

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER AVISTA’S ANNUAL RATE)	CASE NO. AVU-E-23-03
ADJUSTMENT FILING FOR ELECTRIC)	
LINE EXTENSION SCHEDULE 51)	NOTICE OF APPLICATION
)	
)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 35710

On March 1, 2023, Avista Corporation dba Avista Utilities (“Company”) applied for Commission approval to update costs and make administrative changes to the Company’s Electric Line Extension Schedule 51(“Schedule 51”) (“Application”). The Company requested a May 1, 2023, effective date.

The Commission now issues this Notice of Application and sets deadlines for interested persons to comment on the Application and for the Company to reply.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Schedule 51 incorporates average costing for electrical facilities commonly used to extend service. The Company stated that Schedule 51 sets forth “Basic and Exceptional Costs” that have a fixed and variable component, with the variable component stated on a cost-per-foot basis and are consistently used for electric line extensions. Application at 2. The Company represents average costing has worked well and also is not proposing to change the conceptual structure of the tariff in the Application. *Id.*

YOU ARE FURTHER NOTIFIED that the Company updated the *allowances* applicable to new residential, commercial, and industrial customer services. *Id.* at 3. The Company plans to continue using an embedded cost method for calculating the revised allowances “that is designed to ensure similar investment in distribution/terminal facilities for each new customer will be similar to the embedded costs of the same facilities reflected in base rates.” *Id.* The embedded cost calculation was derived from the Cost of Service study from Order No. 35156 in Case No. AVU-E-21-01—the Company’s most recent rate case. *Id.* Table No. 1 below summarized the proposed allowance changes:

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
ORDER NO. 35710

Table No. 1

<u>Service Schedule</u>	<u>Existing</u>	<u>Proposed</u>
Schedule 1 Individual Customer (per unit)	\$ 2,065	\$ 2,095
Schedule 1 Duplex (per unit)	\$ 1,650	\$ 1,675
Schedule 1 Multiplex (per unit)	\$ 1,240	\$ 1,260
Schedule 11/12 (per kWh)	\$ 0.16674	\$ 0.16986
Schedule 21/22 (per kWh)	\$ 0.15360	\$ 0.15731
Schedule 31/32 (per kWh)	\$ 0.26623	\$ 0.27217

YOU ARE FURTHER NOTIFIED that the Company proposed “to update the primary, secondary, service and transformer *average costs*.” *Id.* at 4 (emphasis added). Table No 2 below summarized the cost changes:

Table No. 2

	<u>Present</u>	<u>Proposed</u>	<u>% Change</u>
<u>Overhead Primary Circuit</u>			
Fixed Cost	\$ 4,521	\$ 4,875	7.8%
Variable Cost	\$ 8.75	\$ 9.63	10.1%
<u>Underground Primary Circuit</u>			
Fixed Costs	\$ 1,958	\$ 2,232	14.0%
Variable Costs	\$ 11.15	\$ 13.07	17.2%
<u>Underground Secondary Circuit</u>			
Fixed Costs	\$ 392	\$ 600	53.0%
Variable Costs	\$ 11.55	\$ 14.38	24.5%
<u>Overhead Secondary Circuit</u>			
Fixed Costs	\$ 1,843	\$ 1,976	7.2%
Overhead Service Circuit	\$ 3.96	\$ 4.04	2.0%
Underground Service Circuit	\$ 9.14	\$ 11.41	24.8%
Overhead Transformer	\$ 2,508	\$ 3,615	44.1%
Padmount Transformer	\$ 3,597	\$ 7,598	111.2%

YOU ARE FURTHER NOTIFIED the Company stated that high costs for labor, materials, and transportation; the war in Ukraine; increased adoption and use of electric vehicles; and other supply chain considerations have caused increases in the cost of electric steel, aluminum, resin, thermos-plastics and other relevant building materials. *Id.* at 4-5. The Company provided three

examples of increased costs for electrical infrastructure between December 2021 and December 2022; these examples illustrated cost increases of 151%, 158.9%, and 183.5%. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Company proposed to update its residential development costs to reflect the most current Construction & Material Standards and average construction costs as shown in Table No. 3 below:

Table No. 3

<u>Residential Developments</u>	<u>Present</u>	<u>Proposed</u>
Total Cost per Lot	\$ 2,070	\$ 2,947
Less: Service Cost	\$ 458	\$ 572
Developer Responsibility	<u>\$ 1,612</u>	<u>\$ 2,375</u>
Developer Refundable Payment	\$ 1,612	\$ 2,095
Builder Non-Refundable Payment	\$ 5	\$ 852
Allowance	\$ 2,065	\$ 2,095

YOU ARE FURTHER NOTIFIED that the Application is available for public inspection during regular business hours at the Commission's office. The Application and documents related to this case are also available on the Commission's website at www.puc.idaho.gov. Click on the "ELECTRIC" icon, select "Open Cases," and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter, and that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. **Persons must file comments by April 12, 2023.** Comments must be filed through the Commission's website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission's home page at www.puc.idaho.gov. Click the "Case Comment Form" and complete the form using the case number as it appears on the front of this document. To file by e-mail, persons must e-mail the comments to the Commission Secretary and the Company at the e-mail addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, Idaho 83714

For Avista Corporation:

David J. Meyer
Patrick Ehrbar
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MSC-27
1411 E. Mission Ave.
Spokane, WA 99220-3727
david.meyer@avistacorp.com
patrick.ehrbar@avistacorp.com

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **by April 19, 2023.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order accordingly. If written comments are received within the time limit set, the Commission will consider them in making its final decision.

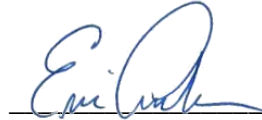
ORDER

IT IS HEREBY ORDERED that the Company's Application be processed by Modified Procedure, Rules 201-204. IDAPA 31.01.01.201 through .204. Persons interested in submitting written comments must do so by April 12, 2023. The Company must file any reply comments by April 19, 2023.

NOTICE OF APPLICATION
NOTICE OF MODIFIED PROCEDURE
ORDER NO. 35710

IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. See Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21st day of March 2023.



ERIC ANDERSON, PRESIDENT

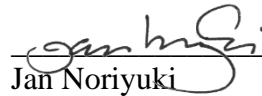


JOHN R. HAMMOND JR, COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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