 25 years.

(D)

FINANCING:

- 1. The Company will provide all customers receiving a Home Energy Analysis a description of the sources of financing available to the dwelling owner.
- 2. The Company will offer to all qualifying space-heating customers receiving a Home Energy Analysis the option of receiving:
 - A. A loan at an annual interest rate 10 percentage points lower than the rate published by the Federal Housing Administration for Title I property improvement loans (24 C.F.R. 201.4 (a)) on the date of the loan application, but not lower than six and one-half percent or higher than 10.39 percent which would allow the customer, with approved credit, to pay for the weatherization services performed under the program over a reasonable period of time, in no case greater than ten years. For costs of energy efficiency measures which exceed cost-effectiveness levels up to the maximum loan limit, the Company will offer to finance those expenditures at the interest rate established by the Public Utility Commission of Oregon. Where the combined interest rate for the loans financed for cost-effective measures and non cost-effective measures exceeds 10.39%, the rate for the loan for the non-cost effective measures shall be recalculated so that the combined rate for the two loans equals 10.39%. The total principal amount, per dwelling, shall not exceed \$5,000.00. With multiple family units the same per unit limit applies.

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SCHEDULE 486 (continued)
RESIDENTIAL ENERGY EFFICIENCY SCHEDULE - OREGON

B. For insulation measures and wrapping of pipes the following incentives will be paid, not to exceed one hundred percent (100%) of the cost of the measure.

- \$0.38 attic insulation per square foot installed when existing is \leq R19,
- \$0.30 for floor insulation per square foot installed up to \$150,
- \$0.38 for wall insulation per square foot installed,
- \$0.75 for insulation of heating supply and return air ducts per lineal foot installed,
- \$0.50 for wrapping of pipes per lineal foot installed,

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C. For caulking and weatherstripping the incentive shall be fifty percent (50%) of the cost of the measure, not to exceed \$150.

D. For double glazed windows with a U-Value of 0.28 - 0.30, the incentive shall be \$1.75 per square foot of windows installed. For double glazed windows with a U-Value of 0.27 or less, the incentive shall be \$4.00 per square foot of windows installed.

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(C)(N)
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(N)

E. Payments under Section 2.A., 2.B., 2.C., 2.D., and 2.F. will be made after inspection has been made for energy efficiency measures installed which meet acceptable industry standards for materials and workmanship.

F. For loans provided by the Company, a monthly payment of not less than \$15.00 will be required.

G. In any case, the Company will only provide either the \$5,000.00 loan or incentive to each dwelling during the time it is connected to the Company's system. However if other cost effective measures can be installed, subsequent dwelling owners would also qualify for the full amount of financing available.

3. The Company will provide all papers for the loan and will assure preparation of all documents necessary for completing the loan.

4. The Company may file a notice of lien.

5. A residential customer may choose to act independently of the Company to obtain financing for energy efficiency services at a lending institution of the customer's choice, in which case the provisions of Subsection 2.A., 3. and 4. of this Section do not apply.

RULES AND REGULATIONS:

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part, and to those prescribed by regulatory authorities.

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SCHEDULE 490
RESIDENTIAL ENERGY EFFICIENCY EQUIPMENT PROGRAM – OREGON

PURPOSE:

To acquire natural gas resources through a more efficient use of energy by providing partial funding for the installation of energy efficiency measures.

AVAILABLE:

To all qualifying residential customers, within the Company's Oregon service territory. This program is available to Owners of these facilities, as well as Tenants who have obtained appropriate Owner consent.

PRESCRIPTIVE EFFICIENCY MEASURES:

Avista Utilities shall provide the specified incentive for the natural gas efficiency measures identified within this section. Upon completion of the installation of measures, the Company will reimburse to Customers, or Contractors, the following amounts:

Measures (See Specific Qualifications in the Measure Definitions)	Measure Life	Incentive
New high-efficiency forced air gas furnace (AFUE RATING OF AT LEAST 90%)	25 Years	\$200
Gas Boiler Systems & Combination Space/Water Heating Systems (CA-AFUE RATING OF AT LEAST 90%)	25 Years	\$200

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ANALYSIS:

Estimated savings for Customers participating in this program will be determined using standard Engineering and HVAC practices.

GENERAL PROVISIONS:

The DSM investment costs and the resulting lost margins, associated with this tariff, will be recovered through Schedule 466 - Conservation Investment Mechanism - Oregon, a periodic rate adjustment mechanism.

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part, and to those prescribed by regulatory authorities.

All installations and equipment must comply with all codes and permit requirements applicable in the state of Oregon and must be properly inspected, if required, by appropriate agencies.

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SCHEDULE 490 (continued)
RESIDENTIAL ENERGY EFFICIENCY EQUIPMENT PROGRAM – OREGON

The Company may establish specifications regarding any demand side management measures and modifications to be effected under this schedule and may conduct inspections to insure that such specifications are met. The Company reserves the right to verify installation prior to payment of any incentives.

Additional residential efficiency measures approved by the Commission including, but not limited to, smart thermostats, shower heads, and gas water heaters, shall be available to customers directly through a designated third-party or from the Company. The Energy Trust of Oregon is an approved provider of energy efficiency programs under this Schedule, and is authorized to deliver and administer certain energy efficiency program to Avista Customers.

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DEFINITIONS:

Space Heating means heating the air within a dwelling by natural gas.

Customer means any dwelling owner or tenant for whom Avista Utilities is the primary provider of the energy.

Contractor means a person, partnership, association, company, corporation, or other form of organization licensed to perform one or more energy efficiency services.

Incentive means a cash payment made by the Company to the builder, contractor, owner, or tenant of record at the time of the application for energy efficiency measures.

Dwelling means real or personal property within the state inhabited as the principal residence of an owner or tenant and which is occupied at the time energy efficiency services are requested. "Dwelling" includes a mobile home as defined in ORS 446.003, a floating home as defined by ORS 488.705 and multiple unit residential housing. "Dwelling" does not include a recreational vehicle as defined in ORS 446.003.

Dwelling owner means the person or persons having legal title to a dwelling, including the mortgage under a duly recorded mortgage of real property, a trustor under a duly recorded deed of trust or purchaser under a duly recorded contract for the purchase of real property and whose dwelling receives space heating energy from the Company.

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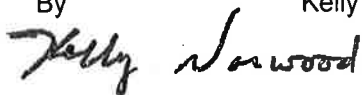
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SCHEDULE 490 (continued)
RESIDENTIAL ENERGY EFFICIENCY EQUIPMENT PROGRAM – OREGON

Measure Life means the maximum term (in years) that the Company will assume savings can be expected to occur from the measure. The value of Measure Life may be lower than the average life expectancy of the equipment/materials related to the measure, due to uncertainty of continuing savings over that period.

GAMA Directory means Gas Appliance Manufacturers Association Consumers' Directory of Certified Efficiency Ratings.

High Efficiency Forced-Air Heating Equipment means space heating equipment whose efficiency exceeds established federal standards. Central forced air equipment must be at least 90% efficient. To qualify for incentives, the equipment must be rated and published in the GAMA reference book.

High Efficiency Direct Vent Natural Gas Space Heating Equipment means space heating equipment whose efficiency exceeds established federal standards. Spaced heating equipment must use direct venting and be at least 80% efficient. To qualify for incentives, the equipment must be rated and published in the GAMA reference book.

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