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August 14, 2019

Public Utility Commission of Oregon
201 High St SE Suite 100
Salem, OR 97301

Re: Adv No. 19-08-G

Attention: Filing Center

Attached for filing with the Commission is an electronic copy of Avista Corporation’s, dba Avista Utilities’ (“Avista” or “the Company”), proposed additions, revisions, and deletions to the following tariff sheets, P.U.C. OR. No. 5:

9 th Revision Sheet 440A	Canceling	8 th Revision Sheet 440A
4 th Revision Sheet 440B	Canceling	3 rd Revision Sheet 440B
11 th Revision Sheet 456A	Canceling	10 th Revision Sheet 456A
1 st Revision Sheet 14	Canceling	Original Sheet 14
1 st Revision Sheet 14A	Canceling	Original Sheet 14A
1 st Revision Sheet 14B	Canceling	Original Sheet 14B
1 st Revision Sheet 14C	Canceling	Original Sheet 14C
2 nd Revision Sheet 21	Canceling	1 st Revision Sheet 21
2 nd Revision Sheet 21A	Canceling	1 st Revision Sheet 21A
2 nd Revision Sheet 21B	Canceling	1 st Revision Sheet 21B
3 rd Revision Sheet 21C	Canceling	2 nd Revision Sheet 21C
3 rd Revision Sheet 21D	Canceling	2 nd Revision Sheet 21D
3 rd Revision Sheet 21E	Canceling	2 nd Revision Sheet 21E
3 rd Revision Sheet 21F	Canceling	2 nd Revision Sheet 21F

The Company is requesting to cancel the following tariff sheets:

- 3rd Revision Sheet 456B
- 2nd Revision Sheet 456C
- 1st Revision Sheet 21G
- 1st Revision Sheet 21H
- 1st Revision Sheet 21I
- 1st Revision Sheet 21J

The proposed tariff revisions contained herein are the by-product of lessons learned from the Enbridge pipeline incident (as explained further below), and are ultimately designed to clarify the provisions applicable to interruptible and transportation customers, and the curtailment processes for all natural gas customers. These changes are consistent with ORS 757.710 and 757.720. Specifically, the Company’s plan meets the following requirements of ORS 757.210:

- a) The plan is consistent with the public health safety and welfare;
- b) The plan is technically feasible;
- c) The plan effectively minimizes the impact of any curtailment; *and*
- d) The plan is consistent with Oregon’s energy policies.

The Company requests that the proposed revisions to the tariff sheets listed above become effective September 27, 2019.

Background

On October 9, 2018, a rupture occurred on a natural gas transmission pipeline owned and operated by Enbridge. The rupture ignited at the site, north of Prince George, B.C. This event caused Avista to activate the Company’s emergency operations plan to address the shortage of natural gas within the Pacific Northwest. Several of Avista’s Oregon customers were curtailed the day after the event in order to maintain the integrity of the Company’s natural gas distribution system. All customer curtailments were lifted on October 11, 2018, two days after the incident. After conducting an “after action” debrief of the Company’s response to the event, Avista created a cross-function team of employee’s to address areas for improvement, process opportunities, and communication related to its curtailment procedures and associated tariffs. The proposed tariffs are a result of this teams efforts to clarify and streamline the Company’s curtailment process.

Summary of Changes

As noted earlier, the proposed changes are a product of lessons learned from the Enbridge pipeline incident. The following is a high-level summary of the revisions for clarification in the tariffs identified by Avista’s cross-function team. Due to the number of changes being proposed, Avista has also provided several redline tariffs as attachments to this filing in order to highlight the changes. The redline documents are included in Appendix A.

- Updates to Schedule 456
 - The Company moved the terms and conditions related to transportation of customer-owned natural gas from Schedule 456 to Rule 21. The terms and conditions related to natural gas curtailment were moved from Schedule 456 to Rule 14. Moving the terms and conditions into the appropriate rules simplifies Schedule 456 and eliminates the administrative burden of maintaining similar terms and conditions in separate tariffs. The restructuring also aligns with the schedules and rules with the Company’s other service territories; *and*
 - Made backup generation a recommendation, not a requirement.
- Updates to Schedule 440
 - Made backup generation a recommendation, not a requirement;
 - Moved the terms and conditions related to natural gas curtailment to Rule 14;
 - Clarified the language regarding which customers are not eligible to receive service under schedule 440;
 - Updated provisions related to customers moving to, or from sales service schedules and interruptible schedules, and vice versa, with an emphasis on making it easier for customers to return to sales service schedules from interruptible schedules; *and*
 - Made general housekeeping edits to terms and conditions.
- Updates to Rule 21
 - Renamed the rule, “Natural Gas Transportation Service Terms and Conditions”;
 - Removed sections not related to the transportation of customer owned natural gas or entitlements;
 - Reorganized the schedule into sections;
 - Added a definitions section where all terms related to the transportation of natural gas are defined;
 - Removed redundant language;
 - Revised entitlement and balancing conditions to better align with the requirements of natural gas transmission pipelines; *and*
 - Updated provisions related to customers moving to, or from sales service schedules and transport schedules, and vice versa, with an emphasis on making it easier for customers to return to sales service schedules from transport schedules.
- Updates to Rule 14
 - Updated the format of the rule to clarify the terms and conditions, as well as align the rule with the Company’s other jurisdictions;
 - Updated the name of Rule 14 from, “Continuity of Service” to “Plan for Natural Gas Service Curtailment.” This is intended to clarify the purpose of the rule and it also aligns with the Company’s other jurisdictions;

- Content from the previous Section B, “Curtailed at Point of Receipt” was moved to the “Available” and “Applicable” sections in Rule 21. This change was appropriate since Rule 21 includes the terms and conditions for transportation service customers;
- Updated language from the previous Subpart D related to Customer Owned-Gas, enabling Avista to entitle, curtail, or interrupt the transportation of customer-owned natural gas whenever the Company is unable to meet its firm service requirements. This language was added to Rule 21, section 8. The previous language only allowed the Company to curtail customer-owned natural gas to serve essential human needs customers. The Company’s obligation is to serve all firm-service customers before interruptible transport customers, and this change provides the ability to do that. This update is also consistent with Northwest Natural’s tariff Rule 13;
- Updated the previous Section E, “Priority Classification of Use” to curtail Customers by schedule instead of by the amount of usage. Curtailing by rate schedule is consistent with Cascade Natural and Northwest Natural, and simplifies the process for curtailment;
- Removed the content from the previous section H, “Billing and Adjustment When Service is Curtailed” because the minimum monthly charge on Schedules 456 and 440 are accumulated annually. Interruptions in service are unlikely to have a significant impact on a Customer’s annual usage, making proration an unnecessary administrative task. Proration is also difficult to administer and track.
- Eliminated section F, “Curtailed Because of work on the Company’s System” and covered the elements related to curtailment in the “Customer Notifications” section of Rule 14. The Company’s process for curtailing customers to maintain the safety, performance, integrity, reliability and/or stability of its natural gas distribution system, as well as to serve the requirements of all firm service customers, is separate from service interruptions related to maintenance work on the Company’s distribution system.
- Increased the curtailment penalty from \$1 per therm to \$10 per therm. This is consistent with Northwest Natural and is intended to motivate Customers to quickly curtail their usage of natural gas.

In conclusion, Avista respectfully requests the Commission approve the proposed tariff changes with an effective date of September 27, 2019. The Company believes the terms and conditions for interruptible and transportation customers are clearer and the process for

curtailment has been more defined allowing for greater operational flexibility. These changes will enable the Company to more effectively manage complex events as they unfold, as well as limit the number of customers curtailed. The Company has provided notice to affected customers due to requesting an increase to the curtailment fee. A copy of the customer notice is attached to this filing as Appendix B.

Thankfully, events like the Enbridge incident are rare, however, if an event such as this does arise, the proposed tariff language should make the curtailment process easier to navigate for Avista employees and customers alike.

If you have any questions regarding this filing, please contact Garrett Brown at 509-495-2133, or myself at 509-495-4975.

Sincerely,

/s/Linda Gervais

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AVISTA CORPORATION
dba Avista Utilities

RULE NO. 14
PLAN FOR NATURAL GAS SERVICE CURTAILMENT

(N)(D)

APPLICABLE:

Avista ("Company") shall Curtail Sales or Transportation Services to Customers if the Company determines that Curtailment is required to maintain the safety, performance, integrity, reliability and/or stability of its natural gas distribution system, as well as to serve the requirements of all Firm Service Customers, or when Curtailment is deemed necessary due to Force Majeure conditions.

DEFINITIONS:

Agent. A third-party authorized by a Transportation Service Customer to nominate and transport natural gas to Avista's distribution system on a Customer's behalf.

Curtailment. A condition declared by Avista during which a Customer is required to partially or totally stop consumption of natural gas.

Curtailment Period. The period of time in which a Curtailment condition is in effect.

Essential Human Needs. Essential Human Needs Customers include hospitals, nursing homes, sanatoriums, correctional institutions, governmental agencies or public service organizations that provide emergency or life support services, and water and sewage treatment facilities.

Firm Service. Transportation Service that Avista provides on a firm basis from the Receipt Point to the Delivery Point. Avista will exercise reasonable diligence and care to ensure continuous delivery of Customer-Owned Natural Gas from the Receipt Point to the Delivery Point; however Avista does not guarantee such continuity of service.

Force Majeure. The Company may declare Force Majeure in the following instances: any acts of God; strikes, lockouts, or other industrial disturbances; civil disturbances, arrests and restraints of rulers of people; interruptions by government or court orders; present or future valid orders of any court or regulatory body having proper jurisdiction; acts of the public enemy, wars, riots, blackouts, insurrections; failure or inability to secure materials or labor by reason of regulations or orders of government; serious epidemics; landslides, lightening, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipes, or freezing of wells or pipelines; or the failure of natural gas supply, temporary or otherwise, from a supplier of natural gas, which act of Force Majeure was not due to negligence or wrongdoing of the party claiming Force Majeure. Further, Force Majeure will also include a declaration of force majeure by a transporter that results in natural gas being unavailable for delivery at the interconnection point.

(N)(D)

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AVISTA CORPORATION
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RULE NO. 14 (continued)
PLAN FOR NATURAL GAS SERVICE CURTAILMENT

(N)(D)

Avista shall have no liability nor be considered in breach or in default for delay in performance due to an event of Force Majeure. In the event of a Force Majeure event, the time for performance shall be extended by a period of time reasonably necessary for Avista to overcome such delay in performance. Nothing contained in this tariff shall require Avista to settle any strike, lockout or other labor dispute.

TERMS AND CONDITIONS:

Customer Notifications: Avista will attempt to provide notification of Curtailment to the authorized representative(s) designated by the Customer two (2) hours prior to each Curtailment. However, Avista reserves the right to issue an immediate Curtailment at the Company's sole discretion. Each notification of Curtailment will specify the reason for the Curtailment; the service address to which the Curtailment applies; and the quantities of each particular service to be Curtailed.

Avista will provide annual notifications to all Interruptible Sales Service and Transportation Service Customers to confirm their emergency contact information. If changes occur more frequently, the Customer shall contact Avista to update Customer's emergency contact information, including the name(s), telephone number(s) and email address(es) of the Customer's authorized representative(s). The Customer may not designate an Agent as the sole emergency contact.

In the event Avista is unable to provide notice of Curtailment — either because a Customer's authorized emergency information on record is not current, or because the Company is unable to reach any of the named authorized emergency contacts on record — all natural gas used by the Customer within the Curtailment Period will be considered unauthorized usage, and the Customer will be responsible to pay the fees as set forth in this schedule.

Unauthorized Usage: Customers shall be obligated to limit natural gas use to the quantities permitted under the notification of Curtailment, and shall be responsible to take whatever steps are necessary to reduce or discontinue their natural gas usage to the level required. Any natural gas used in excess of the quantity permitted shall be deemed to be unauthorized. Customer shall pay for unauthorized usage at the rate specified in this schedule, in addition to all other charges applicable for the period in which the unauthorized quantity was used. In no event shall a Customer's payment for unauthorized usage be construed as Avista giving the Customer permission to continue to use natural gas.

Avista retains the right to physically Curtail service to the meter of any Customer that is consuming unauthorized quantities of natural gas. If the Customer receives both natural gas sales service and transportation service through the same meter, such physical shut off will stop the flow of all natural gas.

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RULE NO. 14 (continued)
PLAN FOR NATURAL GAS SERVICE CURTAILMENT

(N)(D)

Fees for Unauthorized Usage: Customers are obligated to cease consuming natural gas by the time specified in the notification of Curtailment. In addition to rates charged under the appropriate rate schedule, all unauthorized usage will be billed at **\$10 per therm**. Fees will be assessed on an hourly basis where hourly consumption data is available or on a prorated basis where hourly data is not available.

Liability: In accordance with OAR 757.730, Avista shall not be liable to Customers for any claim, costs, loss, or damage of any kind, including but not limited to damages to equipment or property arising out of, in connection with, or incident to Avista's Curtailment of natural gas.

CURTAILMENT PROCEDURES:

Should the Company's firm natural gas supply or distribution system capacity be insufficient at any time or any location to meet the full requirements of all the Company's firm service Customers, the Company may initiate a partial or total service Curtailment to Customers in the order listed below; provided, however, that the Company, in its sole judgement and discretion, may change the order listed below to protect system performance integrity, reliability, or stability, or to meet the needs of firm Customers. Interruptible service under Schedule 440 shall have been fully Curtailed in the affected area(s) prior to initiating any portion of this plan.

Restoration of service will be accomplished in the reverse order unless it is necessary, in the sole judgement of the Company, to vary said order to protect system performance integrity, reliability, or stability, and to meet the needs of firm Customers.

ORDER OF CURTAILMENT PRIORITIES:

1. Service to Schedules 447, and 456.
2. Service to Schedule 424 and 444.
3. Service to Schedule 420.
7. Essential Human Needs Customers, provided such Customers can be reasonably identified by the Company and the Curtailment condition allows the Company the ability to maintain continued service to such Customers.

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RULE NO. 14 (continued)
PLAN FOR NATURAL GAS SERVICE CURTAILMENT

If a customer purchases natural gas on more than one schedule (i.e., Schedule 440 or 456 and Schedule 420 or 424), they will be Curtailed in the order specified above for the quantities purchased on each Schedule they are served on.

Notwithstanding the priorities listed above, the Company is not required to Curtail service to any Customer(s) that the Company, in its sole judgement and discretion, determines will not contribute to alleviating the supply or distribution capacity constraints. Further, for each of the priorities listed above, the Company will endeavor to Curtail the fewest number of customers as possible.

The Company is not required to restore service or permit the use of natural gas simultaneously to all Customers on a Schedule that has been Curtailed if it believes doing so will affect the safety, performance, integrity, reliability and/or system stability of its natural gas distribution system, or otherwise affect service to higher priority Customers. Service may be restored to any or all Customers on any schedule incrementally, to allow the Company an opportunity to establish safety, performance, integrity, reliability and/or system stability, or otherwise manage its supply and/or distribution system. In the event it should become necessary to Curtail firm service due to force majeure conditions, Avista may Curtail firm service without reference to the priorities established herein.

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AVISTA CORPORATION
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RULE NO 21

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

AVAILABLE:

Transportation Service of Customer-Owned Natural Gas is available to Customers who execute a Transportation Service Agreement with Avista ("Company") under the following Rate Schedule(s): 447, 456. Transportation Service is available from the Receipt Point to a Delivery Point, provided that, in the sole judgement of Avista, there are adequate distribution facilities in place to provide such service.

APPLICABLE:

Transportation Service under this rule applies to the transportation of Customer-Owned Natural Gas and is governed by the terms of the applicable Transportation Service Agreement, this schedule, Avista's nomination, balancing, and other operating procedures, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Customer-Owned Natural Gas shall meet the quality requirements as set forth in the applicable Pipeline's Federal Energy Regulatory Commission (FERC) tariff.

Customer-Owned Gas Transportation Service under this rule is subject to Entitlement, Curtailment and Interruption.

DEFINITIONS:

Agency Agreement. Agreement whereby a Customer authorizes an Agent to nominate and transport natural gas to Avista's distribution system on the Customer's behalf.

Agent. A third-party authorized by a Transportation Service Customer to nominate and transport natural gas to Avista's distribution system on a Customer's behalf.

Confirmed Nomination. The Company's verification of a Transportation Service Customer's report of the quantity of natural gas it has requested a Pipeline to deliver to Avista's distribution system on a specified Gas Day.

Curtailment. A condition declared by Avista during which a Customer is required to partially or totally stop consumption of natural gas.

Customer-Owned Natural Gas. Natural gas procured by the Customer that is to be transported by Avista for the Customer's own use. The title to Customer-Owned Natural Gas is held by the Customer at all times.

Delivery Point. The point at which natural gas leaves Avista's distribution system and passes through Avista's meter at the Customer's premise.

Advice No. 19-08-G
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AVISTA CORPORATION
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RULE NO 21 – Continued

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

Entitlement. A condition whereby a Transportation Service Customer is restricted to use no more, or no less than, its daily Confirmed Nominations within the percentage specified in the Entitlement. Entitlement may be declared by Avista upon receiving notice of Entitlement from the Pipeline, or due to operational difficulties on the Company's distribution system. See also Overrun Entitlement and Underrun Entitlement.

Firm Transportation Service. Transportation Service that Avista provides on a firm basis from the Receipt Point to the Delivery Point. Avista will exercise reasonable diligence and care to ensure continuous delivery of Customer-Owned Natural Gas from the Receipt Point to the Delivery Point, but Avista does not guarantee such continuity of service.

Force Majeure. As defined in rule 14.

Gas Day. A 24-hour period beginning daily at 7:00 a.m. Pacific Clock Time (PCT). Avista's Gas Day coincides with the Gas Day established by the Pipeline(s), and may change from time to time, upon approval of the Federal Energy Regulatory Commission.

Natural Gas Sales Service. Service which Avista procures natural gas supply and provides it to a Delivery Point on a firm basis. Avista will exercise reasonable diligence and care to supply and deliver continuous service; provided, however, the Company does not guarantee such continuity of service, or sufficiency or quantity.

Imbalance. The difference between Confirmed Nominations and the volume of Customer-Owned Natural Gas actually delivered to a Transportation Service Customer within a balancing period.

Interruption. Avista may temporarily interrupt service to Customer(s) when it is necessary, as determined by the Company in the exercise of its reasonable judgement.

Nomination. A specific quantity of Customer-Owned Natural Gas that a Transportation Service Customer requests Avista to transport from a Receipt Point to a Delivery Point on a given Gas Day.

Overrun Entitlement. A condition whereby a Transportation Service Customer is restricted to use no more than a specified percentage of such Customer's Confirmed Nominations on a specified Gas Day.

Pipeline. TransCanada's Gas Transmission NW (GTN), Williams's Northwest Pipeline, and any other natural gas pipeline transportation connected to the facilities of Avista.

Receipt Point. The point at which natural gas enters Avista's distribution system from a Pipeline's interconnect.

Advice No. 19-08-G
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RULE NO 21 – Continued

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

Supply Pool. A group of Customers receiving Transportation Service from Avista through a single Agent, and whose natural gas for all Customers in the Supply Pool is received into the Company's distribution system at a common Receipt Point.

Telemetry. An automated communication process, either wired or wireless, that transmits metering information from the natural gas meter set to Avista.

Transportation. The movement of Customer-Owned Natural Gas from the Receipt Point through Avista's distribution system to a Customer's Delivery Point(s).

Transportation Service. Transportation of Customer-Owned Natural Gas.

Transportation Service Agreement. Agreement between Avista and a Customer to provide service pursuant to a transportation rate schedule.

Underrun Entitlement. A condition whereby a Transportation Service Customer is restricted to use no less than a specified percentage of such Customer's Confirmed Nominations on a specified Gas Day.

TERMS AND CONDITIONS:

1. Transportation Service hereunder shall be provided subject to the execution of a Transportation Service Agreement. The Transportation Service Agreement shall specify, among other things, the maximum daily volume of Customer-Owned Natural Gas to be transported.
2. The Receipt Point for Customer-Owned Natural Gas supplies must be approved by Avista. Transportation Service Customers shall hold Avista harmless from any damage or losses caused by failure of Customer-Owned Natural Gas supplies to arrive at the designated Receipt Point.
3. The Customer may designate an Agent, or act as an Agent on its own behalf, to manage the Customer's Customer-Owned Natural Gas supply and provide daily Nominations to Avista on behalf of the Customer. The Customer must execute an Agency Agreement before Avista will accept any Nominations from an Agent on behalf of the Customer.
4. The Customer may become a member of a Supply Pool. Avista will designate Supply Pools in accordance with the Company's ability to physically receive and deliver natural gas to the Customer. The Customer's Agent will nominate and balance natural gas supplies on behalf of all Customers in a Supply Pool and shall be responsible for any imbalance charges or other fees, charges, taxes or penalties.

Advice No. 19-08-G
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RULE NO 21 - Continued

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

5. Billing arrangements with natural gas suppliers, transportation providers and Agents are to be the responsibility of the Customer.

6. Notwithstanding Section 4 above, in the event that the Agent fails to pay any fees, charges, taxes or penalties, the Customer shall be responsible for any transportation service fees, agency fees, charges, taxes and penalties levied on Customer-Owned Natural Gas transported by Avista, even if the Customer makes use of an Agent.

7. Customer-Owned Natural Gas Transported under this schedule shall not be resold by the Customer receiving Transportation Service.

8. Avista may Entitle, Curtail, or Interrupt the Transportation of Customer-Owned Natural Gas on its distribution system whenever the Company, in its sole judgment, determines that it is unable to meet all of its firm service requirements. Such Entitlement, Curtailment or Interruption shall be made in accordance with this rule and the Company's Rule 14, "Plan for Natural Gas Service Curtailment", as contained in its approved tariff. Any volumes of Customer-Owned Natural Gas unable to be delivered due to the operational constraints specified in this paragraph shall be held as an imbalance and delivered to the Customer as soon as operationally practicable. Avista will not be liable for damages due to Entitlement, Curtailment or Interruption of Transportation Service provided under this rule.

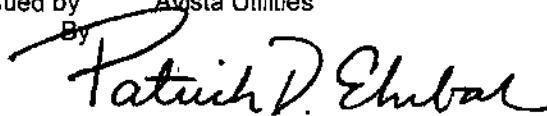
9. Avista recommends that the Customer, at their expense, provide and maintain standby facilities to continue operations with a substitute fuel in the event of partial curtailment or total interruption of the gas supply. In the event that the Customer does not have adequate standby facilities, Avista will not be liable for damages occasioned by the curtailment or interruption of service supplied under this schedule. In the event that the Customer cannot be Curtailed or Interrupted due to the absence of standby facilities, they are not eligible to receive service under the schedules subject to this rule.

10. A Transportation Service Customer may contract with Avista for Natural Gas Sales Service. In such cases, the Customer must execute a contract that will specify the daily sales quantity required, expressed in therms, and the sales rate schedule assigned by Avista. Sales gas shall be deemed first through the meter each day. Transportation Service supplied under this rule shall not be interchangeable with Natural Gas Sales Service supplied by the Company.

Advice No. 19-08-G
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RULE NO 21 – Continued

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

11. Customers who desire to change from a Transportation Service Schedule to a Natural Gas Sales Service Schedule, or purchase a percentage of Natural Gas Sales Service, must provide written notice to Avista at least ninety (90) days prior to the effective date of the desired schedule change. At the Company's sole discretion, it may grant a Customer's request to transfer to a firm sales service schedule with less than ninety (90) days' notice. The availability for a Customer to change to a Natural Gas Sales Service schedule will be based on Avista's sole judgement that it can procure natural gas supply and the existing distribution system has adequate capacity for the service requested by Customer and would not otherwise affect current Natural Gas Sales Service Customers. In the event that there is no availability for the Customer to change to a Natural Gas Service Schedule on its desired date due to capacity or natural gas supply constraints, Avista will provide an estimated date for when the Customer is able to change service schedules.

Customers changing between Transportation and Natural Gas Sales Schedules must remain on the new schedule for a period of no less than one year.

Avista shall charge or credit a Customer changing from Natural Gas Sales Service to Transportation Service or from Transportation Service to Natural Gas Sales Service to ensure the fair treatment of existing natural gas cost deferral account balances among all Customers. The charge or credit will be based on the Customer's actual sales gas usage divided by the total usage for all sales gas Customers multiplied by total deferred gas costs for the month.

TELEMETRY REQUIREMENTS:

Telemetry is required to support the metering and billing of a Transportation Service Customer. Service under a Transportation schedule may require that the Customer reimburse Avista for costs of any piping and metering changes including regulators, meters, electronic volume correctors, and communications equipment that Avista requires in the course of providing telemetry to the Company. The Customer shall also furnish electric power, an analog phone line (land line) or an Avista approved equivalent, conduit and raceway for connecting all equipment, power, and communications. Work shall comply with Avista's Natural Gas Engineering Standards for Telemetry work, as natural gas is hazardous, and special electrical requirements for hazardous areas apply.

BALANCING OF RECEIPTS AND DELIVERIES:

The Customer or its Agent will schedule its supply such that at the end of the Customer's billing cycle, the Customer's usage approximately equals the amount of Customer-Owned Natural Gas supplied to Avista by the Customer or Customer's Agent during the billing cycle. Balancing of receipts and deliveries shall be accomplished on a daily basis to the extent possible. Cumulative imbalances in receipts and deliveries will be carried over to the next billing cycle.

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RULE NO 21 - Continued

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

If a Customer's cumulative Imbalance in any billing cycle is more than five percent (5%) above or below total Confirmed Nominations for that billing cycle, such Customer will be notified by the fifteenth (15th) day of the following billing cycle that the Imbalance exceeds the allowed tolerance, and such Customer will receive a minimum of forty-five (45) days from the date of the notification from Avista to eliminate the Imbalance. The Customer's Imbalance will be reevaluated at the end of each billing cycle to determine if the Customer is back in tolerance. If an Imbalance is not back within tolerance by the date specified in the notification described above, the Customer will be required to pay a balancing charge of \$1.00 per therm for usage volumes above or below the five percent (5%) tolerance.

ENTITLEMENTS:

Entitlement conditions exist when a Transportation Service Customer is restricted to use no more, or no less than, its daily Confirmed Nominations within the percentage specified in the notification of Entitlement any restrictions of service to a Customer when an Entitlement exists will be made in accordance with this rule. Entitlement, Curtailment and Interruption of Transportation Service may exist concurrently.

At Avista's discretion, an Entitlement may be issued which will serve to prescribe a minimum or maximum percentage of their Confirmed Nomination to be used by a Customer during a day. The notification of Entitlement will specify the conditions necessary for compliance, including the prescribed tolerance.

Overrun Entitlement: In an Overrun Entitlement condition the following threshold percentage levels will be effective:

Stage 1:	Three percent (3%) of Confirmed Nominations, or if ordered within two (2) hours of the start of the Gas Day, five percent (5%) of Confirmed Nominations
Stage 2:	Eight percent (8%) of Confirmed Nominations
Stage 3:	Thirteen percent (13%) of Confirmed Nominations

The penalty that will apply for any unauthorized volumes during an Overrun Entitlement will be the greater of \$1.00 per therm or 150% of the highest individual midpoint price of the following locations: NW Wyo. Pool; NW S. of Green River; Stanfield Ore., Kern River Opal, El Paso Bondad or NW Can. Bdr. (Sumas) as shown in the S&P Global Platts publication "Gas Daily" for the applicable Overrun Entitlement.

Payment for unauthorized volumes of natural gas and overrun penalties shall not under any circumstances be considered as granting Customer the right to take unauthorized overrun gas or exclude any other remedies which may be available to Avista.

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RULE NO 21 - Continued

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

Underrun Entitlement: During an Underrun Entitlement condition, a Customer that is in an underrun situation will be subject to underrun charges for each instance of underrun imbalance that occurs during an Underrun Entitlement period. The charges that will apply during any Underrun Entitlement episode will be \$1.00 per therm for any underrun imbalances exceeding a specified percentage of Confirmed Nominations.

CURTAILMENTS:

Curtailments are a condition declared by Avista during which a Customer is required to partially or totally stop consumption of natural gas. Curtailments will be made in accordance with Rule 14, "Plan for Natural Gas Service Curtailment."

Advice No. 19-08-G
Issued August 14, 2019

Effective For Service On & After
September 27, 2019

Issued by Avista Utilities
By



Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 440 (continued)

INTERRUPTIBLE NATURAL GAS SERVICE
FOR LARGE COMMERCIAL AND INDUSTRIAL - OREGON

TERMS AND CONDITIONS:

1. The above Commodity Charge Per Therm is subject to the provisions of "Other Charges" listed above.

(D)
(C)
(C)

2. Service under this schedule is subject to the provisions of a service agreement for a term of one year or longer.

3. Service under this schedule is not available to any Customer who has requested protection from curtailment. A Customer receiving service under this schedule may only obtain protection from curtailment by requesting transfer to the appropriate firm rate schedule of the Company, for the minimum term specified therein.

(C)
|
(C)

4. As a condition precedent to service under this schedule, an executed agreement with Avista ("Company") is required specifying quantity requirements and other terms and conditions as hereinafter provided.

(T)

5. Service under this schedule shall be subject to interruption at such times and in such amounts as, in the Company's judgment, interruption is necessary. Avista will not be liable for damages occasioned by interruption of service supplied under this schedule. In addition, service under this schedule shall be subject to Curtailment conditions in accordance with the Company's Rule 14, "Plan for Natural Gas Service Curtailment."

(N)
(N)
(T)
(T)(N)
(N)
(N)

6. Avista recommends that the Customer, at their expense, provide and maintain standby facilities to continue operations with a substitute fuel in the event of partial Curtailment or total interruption of the natural gas supply. In the event that the Customer does not have adequate standby facilities, Avista will not be liable for damages occasioned by the curtailment or interruption of service supplied under this schedule.

(N)(D)
|
(D)

7. Natural gas service supplied under this schedule shall not be interchangeable with any other natural gas service available from Company.

(N)

Advice No. 19-08-G
Issued August 14, 2019

Effective For Service On & After
September 27, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 440 (continued)

INTERRUPTIBLE NATURAL GAS SERVICE
FOR LARGE COMMERCIAL AND INDUSTRIAL - OREGON

8. Upon the request of Avista, Customer shall read the Company's meter at the beginning of each day and report said reading to Avista daily; further, Customer shall from time to time submit estimates of its daily, monthly and annual volumes of natural gas required hereunder, including peak day requirements, together with such other operating data as Avista may require in order to schedule its operations and to meet its system requirements.

(N)(D)

9. Customers served under this schedule who desire to change rate schedules must provide written notice to the Company at least ninety (90) days prior to the effective date of the desired schedule change. At the Company's sole discretion, it may grant a Customer's request to transfer to a firm sales service schedule with less than ninety (90) days' notice. The availability for a Customer to change to a firm sales service schedule will be based on Avista's sole judgement that the existing distribution system has capacity adequate for the service requested by Customer. In the event that there is no availability for the Customer to change to a firm sales service schedule on their desired date due to capacity or natural gas supply constraints, Avista will provide an estimated date for when the Customer is able to change schedules.

10. Customers served under this schedule who desire to change to a transportation service schedule must meet the terms and conditions specified in Rule 21, "Natural Gas Transportation Service Terms and Conditions", and provide written notice to the Company at least ninety (90) days prior to the effective date of the schedule change.

(N)(D)

11. The applicability clause shown above will not apply to any customer taking service on or before August 1, 1990.

12. Service under this schedule is subject to the Rules and Regulations contained in all applicable Schedules and Rules of Avista's tariff book P.U.C. OR. No. 5.

(N)
(N)
(N)

Advice No. 19-08-G
Issued August 14, 2019

Effective For Service On & After
September 27, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 456 (continued)

INTERRUPTIBLE TRANSPORTATION OF CUSTOMER-OWNED NATURAL GAS
FOR LARGE COMMERCIAL AND INDUSTRIAL SERVICE - OREGON

TERMS AND CONDITIONS:

1. Service hereunder shall be provided subject to execution of a contract between the Customer and the Company for a term of not less than one year. The contract shall also specify the maximum daily volume of gas to be transported.
2. Service under this schedule is not available to any Customer who has requested protection from curtailment. A Customer receiving service under this schedule may only obtain protection from curtailment by requesting transfer to the appropriate firm rate schedule of the Company, for the minimum term specified therein.
3. Service under this schedule shall be subject to the terms and conditions described in the Company's Rule NO. 14, Plan for Natural Gas Service Curtailment, and Rule NO. 21, Natural Gas Transportation Terms and Conditions.

(C)
|
(C)
(N)
(N)
(N)
(D)

Advice No. 19-08-G
Issued August 14, 2019

Effective For Service On & After
September 27, 2019

(D)

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Track Changes

Rule 14

AVISTA CORPORATION
dba Avista Utilities

RULE NO. 14

CONTINUITY OF PLAN FOR NATURAL GAS SERVICE CURTAILMENT

A. General Statements

APPLICABLE:

Avista ("Company") shall Curtail Sales or Transportation Services to Customers if the Company determines that Curtailment is required to maintain the safety, performance, integrity, reliability and/or stability of its natural gas distribution system, as well as to serve the requirements of all Firm Service Customers, or when Curtailment is deemed necessary due to Force Majeure conditions.

DEFINITIONS:

Agent. A third-party authorized by a Transportation Service Customer to nominate and transport natural gas to Avista's distribution system on a Customer's behalf.

Curtailment. A condition declared by Avista during which a Customer is required to partially or totally stop consumption of natural gas.

Curtailment Period. The period of time in which a Curtailment condition is in effect.

Essential Human Needs. Essential Human Needs Customers include hospitals, nursing homes, sanatoriums, correctional institutions, governmental agencies or public service organizations that provide emergency or life support services, and water and sewage treatment facilities.

Firm Service. Transportation Service that Avista provides on a firm basis from the Receipt Point to the Delivery Point. Avista

~~1. Natural gas transportation and sales services can be temporarily reduced or interrupted (curtailed) in the event of projected or actual supply or capacity constraints on the Company's system.~~

~~2. The Company will exercise reasonable diligence and care to furnish and deliver a ensure continuous and sufficient quantity of gas to its customers but delivery of Customer-Owned Natural Gas from the Receipt Point to the Delivery Point; however Avista does not guarantee such continuity or sufficiency of quantity of service.~~

Force Majeure. The Company may declare Force Majeure in the following instances: any acts of God; strikes, lockouts, or other industrial disturbances; civil disturbances, arrests and restraints of rulers of people; interruptions by government or court orders; present or future valid orders of any court or regulatory body having proper jurisdiction; acts of the

Advice No. 08-02-G
Issued March 31, 2008

Effective For Service On & After
April 1, 2008

Issued by Avista Utilities
By Kelly Norwood, Vice President,

State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

public enemy, wars, riots, blackouts, insurrections; failure or inability to secure materials or labor by reason of regulations or orders of government; serious epidemics; landslides, lightening, earthquakes, fires, storms, floods, washouts, explosions, breakage or accident to machinery or lines of pipes, or freezing of wells or pipelines; or the failure of natural gas supply, temporary or otherwise, from a supplier of natural gas, which act of Force Majeure was not due to negligence or wrongdoing of the party claiming Force Majeure. Further, Force Majeure will not be liable~~also include a declaration of force majeure by a transporter that results in natural gas being unavailable for interruption, shortage, or insufficient supply, or any loss or damage of any kind or character caused by such, if same is caused by inevitable accident, act of God, fire, strike, riots, war, or any other cause except that arising from its failure to exercise reasonable diligence.~~

- 3. ~~Curtailed shall mean either that the Company has temporarily reduced the daily quantity it will transport for the customer or that it has temporarily stopped the customer's service entirely. Curtailed may occur at the point of receipt or the point of delivery.~~
- 4. ~~No curtailed of customers receiving firm service will be imposed by the Company until customers receiving interruptible service have been curtailed.~~

~~B. Curtailed at Point of Receipt~~

- 1. ~~The Company has the right to maintain the gas in its system at the necessary level of quality. The Company has the right to refuse to accept customer-owned gas if the gas is not of the quality required for service to the Company's sales customers (see Rule No. 21 for quality standards).~~
- 2. ~~Acceptance of customer-owned gas is subject to the Company having sufficient capacity. The Company may experience capacity constraints anywhere in its system. The Company shall be the sole judge of whether it has sufficient capacity to accept and transport customer-owned gas. In a capacity shortage, the Company has the right to curtail the customer's transportation service to serve customers with higher capacity priority. In such case, the~~

(continued)

delivery at the interconnection point.

RULE NO. 14 (continued)

Advice No. 08-02-G
Issued March 31, 2008

Effective For Service On & After
April 1, 2008

Issued by Avista Utilities
By Kelly Norwood, Vice President,

State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

CONTINUITY OF PLAN FOR NATURAL GAS SERVICE CURTAILMENT

~~transportation customer will be served to the same extent as other customers with the same capacity priority.~~

~~C. — Curtailment at the Point of Delivery~~

~~Delivery of natural gas could be temporarily interrupted in the event of projected or actual capacity constraints on the Company's system. Curtailments will be initiated in reverse order of the priority classifications in Section E. below.~~

~~D. — Supply Curtailment~~

- ~~1. — Supply curtailments could arise when the Company has available capacity but insufficient supply to satisfy all customer requirements. Curtailments will be initiated in reverse order of the priority classifications in Section E. below.~~
- ~~2. — Customer owned gas is exempt from appropriation except during periods of emergency and then may be curtailed only to the extent necessary to serve essential human needs. If customer owned gas is used during an emergency, the customer's gas will be appropriated on a pro rata basis with other transportation customers to the extent necessary to serve essential human needs. If the Company cannot obtain voluntary preemption of gas by negotiation with individual customers, then the Company will pay \$1.00 for each therm of appropriated gas.~~

~~E. — Priority Classifications of Use~~

~~Customers shall be subclassified within capacity and supply curtailments indicated in Sections C. and D. above based on throughput and alternative fuels as indicated on the priority listing below:~~

- ~~1. — All requirements for residential use.~~
- ~~2. — All requirements for commercial, institutional and industrial usage where the individual customer's requirements, including boiler fuel, do not exceed 100 therms per day. All requirements of essential human needs customers shall be included in this priority. This priority also includes requirements of: a) essential~~

~~(continued)~~

Avista shall have no liability nor be considered in breach or in default for delay in performance due to an event of Force Majeure. In the event of a Force Majeure event, the time for performance shall be extended by a period of time reasonably necessary

Advice No. 08-02-G
Issued March 31, 2008

Effective For Service On & After
April 1, 2008

Issued by Avista Utilities
By Kelly Norwood, Vice President,

State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

for Avista to overcome such delay in performance. Nothing contained in this tariff shall require Avista to settle any strike, lockout or other labor dispute.

TERMS AND CONDITIONS:

Customer Notifications: Avista will attempt to provide notification of Curtailment to the authorized representative(s) designated by the Customer two (2) hours prior to each Curtailment. However, Avista reserves the right to issue an immediate Curtailment at the Company's sole discretion. Each notification of Curtailment will specify the reason for the Curtailment; the service address to which the Curtailment applies; and the quantities of each particular service to be Curtailed.

Avista will provide annual notifications to all Interruptible Sales Service and Transportation Service Customers to confirm their emergency contact information. If changes occur more frequently, the Customer shall contact Avista to update Customer's emergency contact information, including the name(s), telephone number(s) and email address(es) of the Customer's authorized representative(s). The Customer may not designate an Agent as the sole emergency contact.

In the event Avista is unable to provide notice of Curtailment – either because a Customer's authorized emergency information on record is not current, or because the Company is unable to reach any of the named authorized emergency contacts on record – all natural gas used by the Customer within the Curtailment Period will be considered unauthorized usage, and the Customer will be responsible to pay the fees as set forth in this schedule.

Unauthorized Usage: Customers shall be obligated to limit natural gas use to the quantities permitted under the notification of Curtailment, and shall be responsible to take whatever steps are necessary to reduce or discontinue their natural gas usage to the level required. Any natural gas used in excess of the quantity permitted shall be deemed to be unauthorized. Customer shall pay for unauthorized usage at the rate specified in this schedule, in addition to all other charges applicable for the period in which the unauthorized quantity was used. In no event shall a Customer's payment for unauthorized usage be construed as Avista giving the Customer permission to continue to use natural gas.

Avista retains the right to physically Curtail service to the meter of any Customer that is consuming unauthorized quantities of natural gas. If the Customer receives both natural gas sales service and transportation service through the same meter, such physical shut off will stop the flow of all natural gas.

RULE NO. 14 (continued)

CONTINUITY OF PLAN FOR NATURAL GAS SERVICE CURTAILMENT

Fees for Unauthorized Usage: Customers are obligated to cease consuming natural gas by the time specified in the notification of Curtailment. In addition to rates charged under the

Advice No. 08-02-G Effective For Service On & After
Issued March 31, 2008 April 2009

Issued by Avista Corporation
By Kelly Norwood, Vice President, Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

appropriate rate schedule, all unauthorized usage will be billed at \$10 per therm. Fees will be assessed on an hourly basis where hourly consumption data is available or on a prorated basis where hourly data is not available.

Liability: In accordance with OAR 757.730, Avista shall not be liable to Customers for any claim, costs, loss, or damage of any kind, including but not limited to damages to equipment or property arising out of, in connection with, or incident to Avista's Curtailment of natural gas.

CURTAILMENT PROCEDURES:

Should the Company's firm natural gas supply or distribution system capacity be insufficient at any time or any location to meet the full requirements of all the Company's firm service Customers, the Company may initiate a partial or total service Curtailment to Customers in the order listed below; provided, however, that the Company, in its sole judgement and discretion, may change the order listed below to protect system performance integrity, reliability, or stability, or to meet the needs of firm Customers. Interruptible service under Schedule 440 shall have been fully Curtailed in the affected area(s) prior to initiating any portion of this plan.

Restoration of service will be accomplished in the reverse order unless it is necessary, in the sole judgement of the Company, to vary said order to protect system performance integrity, reliability, or stability, and to meet the needs of firm Customers.

ORDER OF CURTAILMENT PRIORITIES:

1.

~~agricultural service, and b) other high priority users not covered elsewhere.~~

~~3. All commercial and industrial requirements for plant protection and feedstock. All boiler fuel requirements of customers in this priority shall be classified in Priority 5.~~

~~4. General use requirements (including direct fired applications) of commercial, institutional and industrial customers whose requirements exceed 100 therms per day. All boiler fuel requirements of customers in this priority shall be classified in Priority 5.~~

~~5. a. All other requirements of commercial and institutional customers, including pollution control equipment, incinerators, boiler fuel not elsewhere classified, and all commercial and institutional customers with installed alternate fuel capabilities or where alternate fuel usage is practical.~~

~~b. All other requirements of industrial customers including boiler fuel not elsewhere classified, and all industrial customers with installed~~

Advice No. 08-02-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Corporation
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

~~alternate fuel capabilities or where alternate fuel usage is practical,
or who accepted service under Rule No. 21, Section L.2.~~

~~6. — Sales and transportation interruptible services.~~

~~For purposes of these priorities, human needs customers are defined as institutional customers, but limited to hospitals, nursing homes, orphanages, prisons, sanatorium and boarding schools, for gas volumes for residential purposes, and for water and sewage treatment facilities.~~

~~When a customer qualifies for more than one priority level, his priority shall be based on the end use of the major portion of the customer's requirements.~~

~~When curtailment in any category or subcategory of the above priorities is required, an individual customer may be required to take 100% curtailment on any day or days, but to the extent practicable curtailment shall be apportioned so that all customers in a category or subcategory are treated equally over the curtailment period.~~

(continued)

Service to Schedules 447, and 456.

2. Service to Schedule 424 and 444.

3. Service to Schedule 420.

7. Essential Human Needs Customers, provided such Customers can be reasonably identified by the Company and the Curtailment condition allows the Company the ability to maintain continued service to such Customers.

RULE NO. 14 (continued)

CONTINUITY OF PLAN FOR NATURAL GAS SERVICE CURTAILMENT

~~F. — Curtailment Because of Work on the Company's System~~

~~The Company shall have the right to temporarily interrupt both the receipt and delivery of natural gas to test, alter, modify, enlarge, or repair any part of the system or any facility or property related to the operation of the Company's~~

Advice No. 08-02-G
Issued March 31, 2008

Effective For Service On & After
April 1, 2008

Issued by Avista Utilities
By Kelly Norwood, Vice President,

State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

~~system. The Company will make reasonable efforts to give notice of such temporary interruption to all affected customers in advance any scheduled work. No notice is required in case of interruption due to emergency repairs or for repairs or maintenance work that results in an interruption of less than five minutes. In determining reasonable notice, the Company will consider the length of the planned interruption, the type and number of customers affected, the potential impact of the interruption on customers and other surrounding circumstances. Notice may be given in writing, either via US mail or a door hanger on the affected premises, or by contact with the customer or an adult at the residence by personal visit or by telephone. The making of such repairs or improvements will be completed as soon as practicable and with the least inconvenience to the customers.~~

~~G. Unauthorized Use Assessment~~

~~Any sales service customer who takes firm or interruptible natural gas in excess of those quantities permitted under curtailment notices, shall pay a \$1.00 per therm penalty charge for each excess therm taken in addition to the appropriate sales service charges. The unauthorized use assessment applicable to transportation service customers is described in Rule No. 21, Transportation of Customer-owned Gas.~~

~~H. Billing Adjustment When Service is Curtailed~~

~~In the event that it is necessary to discontinue service under the provisions of Section E. of this rule, the minimum charge will be prorated on the basis of the ratio of the number of days on which service is available to the number of days in the billing period. For this purpose, service will be considered available if curtailed by the Company less than eight hours on a particular day.~~

If a customer purchases natural gas on more than one schedule (i.e., Schedule 440 or 456 and Schedule 420 or 424), they will be Curtailed in the order specified above for the quantities purchased on each Schedule they are served on.

Notwithstanding the priorities listed above, the Company is not required to Curtail service to any Customer(s) that the Company, in its sole judgement and discretion, determines will not contribute to alleviating the supply or distribution capacity constraints. Further, for each of the priorities listed above, the Company will endeavor to Curtail the fewest number of customers as possible.

The Company is not required to restore service or permit the use of natural gas simultaneously to all Customers on a Schedule that has been Curtailed if it believes doing so will affect the

Advice No. 08-02-G
Issued March 31, 2008

Effective For Service On & After
April 1, 2008

Issued by Avista Utilities
By

Kelly Norwood,

Vice President, State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

safety, performance, integrity, reliability and/or system stability of its natural gas distribution system, or otherwise affect service to higher priority Customers. Service may be restored to any or all Customers on any schedule incrementally, to allow the Company an opportunity to establish safety, performance, integrity, reliability and/or system stability, or otherwise manage its supply and/or distribution system. In the event it should become necessary to Curtail firm service due to force majeure conditions, Avista may Curtail firm service without reference to the priorities established herein.

Advice No. 08-02-G
Issued March 31, 2008

Effective For Service On & After
April 1, 2008

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

Track Changes

Rule 21

AVISTA CORPORATION
dba Avista Utilities

RULE NO 21

NATURAL GAS TRANSPORTATION OF CUSTOMER-OWNED GAS SERVICE TERMS AND CONDITIONS

~~This rule describes the general terms and conditions that apply whenever Avista Utilities transports customer-owned gas over its system. All customers that wish to transport gas must sign one or more separate transportation service agreements.~~

~~A. General~~

- ~~1. Subject to the terms, limitations and conditions of this rule and any applicable OPUC authorized rate schedule, directive, tariff or rule, the customer will deliver or cause to be delivered to the Company and accept on redelivery quantities of customer-owned gas. The Company will accept such quantities of gas from the customer or its designee and redeliver to the customer on a reasonably concurrent basis an equivalent quantity, on a therm basis, to the quantity accepted. The gas delivered by the Company will not necessarily be the gas that the customer delivered to the Company.~~
- ~~2. The customer warrants to the Company that the customer has the right to deliver the gas provided for in the agreement and that the gas is free from all liens and adverse claims of every kind. The customer will indemnify, defend and hold the Company harmless against any costs and expenses on account of royalties, payments or other charges applicable before or upon delivery to the Company of the gas under the agreement.~~
- ~~3. The point where the Company will receive the gas into its system (point of receipt) and the point where the Company will deliver the gas from its system to the customer (point of delivery) will be set forth in the agreement. The appropriate delivery pressure at the points of delivery to the customer shall be that existing at such points within the Company's system or as specified in the agreement.~~

~~4. Gas received by the Company for transportation to the point of delivery~~ **AVAILABLE:**

Transportation Service of Customer-Owned Natural Gas is available to Customers who execute a Transportation Service Agreement with Avista ("Company") under the following Rate Schedule(s): 447, 456. Transportation Service is available from the Receipt Point to a Delivery Point, provided that, in the sole judgement of Avista, there are adequate distribution facilities in place to provide such service.

APPLICABLE:

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

Transportation Service under this rule applies to the transportation of Customer-Owned Natural Gas and is governed by the terms of the applicable Transportation Service Agreement, this schedule, Avista's nomination, balancing, and other operating procedures, and by all rules and regulations prescribed by regulatory authorities, as amended from time to time.

Customer-Owned Natural Gas shall meet the quality requirements as set forth in the ~~delivering pipeline's~~ applicable Pipeline's Federal Energy Regulatory Commission (FERC) tariff.—

(continued)

Customer-Owned Gas Transportation Service under this rule is subject to Entitlement, Curtailment and Interruption.

DEFINITIONS:

Agency Agreement. Agreement whereby a Customer authorizes an Agent to nominate and transport natural gas to Avista's distribution system on the Customer's behalf.

Agent. A third-party authorized by a Transportation Service Customer to nominate and transport natural gas to Avista's distribution system on a Customer's behalf.

Confirmed Nomination. The Company's verification of a Transportation Service Customer's report of the quantity of natural gas it has requested a Pipeline to deliver to Avista's distribution system on a specified Gas Day.

Curtailment. A condition declared by Avista during which a Customer is required to partially or totally stop consumption of natural gas.

Customer-Owned Natural Gas. Natural gas procured by the Customer that is to be transported by Avista for the Customer's own use. The title to Customer-Owned Natural Gas is held by the Customer at all times.

Delivery Point. The point at which natural gas leaves Avista's distribution system and passes through Avista's meter at the Customer's premise.

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

RULE NO 21 ~~(continued)~~ Continued

NATURAL GAS TRANSPORTATION OF CUSTOMER-OWNED GAS SERVICE TERMS AND CONDITIONS

Entitlement. A condition whereby a Transportation Service Customer is restricted to use no more, or no less than, its daily Confirmed Nominations within the percentage specified in the Entitlement. Entitlement may be declared by Avista upon receiving notice of Entitlement from the Pipeline, or due to operational difficulties on the Company's distribution system. See also Overrun Entitlement and Underrun Entitlement.

Firm Transportation Service. Transportation Service that Avista provides on a firm basis from the Receipt Point to the Delivery Point. Avista will exercise reasonable diligence and care to ensure continuous delivery of Customer-Owned Natural Gas from the Receipt Point to the Delivery Point, but Avista does not guarantee such continuity of service.

Force Majeure. As defined in rule 14.

Gas Day. A 24-hour period beginning daily at 7:00 a.m. Pacific Clock Time (PCT). Avista's Gas Day coincides with the Gas Day established by the Pipeline(s), and may change from time to time, upon approval of the Federal Energy Regulatory Commission.

Natural Gas Sales Service. Service which Avista procures natural gas supply and provides it to a Delivery Point on a firm basis. Avista will exercise reasonable diligence and care to supply and deliver continuous service; provided, however, the Company does not guarantee such continuity of service, or sufficiency or quantity.

Imbalance. The difference between Confirmed Nominations and the volume of Customer-Owned Natural Gas actually delivered to a Transportation Service Customer within a balancing period.

Interruption. Avista may temporarily interrupt service to Customer(s) when it is necessary, as determined by the Company in the exercise of its reasonable judgement.

Nomination. A specific quantity of Customer-Owned Natural Gas that a Transportation Service Customer requests Avista to transport from a Receipt Point to a Delivery Point on a given Gas Day.

Overrun Entitlement. A condition whereby a Transportation Service Customer is restricted to use no more than a specified percentage of such Customer's Confirmed Nominations on a specified Gas Day.

Pipeline. TransCanada's Gas Transmission NW (GTN), Williams's Northwest Pipeline, and any other natural gas pipeline transportation connected to the facilities of Avista.

Receipt Point. The point at which natural gas enters Avista's distribution system from a Pipeline's interconnect.

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION

dba Avista Utilities

RULE NO 21 – Continued

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

Supply Pool. A group of Customers receiving Transportation Service from Avista through a single Agent, and whose natural gas for all Customers in the Supply Pool is received into the Company’s distribution system at a common Receipt Point.

Telemetry. An automated communication process, either wired or wireless, that transmits metering information from the natural gas meter set to Avista.

Transportation. The movement of Customer-Owned Natural Gas from the Receipt Point through Avista’s distribution system to a Customer’s Delivery Point(s).

Transportation Service. Transportation of Customer-Owned Natural Gas.

Transportation Service Agreement. Agreement between Avista and a Customer to provide service pursuant to a transportation rate schedule.

Underrun Entitlement. A condition whereby a Transportation Service Customer is restricted to use no less than a specified percentage of such Customer’s Confirmed Nominations on a specified Gas Day.

TERMS AND CONDITIONS:

1. Transportation Service hereunder shall be provided subject to the execution of a Transportation Service Agreement. The Transportation Service Agreement shall specify, among other things, the maximum daily volume of Customer-Owned Natural Gas to be transported.

The

5. Gas transported herein shall be used by the customer within the State of Oregon and shall not be delivered or resold to a third party.

2. 6. A Receipt Point for Customer-Owned Natural Gas supplies must be approved by Avista. Transportation Service Customers shall hold Avista harmless from any damage or losses caused by failure of Customer-Owned Natural Gas supplies to arrive at the designated Receipt Point.

3. The Customer may designate an Agent, or act as an agent on their own behalf, to manage the Customer’s gas supply and provide daily nominations to the Company on behalf of the Customer. –The Customer must execute an Agency Agreement before Avista will accept any Nominations from an Agent on behalf of the Customer.

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

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AVISTA CORPORATION

dba Avista Utilities

~~1.4. The Customer may become a member of a Supply Pool under their Agent, provided the Agent has executed an Agency Pooling agreement with the Company. A Customer participating in an agent's Supply Pool must execute an agency assignment agreement with the Company. A Supply Pool shall consist of only customers receiving gas transportation service from the Company through a single agent, and whose gas for all customers in the Supply Pool is received into the Company's distribution system. The Company, Avista will designate Supply Pools based on regional and geographical locations in in accordance with the Company's ability to physically receive and deliver natural gas to the customerCustomer. The Customer's Agent will nominate and balance natural gas supplies on behalf of all customersCustomers in a Supply Pool in accordance with Avista's nomination procedures and isshall be responsible for any imbalance charges or other fees, charges, taxes or penalties.~~

~~B. Quantities of Gas~~

- ~~1. The transportation service agreement between the Company and customer will state the maximum volume of gas per day to be delivered to the Company and estimate the annual therms required by the customer.~~
- ~~2. For each year in which customer transports gas, customer agrees to deliver or have delivered on its behalf a minimum equivalent to the minimum annual therms required if the customer were provided sales service.~~

Advice No. 10-09-G
 Issued August 9, 2019

Effective For Service On & After
 October 1, 2019

Issued by Avista Utilities
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Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION

dba Avista Utilities

RULE NO 21 (continued)- Continued

NATURAL GAS TRANSPORTATION OF CUSTOMER-OWNED GAS SERVICE TERMS AND CONDITIONS

~~3. Notice About Day-to-Day Quantities - The customer must notify the Company's gas management center before 3:00 p.m. Pacific Standard Time at least three business days, or longer if required by operating conditions, before the customer wishes to receive an initial delivery or have a change in delivery go into effect. Notice will be by telephone or other mutually agreeable means to the customer's designated contact at the Company's gas management center. The customer shall include in the notice an estimate of how much gas the customer will deliver for transportation and other information as required by the Company, such as supplier(s), and delivery point(s). Increases in deliveries will be accepted subject to the conditions of the customer's service agreement.~~

~~C. Point of Receipt & Point of Delivery~~

~~Customer-owned gas shall be received by the Company at a single point of receipt and accepted by the customer at a single point of delivery. The Company shall accept gas, on a best efforts basis, at a point of receipt defined as the interconnection with the delivering pipeline. This point of receipt is selected by the Company as most convenient for the operation of its system. The point of delivery to the customer is considered to be the meter at the customer's location.~~

(continued)

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities~~RULE NO 21 (continued)~~~~TRANSPORTATION OF CUSTOMER-OWNED GAS~~~~D. Imbalances in Deliveries~~

~~It is the intent of the customer and the Company that on any day the quantity of customer-owned gas delivered to the customer will approximately equal the quantity of gas received by the Company for transportation to the customer. Any unintentional day-to-day imbalance, as measured in therms, will be handled through a balancing mechanism.~~

~~Any imbalance still present at the end of a billing month will be handled as follows:~~

~~5. Billing arrangements with natural gas suppliers, transportation providers and Agents are to be the responsibility of the Customer.~~

~~6. Notwithstanding Section 4 above, in the event that the Agent fails to pay any fees, charges, taxes or penalties, the Customer shall be responsible for any transportation service fees, agency fees, charges, taxes and penalties levied on Customer-Owned Natural Gas transported by Avista, even if the Customer makes use of an Agent.~~

~~7. Customer-Owned Natural Gas Transported under this schedule shall not be resold by the Customer receiving~~

~~If a Customer's cumulative imbalance in any billing month during the period August through February is more than three percent (3%) above or below total confirmed nominations for that billing month, or if Customer's cumulative imbalance in any billing month during the period March through July is more than five percent (5%) above or below total confirmed nominations for that billing month, the Company will provide notification by the fifteenth day of the following month that the imbalance exceeds the allowed tolerance and that a penalty situation exists. From the notification date, 45 days will be given to eliminate the imbalance. If at the end of the 45 day period the imbalance has not been corrected to a level within the allowed tolerance, a balancing penalty of \$1.00 per therm will be assessed. The imbalance penalty will continue to be charged at the end of each billing period until the imbalance is within the allowed tolerance.~~

~~E. Entitlement, Interruption or Curtailment of Transportation Service.~~

~~1. The Company Avista may entitle, curtail, or interrupt the transportation of Customer-owned Owned Natural Gas on its distribution system whenever the Company, in its sole judgment, determines that it does not have adequate distribution system capacity to is unable to meet all of its firm service requirements. Such entitlement, curtailment or interruption Entitlement, Curtailment or Interruption shall be made in accordance with this rule and the Company's Rule No. 14, "Continuity of Plan for Natural Gas Service" Curtailment, as contained in its general service approved tariff. Any volumes of Customer-~~

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

~~owned~~Owned Natural Gas unable to be delivered due to the operational constraints ~~specified~~specified in this paragraph shall be held as an ~~imbalance~~imbalance and delivered to the Customer as soon as operationally practicable. ~~-Avista will not be liable for damages due to Entitlement, Curtailment or Interruption of Transportation Service provided under this rule.~~

9. Avista recommends that the Customer, at their expense, provide and maintain standby facilities to continue operations with a substitute fuel in the event of partial curtailment or total interruption of the gas supply. In the event that the Customer does not have adequate standby facilities, Avista will not be liable for damages occasioned by the curtailment or interruption of service supplied under this schedule. In the event that the Customer cannot be Curtailed or Interrupted due to the absence of standby facilities, they are not eligible to receive service under the schedules subject to this rule.

10. A Transportation Service Customer may contract with Avista for Natural Gas Sales Service. In such cases, the Customer must execute a contract that will specify the daily sales quantity required, expressed in therms, and the sales rate schedule assigned by Avista. Sales gas shall be deemed first through the meter each day. Transportation Service supplied under this rule shall not be interchangeable with Natural Gas Sales Service supplied by the Company.

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

RULE NO 21 – Continued

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

11. Customers who desire to change from a Transportation Service Schedule to a Natural Gas Sales Service Schedule, or purchase a percentage of Natural Gas Sales Service, must provide written notice to Avista at least ninety (90) days prior to the effective date of the desired schedule change. At the Company's sole discretion, it may grant a Customer's request to transfer to a firm sales service schedule with less than ninety (90) days' notice. The availability for a Customer to change to a Natural Gas Sales Service schedule will be based on Avista's sole judgement that it can procure natural gas supply and the existing distribution system has adequate capacity for the service requested by Customer and would not otherwise affect current Natural Gas Sales Service Customers. In the event that there is no availability for the Customer to change to a Natural Gas Service Schedule on its desired date due to capacity or natural gas supply constraints, Avista will provide an estimated date for when the Customer is able to change service schedules.

Customers changing between Transportation and Natural Gas Sales Schedules must remain on the new schedule for a period of no less than one year.

Avista shall charge or credit a Customer changing from Natural Gas Sales Service to Transportation Service or from Transportation Service to Natural Gas Sales Service to ensure the fair treatment of existing natural gas cost deferral account balances among all Customers. The charge or credit will be based on the Customer's actual sales gas usage divided by the total usage for all sales gas Customers multiplied by total deferred gas costs for the month.

TELEMETRY REQUIREMENTS:

Telemetry is required to support the metering and billing of a Transportation Service Customer. Service under a Transportation schedule may require that the Customer reimburse Avista for costs of any piping and metering changes including regulators, meters, electronic volume correctors, and communications equipment that Avista requires in the course of providing telemetry to the Company. The Customer shall also furnish electric power, an analog phone line (land line) or an Avista approved equivalent, conduit and raceway for connecting all equipment, power, and communications. Work shall comply with Avista's Natural Gas Engineering Standards for Telemetry work, as natural gas is hazardous, and special electrical requirements for hazardous areas apply.

BALANCING OF RECEIPTS AND DELIVERIES:

The Customer or its Agent will schedule its supply such that at the end of the Customer's billing cycle, the Customer's usage approximately equals the amount of Customer-Owned Natural Gas supplied to Avista by the Customer or Customer's Agent during the billing cycle. Balancing of receipts and deliveries shall be accomplished on a daily basis to the extent possible. Cumulative imbalances in receipts and deliveries will be carried over to the next billing cycle.

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

RULE NO 21 - Continued

NATURAL GAS TRANSPORTATION SERVICE TERMS AND CONDITIONS

If a Customer's cumulative (continued) Imbalance in any billing cycle is more than five percent (5%) above or below total Confirmed Nominations for that billing cycle, such Customer will be notified by the fifteenth (15th) day of the following billing cycle that the Imbalance exceeds the allowed tolerance, and such Customer will receive a minimum of forty-five (45) days from the date of the notification from Avista to eliminate the Imbalance. The Customer's Imbalance will be reevaluated at the end of each billing cycle to determine if the Customer is back in tolerance. If an Imbalance is not back within tolerance by the date specified in the notification described above, the Customer will be required to pay a balancing charge of \$1.00 per therm for usage volumes above or below the five percent (5%) tolerance.

ENTITLEMENTS:

Entitlement conditions exist when a Transportation Service Customer is restricted to use no more, or no less than, its daily Confirmed Nominations within the percentage specified in the notification of Entitlement any restrictions of service to a Customer when an Entitlement exists will be made in accordance with this rule. Entitlement, Curtailment and Interruption of Transportation Service may exist concurrently.

At Avista's discretion, an Entitlement may be issued which will serve to prescribe a minimum or maximum percentage of their Confirmed Nomination to be used by a Customer during a day. The notification of Entitlement will specify the conditions necessary for compliance, including the prescribed tolerance.

Overrun Entitlement: In an Overrun Entitlement condition the following threshold percentage levels will be effective:

- Stage 1: Three percent (3%) of Confirmed Nominations, or if ordered within two (2) hours of the start of the Gas Day, five percent (5%) of Confirmed Nominations
- Stage 2: Eight percent (8%) of Confirmed Nominations
- Stage 3: Thirteen percent (13%) of Confirmed Nominations

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

~~RULE NO 21 (continued)~~

~~TRANSPORTATION OF CUSTOMER-OWNED GAS~~

~~2. On any day the Company has ordered or required any interruption or curtailment of supply, all transportation customers will pay the Company for any quantity of gas taken in excess of that permitted by the curtailment notice. To all transportation customers except those interruptible transportation customers that have elected service subject to Section J.2. of this rule, in addition to the rates specified in those schedules, the charge for the gas associated with daily The penalty that will apply for any unauthorized overrun usage shall be volumes during an Overrun Entitlement will be the greater of \$1.00 per therm or 150% of the highest individual midpoint price for of the day at following locations: NW Wyoming Wyo. Pool; NW south S. of Green River; Stanfield OR, El Paso Bondad, Ore., Kern River Opal, El Paso Bondad or NW Can. Bdr. (Sumas) supply pricing points as reflected shown in the S&P Global Platts publication "Gas Daily Price Survey published in "Gas Daily" for the corresponding Flow Day. applicable Overrun Entitlement.~~

Payment of charges for unauthorized volumes of natural gas, as described above, and curtailment/overrun penalties shall not under any circumstances be considered as granting Customer the right to take unauthorized overrun gas or exclude any other remedies which may be available to Company. Avista.

- ~~a. To interruptible transportation customers that have elected service subject to Section J.2. of this rule, the Company will charge for unauthorized overrun as more fully described in Section J.2.~~
- ~~b. The Company will not be liable for damages occasioned by the entitlement, curtailment or interruption of service supplied under this schedule.~~
- ~~c. In the event of curtailment, excess gas in balancing accounts will not be made available to customers being curtailed until the curtailment of those customers has ended.~~

(continued)

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

RULE NO 21 ~~(continued)~~- Continued

NATURAL GAS ~~TRANSPORTATION OF CUSTOMER-OWNED GAS~~ SERVICE TERMS
AND CONDITIONS

~~3. The Company at its discretion may issue an entitlement order. The entitlement order will specify the conditions necessary for compliance (Prescribed Tolerance). Under an overrun entitlement order gas used in excess of the confirmed daily allocation plus the Prescribed Tolerance shall be considered as daily unauthorized overrun usage. In addition to the rates specified in those schedules, the charge for the gas associated with daily unauthorized overrun usage shall be the greater of \$1.00 per therm or 150% of the highest price for the day at NW Wyoming Pool, NW south of Green River, Stanfield OR, El Paso Bondad, Kern River Opal or NW Can. Bdr. (Sumas) supply pricing points as reflected in the Daily Price Survey published in "Gas Daily" for the corresponding Flow Day. Payment of charges for unauthorized gas, as described above, and curtailment penalties shall not under any circumstances be considered as granting Customer the right to take unauthorized gas or exclude any other remedies which may be available to Company.~~

(continued)

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

~~RULE NO 21~~ (continued)

~~TRANSPORTATION OF CUSTOMER-OWNED GAS~~

~~4. Gas not taken under this tariff by reason of failure to comply with an underrun entitlement order shall be considered as unauthorized underrun. The charge for unauthorized underrun shall be \$1.00 per therm for that part of the unauthorized underrun which exceeds the confirmed daily nomination for such day by the percentage specified in the underrun entitlement order. In addition, the Company may require that the volume of underrun gas be taken off the system within the following seventy-two (72) hour period. If applicable, for that part of the unauthorized underrun not taken off the system within the seventy-two hour period, an additional penalty of \$1.00 per therm per each gas flow day will be assessed following the seventy-two (72) hour period.~~

~~F. Accounting and Billing~~

~~1. Designation Of Quantities Delivered For Transportation - Gas entering the Company's system is measured by either the Company or its agent. Where the customer's shipper acts as the Company's agent, the customer shall accept as correct the customer's shipper's declaration of the quantity of gas it has delivered to the Company for the customer's account. Where gas is measured by the Company, the customer shall accept as correct the Company's measurement of the gas received by the Company or delivered to the customer.~~

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

~~2. Handling Of Billing— Each month the Company shall send the customer a bill. The bill will show the quantities of gas, in therms, received by the Company for the customer's account at each point of receipt for the billing month. The bill will also include any other assessments and/or amounts due for services rendered. The Company may use estimated quantities in the bill, and the customer is obligated to pay the estimated bill as presented; the Company will then make any necessary adjustments in the subsequent month billing. The customer has 15 days from the time the bill is issued to pay the amount due.~~

(continued)

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

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AVISTA CORPORATION
dba Avista Utilities

~~RULE NO 21 (continued)~~

~~TRANSPORTATION OF CUSTOMER OWNED GAS~~

~~3. Books And Records - The Company and the customer shall keep accounting records and books in accordance with generally accepted accounting principles and practices in the industry. The Company and the customer shall have the right to examine those books and accounting records of the other. Any examination will be at the examining party's expense, must be conducted at a reasonable time, and must be confined to the extent necessary to verify the accuracy of any statement, charge, or computation or any demand made under or as a result of transporting customer-owned natural gas.~~

~~G. Additional Facilities~~

~~1. Transportation of customer-owned gas does not obligate the Company to construct any additional facilities (including measuring facilities) or to modify existing facilities to provide for receipt of customer-owned natural gas into the Company's system. Customer shall have a separate agreement covering any new facilities or necessary modification for either receipt or delivery of customer-owned gas. If specific new facilities are needed prior to commencing transportation service, the customer shall advance funds for such facilities to the extent required for the new service to generate a rate of return equal to the Company's authorized rate of return on the estimated cost of installing such new facilities.~~

~~2. Measuring Equipment - The customer will provide power and communication facilities for telemetry equipment involved in metering.~~

~~H. Possession of Gas~~

~~1. The customer shall be deemed to be in control and possession of the gas until the gas is received by the Company at the point of receipt. The Company shall be deemed to be in control and possession of the gas from the point of receipt to the point of delivery. Customer shall be deemed to reassume control and possession at the point of delivery.~~

(continued)

Advice No. 10-09-G
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Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
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AVISTA CORPORATION
dba Avista Utilities

~~RULE NO 21 (continued)~~

~~TRANSPORTATION OF CUSTOMER-OWNED GAS~~

~~I. Term of Service and Suspension of Service~~

~~1. The term of a transportation service agreement will commence on the date customer-owned gas is first received by the Company. The initial term of service shall be equivalent to that required of sales service customers with an equivalent quality of service. Firm and interruptible transportation agreements will have an initial term of one year. After the initial term, the firm and interruptible transportation agreements shall be automatically extended from year to year, thereafter, subject to cancellation by the Company or the customer on ninety days prior written notice.~~

~~2. Either the Company or the customer may suspend service during the term of the agreement, upon telephone notice, for reason of unavoidable accident or casualty, extraordinary action of the elements, strikes, interruptions caused by government action or authority, litigation, extraordinary adverse economic conditions, machinery or equipment failures, or by any similar cause beyond its control or which it could not have reasonably foreseen and guarded against.~~

~~J. Standby Facilities Requirements~~

~~1. Requirement of Standby Facilities and Alternative Fuels - No customer of the Company shall be entitled to interruptible transportation service unless the customer provides for adequate standby equipment and alternative fuel(s) ready for immediate operation and use in the event that natural gas transportation service is interrupted or curtailed in whole or in part.~~

~~2. Standby Facilities Requirements: Alternative Procedures - In lieu of the requirement of standby equipment and alternative fuel(s), a natural gas interruptible transportation service customer may obtain interruptible transportation service if the customer executes a special agreement with the Company which contains provisions designed to ensure discontinued use of natural gas if curtailment is required. The special agreement shall contain the following terms:~~

(continued)

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

~~RULE NO 21 (continued)~~

~~TRANSPORTATION OF CUSTOMER-OWNED GAS~~

- ~~a. — A provision that specifies the customer's obligation to use its best efforts to discontinue natural gas service as quickly as possible when notified to curtail gas use service under a Notice of Curtailment from the Company.~~
- ~~b. — A provision in which the customer acknowledges and agrees: —~~
 - ~~(1) — that a Notice of Curtailment can be communicated either orally or in writing, and~~
 - ~~(2) — that a Notice of Curtailment will be made with only as much advance notification as is possible under the circumstances.~~
- ~~c. — A provision which informs the customer that a Notice of Curtailment may be provided to interruptible service customers of the Company with as little as 15 minutes' warning of the customer's obligation to curtail usage.~~
- ~~d. — A provision in which the customer acknowledges that a curtailment of natural gas service may be a regularly occurring event in the future.~~
- ~~e. — A provision in which the customer acknowledges that its failure to halt gas service voluntarily as required by a Notice of Curtailment shall provide a representative of the Company with the right to enter the customer's premises to turn off natural gas service and to lock the customer's natural gas meter in the off position.~~
- ~~f. — A provision in which the customer waives all claims of any kind against the Company in the event of a curtailment or other authorized shut-off of natural gas, including but not limited to any claim for damage to the customer's facilities, or for disruption of the customer's operations, or for lost profits of the customer or for lost wages of the customer's employees as a result of curtailment.~~

~~(continued)~~

Advice No. 10-09-G
Issued August 9, 2019

Effective For Service On & After
October 1, 2019

Issued by Avista Utilities
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Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

RULE NO 21 (continued)

TRANSPORTATION OF CUSTOMER-OWNED GAS

- ~~g. A penalty provision which specifies that the customer who fails to discontinue usage following the time set for curtailment agrees to pay a penalty charge of \$1.00 per therm for each therm of natural gas consumed during the first hour after the time set for curtailment, \$2.00 per therm for each therm of natural gas consumed during the second hour after the time set for curtailment, \$3.50 per therm for each therm of natural gas consumed during the third hour after the time set for curtailment, and \$5.00 per therm for each therm of natural gas consumed after four hours of the time set for curtailment until the end of the curtailment period. These penalty charges shall be in addition to all other charges otherwise specified in the service agreement between the Company and the customer.~~
- ~~h. A penalty provision in addition to those contained in Section J.2.g. of this rule which specifies that the customer which fails to curtail natural gas usage within two hours of the time set for curtailment or which reactivates gas usage during the curtailment period shall be billed for and pay for interruptible transportation service at a rate equivalent to the amount of the margin per therm of the rate for residential sales service for all natural gas therms transported during the entire month in which the customer fails to abide by the Company's notice to curtail. This penalty payment shall not entitle a customer to firm sales or transportation service.~~
- ~~3. The customer accepting interruptible transportation service under Section J.2. of this rule may be ineligible to receive continued service under this section for a period of one year, if twice during any twelve-month period, the customer either fails to curtail usage or reactivates usage during a curtailment period after receiving a Notice of Curtailment.~~

Underrun Entitlement: During an Underrun Entitlement condition, a Customer that is in an underrun situation will be subject to underrun charges for each instance of underrun imbalance that occurs during an Underrun Entitlement period. The charges that will apply during any Underrun Entitlement episode will be \$1.00 per therm for any underrun Imbalances exceeding a specified percentage of Confirmed Nominations.

CURTAILMENTS:

Curtailments are a condition declared by Avista during which a Customer is required to partially or totally stop consumption of natural gas. Curtailments will be made in accordance with Rule 14, "Plan for Natural Gas Service Curtailment."

Advice No.	10-09-G	Effective For Service On & After
Issued	August 9, 2019	October 1, 2019

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By Patrick Ehrbar, Director of Regulatory Affairs

Track Changes

Schedule 440

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 440

**INTERRUPTIBLE NATURAL GAS SERVICE
FOR LARGE COMMERCIAL AND INDUSTRIAL - OREGON**

APPLICABILITY:

Applicable, subject to interruptions in capacity and supply, for large commercial and industrial use where capacity in excess of the existing requirements of firm sales and transportation customers exists in the Company's system. Customers served under this schedule must use a minimum of 50,000 therms annually.

TERRITORY:

This schedule is applicable to the entire territory in the State of Oregon served by the Company.

THERM:

The word "therm" means one hundred thousand British Thermal Units (100,000 B.T.U.)

RATES:

Per Meter
Per Month

Commodity Charge Per Therm:
Base Rate

\$0.11652

OTHER CHARGES:

Schedule 461 – Purchased Gas Cost Adjustment
Schedule 462 – Gas Cost Rate Adjustment
Schedule 476 – Intervenor Funding
Schedule 477 – Residual Deferral Account
Schedule 479 – SB 408 Amortization

\$0.24529
(\$0.08273)
\$0.00114
\$0.00001
\$0.00015

Total Billing Rate *

\$0.28038

(R)
(R)
(+)
(N)
(N)(D)
(R)

Annual Minimum Charge:

Each Customer shall be subject to an Annual Minimum Charge if their gas usage during the prior year does not equal or exceed 50,000 therms. Such Annual Minimum Charge shall be determined by subtracting their actual usage for a twelve-month period from 50,000 therms multiplied by 11.652 cents per therm.

* The rates shown in this Rate Schedule as Other Charges may not always reflect actual billing rates. See the corresponding rate schedules under Other Charges for the actual rates.

(continued)

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By Kelly O. Norwood, V.P. State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 440 (continued)

INTERRUPTIBLE NATURAL GAS SERVICE
FOR LARGE COMMERCIAL AND INDUSTRIAL - OREGON

SPECIAL TERMS AND CONDITIONS:

1. The above Commodity Charge Per Therm is subject to the provisions of "Other Charges" listed above.

(T)(D)
(T)(D)

~~2. This service is available only where capacity in excess of firm sales and firm transportation requirements exists in the Company's system.~~

2. Service under this schedule is subject to the provisions of a service agreement for a term of one year or longer.

3. Service under this schedule is not available to any "essential agricultural user" or "high priority user" (as defined in Section 281.203(a), Title 18, Code of Federal Regulations), Customer who has requested protection from curtailment, as contemplated by Section 401 of the NGPA (Public Law 95-261). An "essential agricultural" or "high priority" user. A Customer receiving service under this schedule ~~can~~may only obtain protection from curtailment by requesting transfer to the appropriate firm rate schedule of the Company, for the minimum term specified therein.

4. ~~4.~~ As a condition precedent to service under this schedule, an executed agreement with the Avista ("Company") is required specifying quantity requirements and other terms and conditions as hereinafter provided.

~~5. The term of service shall be for a period of one year when service is first rendered and year by year thereafter, continuing until cancelled by ninety days prior written notice given by either party to the other.~~

~~6. No customer shall be entitled to service~~Service under this ~~rate~~ schedule unless adequate standby equipment and alternative fuel are provided by ~~the customer and are ready shall be subject to interruption at all such times for immediate operation in the event that natural gas is interrupted or curtailed and in such amounts as,~~ in whole or in part.

the Company's judgment, interruption is necessary. Avista

~~5. 7. The Company shall give the customer as much notice of an impending curtailment as is reasonably possible under the circumstances at the time. The Company will not be liable for damages occasioned by interruption or~~

Advice No. 17-01-G

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By Rethco E. Howard, Director, State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

~~discontinuance~~ of service ~~provided~~ supplied under this schedule. In addition, service under this schedule shall be subject to Curtailment conditions in accordance with the Company's Rule 14, "Plan for Natural Gas Service Curtailment."

6. Avista recommends that the Customer, at their expense, provide and maintain standby facilities to continue operations with a substitute fuel in the event of partial Curtailment or total interruption of the natural gas supply. In the event that the Customer does not have adequate standby facilities, Avista will not be liable for damages occasioned by the curtailment or interruption of service supplied under this schedule.

7.
(continued)
Natural gas service supplied under this schedule shall not be interchangeable with any other natural gas service available from Company.

SCHEDULE 440 (continued)

INTERRUPTIBLE NATURAL GAS SERVICE
FOR LARGE COMMERCIAL AND INDUSTRIAL - OREGON

- ~~8. In the event of curtailment, customers under this schedule will be curtailed in accordance with Rule No. 14, Continuity Of Service. Interruptible customers are the first to be curtailed.~~
- ~~9. Insofar as operationally practicable, curtailment to each customer receiving service under this schedule shall be pro rata. Proration shall be based on equalization of the number of hours of curtailment for each customer in each heating season (July 1 through June 30).~~
- ~~10. In the event that it is necessary to discontinue service, the monthly minimum charge will be prorated on the basis of the ratio of the number of days on which service was available to the number of days in the billing period. For this purpose service will be considered available if curtailed by the Company less than eight hours in any particular day.~~
- ~~11. Rates contained in this schedule will be used to determine the standby sales service commodity price for Schedule No. 456.~~

(D)
(D)

Advice No. 08-08-G Supplemental	Effective For Service On & After
Issued October 27, 2008	November 1, 2008

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By

Kelly O. Norwood, V.P. State & Federal Regulation

AVISTA CORPORATION
dba Avista Utilities

8. Upon the request of Avista, Customer shall read the Company's meter at the beginning of each day and report said reading to Avista daily; further, Customer shall from time to time submit estimates of its daily, monthly and annual volumes of natural gas required hereunder, including peak day requirements, together with such other operating data as Avista may require in order to schedule its operations and to meet its system requirements.

9. Customers served under this schedule who desire to change rate schedules must provide written notice to the Company at least ninety (90) days prior to the effective date of the desired schedule change. At the Company's sole discretion, it may grant a Customer's request to transfer to a firm sales service schedule with less than ninety (90) days' notice. The availability for a Customer to change to a firm sales service schedule will be based on Avista's sole judgement that the existing distribution system has capacity adequate for the service requested by Customer. In the event that there is no availability for the Customer to change to a firm sales service schedule on their desired date due to capacity or natural gas supply constraints, Avista will provide an estimated date for when the Customer is able to change schedules.

10. Customers served under this schedule who desire to change to a transportation service schedule must meet the terms and conditions specified in Rule 21, "Natural Gas Transportation Service Terms and Conditions", and provide written notice to the Company at least ninety (90) days prior to the effective date of the schedule change.

11. The applicability clause shown above will not apply to any customer taking service on or before August 1, 1990.

12. Service under this schedule is subject to the Rules and Regulations contained in all applicable Schedules and Rules of Avista's tariff book P.U.C. OR. No. 5.

Advice No. 16-01-G
Issued January 15, 2016

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March 1, 2016

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By

Kelly O. Norwood, V.P. State & Federal Regulation



«Date»

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Dear «GreetingLine»:

Thank you for being a valued Natural Gas Service Customer of Avista. The purpose of this letter is to inform you of changes we are proposing to make to our tariffs pertaining to interruptible and transportation customers and our curtailment procedures for all natural gas customers.

On October 9, 2018, a rupture occurred on a natural gas transmission pipeline owned and operated by Enbridge at a location north of Prince George, B.C. This event caused Avista to activate the Company's emergency operations plan to address the shortage of natural gas within the Pacific Northwest. Several of Avista's Oregon customers were curtailed the day after the event in order to maintain the integrity of the Company's natural gas distribution system. After going through this event, and subsequent events related to it over this past winter, the Company reviewed its tariffs and procedures in all of its service jurisdictions and is now proposing to make changes in an effort to make them easier to understand and follow, and to clarify and update its curtailment procedures.

The proposed changes will not affect the rates you are paying for service from Avista or the overall service you receive. Specific changes being proposed that we would like to make you aware of are as follows:

- Clarified the process by which the Company would curtail customers in the event curtailment is eminent, including curtailing customers by their rate schedule instead of by amount of usage.
- Increased the curtailment penalty from \$1 per therm to \$10 per therm. The proposed penalty is consistent with other utilities in the region and is intended to motivate customers to quickly curtail their usage of natural gas, if necessary.

Avista has requested these changes to become effective on October 1, 2019. We will be reaching out to you once the revised tariffs are approved to provide an update and to make sure that we have the correct emergency contact information on file. We appreciate your business and look forward to continuing to provide you with efficient, affordable, natural gas service.

Please contact your Account Executive if you would like copies of current or proposed tariffs, or would like to further discuss the proposed changes we will be making. If you are unaware of who your Account Executive is, please contact Shawn Bonfield at 509-495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

Shawn Bonfield
Regional Account Executive