Office of the Secretary
Service Date
October 19, 2026

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA CORPORATION'S APPLICATION FOR APPROVAL OF THE 2026 WILDFIRE MITIGATION PLAN	)))))	**CASE NO. AVU-E-25-15** **ORDER NO. 37200**

On December 9, 2025, Avista Corporation ("Company") applied to the Idaho Public Utilities Commission ("Commission") requesting an order approving its 2026 Wildfire Mitigation Plan ("2026 WMP") ("Application"). The Commission granted intervention to PotlatchDeltic Forest Holdings, LLC ("PotlatchDeltic"). Order No. 36888.

On February 4, 2026, the Commission provided notice that the Application would be processed under Modified Procedure and set comment deadlines. Order No. 36927. Commission Staff ("Staff") and PotlatchDeltic filed comments, to which the Company replied. The Commission also received two public comments from the Idaho Department of Lands ("IDL"), one filed timely and the other filed after the deadline.

On June 9, 2026, the Commission issued Final Order No. 37064 approving the Company's 2026 WMP and ordering the Company to revise future WMPs "in a manner consistent with the directives of this Order." Order No. 37064 at 13. On June 30, 2026, PotlatchDeltic and Bennett Lumber Products, Inc., et al. ("Bennett Lumber") (collectively, "Petitioners) each filed petitions for reconsideration of Order No. 37064.

On July 28, 2026, the Commission issued Order No. 37106 granting reconsideration and setting a briefing schedule to supplement the record. On August 11, 2026, the Petitioners each filed comments supplementing their petitions pursuant to the scheduling order. On August 31, 2026, the Company and Staff filed comments responding to the Petitioners. On September 8, 2026, PotlatchDeltic filed a motion to strike Staff's response ("Motion") and, in the alternative, a reply to Staff's response. PotlatchDeltic also filed a reply to the Company's response on September 8, 2026. On the same day, Bennett Lumber filed a reply in support of its position on reconsideration. On September 21, 2026, Staff filed an answer to PotlatchDeltic's motion to strike ("Answer").

We now issue this Order to reaffirm Order No. 37064, deny PotlatchDeltic's Motion, and decline the request to rescind our decision to issue a final order on reconsideration based on written submissions.

POTLATCHDELTIC'S SUPPLEMENT

PotlatchDeltic's comments supplementing its petition for reconsideration ("PotlatchDeltic's Petition") reiterated and incorporated by reference the arguments contained in its Petition and in its initial comments. PotlatchDeltic's Response to Reconsideration Order No. 37106 at 4, n. 7.

PotlatchDeltic's Petition contended that the Commission's approval of the Company's 2026 WMP was unlawful and unreasonable for three primary reasons: (1) the Commission exceeded its authority by approving a plan that primarily benefits Washington residents at the expense of Idaho residents; (2) the Commission failed to comply with the Wildfire Standard of Care Act's ("WSCA") requirements concerning implementation of the State Forester's recommendations;[1] and (3) the Commission disregarded or mischaracterized substantial, uncontested evidence demonstrating fatal deficiencies in the 2026 WMP. PotlatchDeltic's Petition at 2.

First, PotlatchDeltic argued that the Commission lacks jurisdiction to approve a WMP that primarily benefits Washington residents. *Id.* at 4. PotlatchDeltic stated that the uncontested record indicates that approximately 90 percent of the Company's wildfire mitigation expenditures under the 2026 WMP are devoted to grid hardening efforts, yet the 2026 WMP budget provides approximately $26.5 million for distribution grid hardening and wood-pole management in Washington compared to only $300,000 in Idaho, with the Idaho expenditure limited to engineering work rather than physical hardening. *Id.* at 4–5. PotlatchDeltic argued that Idaho customers receive little mitigation benefit while bearing the burden of the 2026 WMP's liability protections, conflicting with the WSCA's stated purpose of protecting "Idaho residents and their property." *Id.* at 5 (quoting *Idaho Code* § 61- 1802). PotlatchDeltic further argued that the Commission is legally prohibited from exercising extraterritorial regulatory authority, which would include authorizing immunity in Idaho based on mitigation activities undertaken in Washington. *Id.* at 7–8.

Second, PotlatchDeltic argued that the Commission failed to follow the WSCA's requirements regarding the IDL's recommendations. *Id.* at 8. *Idaho Code* § 61-1804(3) provides that the State Forester's recommendations must be incorporated into the Commission's decision

[1] IDL comments were submitted on behalf of Idaho Stated Forester, Julia Lauch. IDL Comments at 1; IDL Supplemental Comments at 1.

unless the Commission determines that the recommendations are unjust, unreasonable, and not in the public interest and documents its reasoning. *Id.* at 8–9. PotlatchDeltic argued that the Commission neither appropriately implemented nor sufficiently justified its reasons for failing to implement IDL's recommendations concerning: (1) risk-modeling information; (2) cost-benefit analysis; (3) mitigation of external wildfire impacts; (4) and vegetation management inspection qualification standards. *Id.* at 9–16. As to the first three at-issue IDL recommendations, PotlatchDeltic argued that the Commission's directives that the Company implement the recommendations in future WMPs rather than as a condition of approval of the 2026 WMP were inconsistent with the requirements of *Idaho Code* § 61-1804(3). *Id.* at 9–12. PotlatchDeltic further argued that even in instructing the Company to include these recommendations in future plans, the Commission mischaracterized the scope of IDL's recommendations regarding risk modeling information and mitigation of external wildfire impacts. *Id.* at 10–12. As to IDL's recommendation concerning vegetation management inspection qualification standards, PotlatchDeltic claimed that the Commission's explanation for declining to adopt the recommendation (either as a condition of approval for the 2026 WMP or as a requirement for future WMPs) was unsupported by the WSCA and insufficient to meet the Commission's obligation under *Idaho Code* § 61-1804(3). *Id.* at 15.

Third, PotlatchDeltic claimed that the Commission "disregarded or misleadingly revised" substantial, competent, and uncontested evidence from its own Staff identifying flaws in the 2026 WMP. *Id.* at 16–17. PotlatchDeltic's Petition focused on Staff's characterization of the 2026 WMP's lack of process for monitoring and documenting inspection deficiencies and corrective actions, and its lack of quality-assurance programs. *Id.* at 17–20. PotlatchDeltic contended that the Commission improperly characterized Staff's statements that these elements "should" be included as optional recommendations, despite Staff describing the elements as "essential" to safety, reliability, and accountability. *Id.* PotlatchDeltic argued that deferring correction of missing "essential elements" to future filings while approving the 2026 WMP constitutes arbitrary and capricious decision-making. *Id.* at 20.

BENNETT LUMBER'S SUPPLEMENT

Bennett Lumber's comments supplementing its petition for reconsideration argued that, given the importance of IDL's recommendations to wildfire risk reduction and the statutory significance of an approved WMP, the Commission should modify its approval by requiring the 2026 WMP to incorporate IDL's recommendations. Bennett Lumber's Response to Order No.

37064 at 1, 7. Bennett Lumber supported its position with declarations from three forestry professionals—employed by Bennett Lumber—each with experience in forest products and timberland management in Idaho and neighboring states. *Id.* at 2; Stockwell Decl. at 1–2; Hemingway Decl. at 1–2; Morolla Decl. at 1–2.

Bennett Lumber emphasized the legal significance of IDL's recommendations, reiterating that *Idaho Code* § 61-1804(3) requires the Commission to consult with the State Forester regarding WMP elements concerning vegetation management and fuel reduction and that the statute establishes a presumption that the State Forester's recommendations are reasonable and appropriate. Bennett Lumber's Response to Order No. 37064 at 2. Bennett Lumber also invoked the statutory language providing that the State Forester's recommendations "shall be incorporated into the Commission's decision unless the Commission determines that they are not just, reasonable, and in the public interest" and documents its reasoning. *Id.* at 3. According to Bennett Lumber, the Commission has not articulated a persuasive reason for deferring the implementation of IDL's recommendations to future WMPs rather than requiring immediate implementation as a condition of approving the 2026 WMP. *Id.* at 4.

Bennett Lumber continued by offering that implementing IDL's recommendations in the 2026 WMP matters because an approved WMP provides the Company with statutory liability protection. *Id.* at 3. Bennett Lumber argued that by allowing the Company to receive that protection under the 2026 WMP while directing it to implement the State Forester's recommendations in future wildfire mitigation plans, the Commission created a gap between the protections afforded to the Company and the mitigation measures actually required in the 2026 WMP. *Id.*

According to Bennett Lumber and its experts, in its current form (i.e. sans implementation of IDL's recommendations), the 2026 WMP "lacks critical components necessary to prevent, or effectively respond to, catastrophic fire events." *Id.* at 4. Bennett Lumber's experts agreed that the State Forester has specialized expertise, statewide wildfire data, and fire-behavior modeling resources that private landowners do not possess. Stockwell Decl. at 3; Hemingway Decl. at 3; Morolla Decl. at 3. They considered the State Forester's recommendations reliable, reasonable, and in the public interest, believing that failure to incorporate the recommendations creates significant risks to landowners, communities, utility customers, and Idaho's natural resources. Stockwell Decl. at 3, 6; Hemingway Decl. at 3–5; Morolla Decl. at 3, 5–7.

Bennett Lumber's Response to Order No. 37064 and its experts' declarations detailed what they consider deficiencies in the 2026 WMP resulting from the failure to include IDL's recommendations. Bennett Lumber (1) challenged the lack of transparency concerning the Company's wildfire-risk modeling, arguing the absence of sufficient detail prevents landowners from assessing the accuracy of the Company's risk modeling and its corresponding mitigation decisions; (2) contended that the Company should be required to establish a formal process for determining the fair market value for the removal of merchantable timber to aid landowners in making business decisions and to avoid conflicts; and (3) argued that the 2026 WMP requires a clear cost-benefit analysis for mitigation categories to ensure that the Company prioritizes the most effective mitigation measures in the highest risk areas. Bennett Lumber's Response to Order No. 37064 at 4–6. Bennett Lumber additionally argued that the Commission should require the Company's vegetation inspection personnel to obtain wildfire-specific qualifications. *Id.* at 6.

While Bennett Lumber's supplement did not expressly address IDL's recommendation regarding mitigation efforts directed at impacts from external wildfire events, IDL "strongly encourag[ing]" the Company to incorporate feedback from county planning fire groups, or the recommendations contained in IDL's late-filed comments,[2] the declarations filed with the supplement specifically addressed these additional recommendations. Both Andrew Stockwell of Stimson Lumber Company and Patrick Morolla of Manulife Forest Management believed the 2026 WMP should include a clarification of actions to reduce damage from external wildfire events, incorporate feedback from county fire planning groups, and address the recommendations in IDL's late-filed comments, including risk modeling data inputs and descriptions for system components, vegetative height layer, soils layers, and damaging wind events. Stockwell Decl. at 3, 5–6; Morolla Decl. at 3–4.

According to Bennett Lumber, though the specific costs of implementing IDL's recommendations may be difficult to quantify, whatever the cost is modest compared to the cost of a significant wildfire. Bennett Lumber's Response to Order No. 37064 at 6.

[2] Bennett Lumber presumably implied that the Commission should require the Company to implement the recommendations from IDL's late-filed comments as a condition of approval of the 2026 WMP when it referenced IDAPA 31.01.01.013, which provides that the Commission's Rules of Procedure shall "be liberally construed to secure just, speedy and economical determination of all issues presented to the Commission." Bennett Lumber's Response to Order No. 37064 at 3.

STAFF'S RESPONSE

Staff's response addressed only portions of Petitioners' supplements referencing Staff's initial comments. Staff's Response to Petition for Reconsideration at 3. Specifically, Staff sought to clarify its intent when using the words "should" and "essential" in its comments, the usage that was scrutinized in PotlatchDeltic's Petition. *Id.* According to Staff, PotlatchDeltic misinterpreted the intent of Staff's analysis and recommendations. *Id.*

Staff explained that its use of "should" and "essential" in recommending that the Company describe its identification and monitoring of inspection deficiency backlogs was intended to apply to future WMPs as part of an iterative improvement process, rather than to indicate that Staff considered the recommendation a minimum requirement for approval of the 2026 WMP. *Id.* at 3–4. Staff argued that neither the WSCA nor the Commission's WMP Guidelines require the Company to include inspection deficiency backlogs in the 2026 WMP as a condition of approval. *Id.* at 4. Staff offered the same explanation regarding its use of the word "essential" to describe its recommendations that the Company include quality-assurance processes for inspection and vegetation management programs. *Id.* at 4–5. Staff believed that the Commission correctly considered its recommendations in Order No. 37064. *Id.* at 5.

COMPANY'S RESPONSE

The Company argued that the Petitioners failed to show that Order No. 37064 approving the Company's 2026 WMP was unreasonable, unlawful, erroneous, or contrary to law. Company Reply Comments to Reconsideration Order No. 37106 at 3. The Company also purportedly responded to the recommendations contained in IDL's late-filed comments of May 20, 2026, which were referenced in the declarations included with Bennett Lumber's supplemental comments on reconsideration.[3] *Id.* Because the Commission granted reconsideration to supplement the record, the Company argued that the Commission should consider its responses rather than treating IDL's late-filed recommendations as unrebutted. *Id.*

The Company first addressed the Petitioners' assertions regarding relevant legal standards, including PotlatchDeltic's contention that its Petition was "uncontested" because no parties filed an answer opposing reconsideration under Commission Rule of Procedure 331, IDAPA

[3] The Company's response comments on reconsideration did not explicitly address IDL's recommendations regarding infrastructure details (type, condition, and age); vegetative layer height; soil type; and damaging wind events as risk model inputs.

31.01.01.331, and Bennett Lumber's interpretation of the WSCA's requirements with respect to IDL's recommendations. *Id.* at 4–7. The Company argued that, in Commission proceedings, neglecting to file an answer to a petition for reconsideration does not constitute an admission of the assertions contained therein and does not waive a party's ability to participate if reconsideration is granted. *Id.* at 4. The Company also rejected the notion that a WMP must incorporate all IDL recommendations to gain Commission approval under the WSCA. *Id.* at 6. The Company argued that *Idaho Code* § 61-1803 requires a utility to develop and implement a plan that balances wildfire-risk reduction with customer costs and system reliability but does not require adoption of every stakeholder recommendation. *Id.* According to the Company, the WSCA tasks the Commission with determining whether the 2026 WMP satisfies the requirements of *Idaho Code* § 61-1803, not whether additional mitigation measures could be adopted. *Id.* Nevertheless, the Company stated that it does not contend that IDL's recommendations were unreasonable or inappropriate. *Id.* at 7.

In response to Petitioners' concerns about insufficient disclosure of modeling inputs, the Company reported that its new ATS Wildfire Risk Analysis and Management ("AWRAM") wildfire-risk model is now operational. *Id.* at 8. The Company explained that the 2026 WMP used its static legacy risk model, which considered factors such as fuel types, topography, community risk, historical outage performance, severe fire danger index, fire preparedness, and the percentage of overhead spans in treed areas. *Id.* at 9. The Company used the baseline risk established by the model with "real-time wind, temperature, and humidity data to calculate the dynamic Fire Risk Index used to assess operational decisions." *Id.* The Company stated that it discussed its modeling approach with both an IDL representative and Staff during review of the 2026 WMP. *Id.* The Company maintained that, though the AWRAM will include additional factors and allow for more detail in future wildfire mitigation plans, the inputs from its legacy risk model complied with the applicable requirements for its 2026 WMP. *Id.* at 9–10.

The Company acknowledged the Petitioners' concern regarding the absence of a formal procedure for compensating landowners when merchantable timber is removed. *Id.* at 10. The Company reiterated that it is continuing to formalize procedures to ensure appropriate payment when its wildfire mitigation efforts require tree removal while impressing that it does not intend to apply fair-market timber valuation requirements to vegetation management conducted within existing easements or rights-of-way. *Id.*

In response to Bennett Lumber's assertion that the 2026 WMP failed to include a cost-benefit analysis for mitigation categories, the Company stated that it completed a cost-benefit analysis of distribution-system undergrounding and explained that it will use the new risk model to evaluate other mitigation measures, including vegetation management and grid hardening. *Id.* at 10–11. The Company expressed its intention to provide additional information concerning these analyses in future wildfire mitigation plans. *Id.* at 11.

The Company opposed IDL's and the Petitioners' recommendations of requiring additional wildfire-specific qualifications for vegetation-management personnel. *Id.* at 11. The Company maintained that its existing contractor qualifications comply with industry standards, including American National Standards Institute A300, the National Electrical Safety Code, and North American Electric Reliability Corporation's vegetation-management requirements. *Id.* The Company argued that these standards adequately address vegetation clearance, pruning, system safety, and tree-to-wire ignition risks. *Id.* The Company distinguished utility vegetation management from landscape-scale hazardous fuels treatment and argued that imposing qualifications associated with the latter would not materially improve utility vegetation management activities while potentially reducing contractor availability and increasing costs. *Id.* at 12.

The Company agreed with IDL and the Petitioners that county-level coordination is valuable but argued that it is already occurring even though the 2026 WMP does not establish a formal consultation process for every Idaho county. *Id.* at 12–13. The Company described existing coordination with Latah, Bonner, and Nez Perce Counties, IDL, local governments, landowners, and other stakeholders, including participation in Community Wildfire Protection Plan activities and fuels-reduction projects. *Id.* The Company argued that this existing coordination demonstrates that local input is incorporated into its wildfire-mitigation efforts. *Id.* at 13.

Similarly, the Company contended that the 2026 WMP already addressed activities intended to reduce impacts from wildfires originating outside its corridors, facilities, or rights-of-way. *Id.* The Company argued its mitigation efforts including situational awareness, emergency response planning, vegetation management, grid hardening, fire-resistant steel poles, fire mesh, infrastructure-resiliency measures, and coordination with fire agencies and county planning groups address both utility-related ignition risk and the impacts of external wildfire events. *Id.*

POTLATCHDELTIC'S REPLY

A. Motion to Strike

PotlatchDeltic argued that the Commission should strike Staff's response, which was titled "Response to PotlatchDeltic's Petition for Reconsideration," from the record because it was filed nearly two months after the deadline to answer a petition for reconsideration established by Commission Rule of Procedure 331, IDAPA 31.01.01.331. PotlatchDeltic Motion at 3. PotlatchDeltic also contended that the Commission should not treat Staff's response as mislabeled comments that were responsive to supplements, consistent with Order No. 37106, because PotlatchDeltic did not file any substantive supplements to the record. *Id.* at 6–7.

B. Reply to Staff

As an alternative to its Motion, PotlatchDeltic believed Staff's response—which it characterized as "backtrack[ing], recant[ing], and self-contradict[ing]" in relation to Staff's initial comments—invalidated the Commission's decision to proceed via modified procedure.[4] PotlatchDeltic's Reply to Staff's Response at 7, 9. PotlatchDeltic argued that Staff's explanation of its earlier comments created a "factual dispute" that could not be resolved through written submissions. *Id.* at 9–10. According to PotlatchDeltic, a witness can be "held accountable for his or her statements" only through examination and cross-examination at a hearing. *Id.* at 10.

PotlatchDeltic further argued that Staff's initial comments regarding the "essential" nature of descriptions of the Company's identification and monitoring of inspection deficiency backlogs and quality-assurance processes for inspection and vegetation management programs were unambiguous and that Staff's response recanted its original position by turning missing essential elements in mere suggestions for improvement. *Id.* at 8–11. PotlatchDeltic contended that Staff's shifting position called into question Staff's credibility "relative to its other assertions relative to the viability of [the Company's 2026] WMP in general—including its conclusion that the [2026] WMP ought to be approved." *Id.* at 12.

C. Reply to Company

PotlatchDeltic reasserted its position that its Petition was "uncontested" and that the time to answer petitions for reconsideration under Commission Rule of Procedure 331, IDAPA 31.01.01.331, had long since passed. PotlatchDeltic Reply to Company's Response at 2–3.

[4] Presumably, PotlatchDeltic's repeated references to "modified procedure" mean the reconsideration schedule for written submissions the Commission established in Order No. 37106 in lieu of a hearing.

PotlatchDeltic stated that the Commission should not tolerate the Company's "conceit" in believing that it is immune from the Commission's Rules of Procedure. *Id.* at 3.

PotlatchDeltic also reiterated its belief that the 2026 WMP suffered from three fatal flaws. *Id.* at 5. First, PotlatchDeltic argued in approving a WMP primarily for the benefit of Washington residents, the Commission violated the United States and Idaho Constitutions because of a lack of due process and the extra jurisdictional reach of the Company's WMP. *Id.* PotlatchDeltic then restated its arguments that the Commission failed to adhere to its statutory obligation to incorporate IDL's recommendations and that the Commission ignored uncontested evidence demonstrating the unreasonableness of the 2026 WMP before observing that the Company did not attempt to challenge these positions. *Id.* at 6. According to PotlatchDeltic, the Company "is estopped from challenging any of the assertions and conclusions contained in PotlatchDeltic's Petition for Reconsideration." *Id.* at 6.

Finally, PotlatchDeltic argued that the Company's response on reconsideration failed to justify the Commission's decision not to require IDL's recommendations to be incorporated into the 2026 WMP. *Id.* at 7. PotlatchDeltic reiterated its position that IDL's comments were "ignored". *Id.* at 8. PotlatchDeltic challenged the Company's assertion that the WSCA does not require adoption of each recommendation by interested stakeholders, stating that *Idaho Code* § 61-1804(3) expressly requires adoption of the State Forester's recommendations absent a finding that the recommendations were unjust, unreasonable, and not in the public interest. *Id.* at 8–9.

BENNETT LUMBER'S REPLY

Bennett Lumber believed that neither the Company's nor Staff's reconsideration response comments cured what Bennett Lumber deemed "deficiencies" with the Company's 2026 WMP or satisfied the requirements of *Idaho Code* § 61-1804(3). Bennett Lumber's Reply in Support of Reconsideration at 2. Rather, according to Bennett Lumber, the Company's filing acknowledged many of the concerns raised by Bennett Lumber and failed to address "the specific operational risks detailed by [Bennett Lumber's] forestry experts in Petitioners' accompanying declarations." *Id.* at 2.

According to Bennett Lumber, the Company conceded that the risk model used for the 2026 WMP is unverified and obsolete, lacking details regarding how inputs including fuel loads, vegetation density, and terrain are weighted or confirmed. *Id.* at 2–3. Bennett Lumber stated that such a plan cannot comply with WSCA requirements. *Id.* at 3. Bennett Lumber also argued that

the Company conceded that the 2026 WMP contained no formal process to determine the fair market value of removed merchantable timber without explaining why it has failed to implement a process. *Id.* at 3–4. Bennett Lumber contended that the Company again conceded that the 2026 WMP omitted a comparative cost-benefit analysis for all mitigation categories, other than undergrounding distribution facilities. *Id.* at 4.

Bennett Lumber further argued that the Company agreed with Petitioners that IDL's recommendations were reasonable and appropriate. *Id.* According to Bennett Lumber, the Commission violated the WSCA by excluding IDL's recommendations from the 2026 WMP without a finding that the recommendations were unjust or contrary to the public interest. *Id.* at 5.

Finally, Bennett Lumber argued that the Commission's decision to approve the 2026 WMP was inconsistent with its decision in Order No. 37102 (Case No. CO1-E-26-01), denying Clearwater Power Company's wildfire mitigation plan and noting that the Commission could not fill in gaps in the WMP with necessary information provided during discovery. *Id.* at 5. By contrast, Bennett Lumber contended the Commission approved the 2026 WMP despite Staff noting that much project-level detail was 'only provided during discovery.' *Id.*

STAFF'S ANSWER TO POTLATCHDELTIC'S MOTION

Staff contended that the Commission should deny PotlatchDeltic's Motion, as Staff's response, however titled, appropriately responded to the substantive arguments included in PotlatchDeltic's Petition, which were incorporated by reference into PotlatchDeltic's supplement to the record pursuant to scheduling Order No. 37106. Staff's Answer 2–4. According to Staff, its filing was not a procedural challenge to PotlatchDeltic's Petition under Commisison Rule of Procedure 331.05, IDAPA 31.01.01.331.05, but rather a timely response to PotlatchDeltic's supplement, consistent with Order No. 37106. *Id.* at 3.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Company's Application and the issues in this case under Title 61 of the Idaho Code including, *Idaho Code* §§ 61-501, -502, and -503. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501, -502, and -503.

The Commission is required to review a utility's wildfire mitigation plan to ensure it satisfies the minimum requirements of the WSCA. *Idaho Code* § 61-1804(1). In conducting its review, the Commission considers the protection of public health, safety, and welfare; the feasibility of the wildfire mitigation plan and the cost of its implementation; and the extent to which the wildfire mitigation plan minimizes wildfire risk and provides for an effective response to potential wildfire events. *Idaho Code* § 61-1804(1)(a)–(c). The Commission is obligated to incorporate the State Forester's recommendations in its decision regarding a filed wildfire mitigation plan absent a Commission determination that such recommendations "are not just, reasonable, and in the public interest…." *Idaho Code* § 61-1804(3).

Reconsideration affords parties an opportunity to bring to the Commission's attention any matter previously determined and provides the Commission an opportunity to rectify any mistake before the matter is appealed to the Supreme Court. *Washington Water Power Co. v. Idaho Public Utilities Comm'n*, 1980, 101 Idaho 567, 617 P.2d 1242. Any person or public utility has the right to petition for reconsideration in respect to any matter determined in a Commission order. *Idaho Code* § 61-626(1). The Commission has discretion to determine the appropriate procedure and schedule once we have granted reconsideration. IDAPA 31.01.01.332.

Having reviewed the record on reconsideration, we reaffirm our decision in Order No. 37064 approving the Company's 2026 WMP. Additionally, we deny PotlatchDeltic's Motion and decline its request that we rescind our decision to issue an order on reconsideration based on written submissions.

A. We Reaffirm our Approval of the Company's 2026 WMP

After reviewing the record, the Commission maintains that (1) the wildfire mitigation efforts identified in the 2026 WMP satisfy *Idaho Code* § 61-1803(3)(a)–(g)'s minimum requirements; (2) the 2026 WMP is consistent with the public health, safety, and welfare; (3) the 2026 WMP can be feasibly implemented at a reasonable cost; (4) the 2026 WMP adequately minimizes wildfire risk and proposes to respond to fires that occur; and (5) Order No. 37064 appropriately accounted for the State Forester's recommendations.

Collectively, Petitioners advanced four distinct arguments in support of their contention that the Commission should reverse or modify Order No. 37604: (1) the Commission lacked jurisdiction to approve the 2026 WMP due to significant mitigation activities described in the plan set to take place in the state of Washington rather than Idaho; (2) the Commission failed to adhere

to the WSCA's requirement to incorporate the State Forester's recommendations into its decision; (3) the Commission ignored or mischaracterized uncontested evidence presented by its own Staff; and (4) the decision to approve the 2026 WMP is inconsistent with other recent Commission orders regarding WMPs. We address each of these arguments in turn.

1. The Commission Did Not Exercise Extraterritorial Authority by Approving the 2026 WMP

The Commission rejects PotlatchDeltic's assertion that in approving the 2026 WMP we purported to regulate activities occurring in Washington. PotlatchDeltic's argument improperly conflated consideration of out-of-state activities with the extraterritorial exercise of regulatory authority. Rather, we determined that the Company, as a multi-jurisdictional utility, reasonably "subjected its entire service territory to a risk model assessment for purposes of prioritizing areas for mitigation activities," and apportioned its mitigation efforts accordingly. Order No. 37064 at 12. The Commission reviewed a plan submitted by an Idaho-regulated electric utility to determine whether the plan satisfies Idaho's statutory requirements for mitigating wildfire risk.

PotlatchDeltic's framing of the planned expenditure disparity between jurisdictions ignored the fact that the Company budgeted nearly $19,000,000 in 2026 for grid hardening, operations and emergency response, situational awareness, and vegetation management measures in Idaho.[5] 2026 WMP, Appendix B at 1–2. PotlatchDeltic made no showing that the Company's Idaho efforts were insufficient or that the Company's prioritization of areas for mitigation efforts were inconsistent with the relative risks associated with those areas. Instead, PotlatchDeltic relied on simply comparing the planned expenditures for one aspect of the plan—distribution grid hardening (which it then conflated with all grid hardening)[6]—in Idaho and Washington and suggesting that the Company had motive to ensure the difference to claim that the Commission

[5] PotlatchDeltic's argument that Idaho residents receive no benefit from mitigation efforts undertaken in Washington also ignored the obvious facts that the Company's service territory straddles miles of predominantly forested areas on both sides of the Idaho/Washington border and wildfires are unconstrained by political land borders.

[6] PotlatchDeltic overlooked transmission grid hardening when it inaccurately claimed that "under the plan approved by the Commission, no grid hardening takes place Idaho." PotlatchDeltic's Petition at 5. In reality, in addition to the $300,000 that PotlatchDeltic acknowledged the Company budgeted for planning and engineering for distribution grid hardening activities in Idaho, the 2026 WMP allocated $3,500,000 for transmission grid hardening efforts in Idaho—compared to $0 for such efforts Washington—and another $400,000 for transmission line inspection and equipment replacement in Idaho (compared to $600,000 for such inspections and replacement in Washington). 2026 WMP, Appendix B at 1–4. We further observe that all cost recovery of distribution grid hardening (for which the Company budgeted more in Washington) will be directly assigned to customers in the state where the activities occurred. By contrast, the cost recovery of transmission grid hardening (for which the Company budgeted more in Idaho) will be allocated between the two states.

lacked jurisdiction to approve the 2026 WMP. The mere fact that a multi-jurisdictional utility allocated a portion, or even a majority, of its wildfire mitigation planned expenditures to activities in another state does not preclude the Commission from approving a WMP under the WSCA.

In quickly dismissing the express legislative intent of the WSCA concerning affordable electric power,[7] PotlatchDeltic speculated without evidence that "the cost of those reduced electric rates is greater risk of fire, higher insurance premium costs and uncompensated damages for utility caused wildfires." PotlatchDeltic's Petition at 6. PotlatchDeltic failed to explain, or even attempt to explain, how the nearly $19 million in Idaho-specific wildfire mitigation efforts included in the 2026 WMP would in any way increase the risk of fire, and again relied solely on a comparison to the plan's Washington distribution grid hardening budget to suggest, without further elaboration, that the plan's Idaho-specific efforts were insufficient.

With its speculation concerning insurance premiums and the potential legal consequences of the statutory presumption created by an approved WMP, PotlatchDeltic seemingly asked the Commission to usurp the Legislature's constitutional role and nullify the WSCA by rejecting submitted plans on policy grounds outside the scope of the statutory scheme. We decline to do so.

2. Order No. 37604 Properly Accounted for the State Forester's Recommendations

Idaho Code § 61-804(3) mandates that all recommendations of the State Forester "shall be incorporated in the decision of the commission unless the commission determines they are not just, reasonable, and in the public interest, in which case the commission shall document its reasoning in its order approving or rejecting the plan." Petitioners contended that Order No. 37604 violated *Idaho Code* § 61-804(3) because it required the Company to implement certain State Forester recommendations in future plans rather than the 2026 WMP and because the Commission failed to provide sufficient reasoning for declining to implement other State Forester recommendations altogether. We disagree with Petitioners' statutory interpretation and application.

[7] Bennett Lumber's supplemental comments on reconsideration also only briefly addressed cost concerns associated with the 2026 WMP in a concessive prefatory clause: "While quantifying the specific costs involved with the State Forester's recommendations is complex, when compared to the catastrophic potential damage to landowners it remains reasonable." Bennett Lumber's Response to Order No. 37064 at 6. However, in a single paragraph statutory section describing the intent of the WSCA, the Legislature uses the word "affordable" in relation to electric rates four separate times. *Idaho Code* § 61-802. We believe that the Petitioners' position toward cost concerns distorted not only the legislative intent of the WSCA but the priorities of many of the Company's Idaho customers. While this proceeding saw no involvement from any of the Company's residential customers, by contrast, the Company's most recent proceeding before the Commission seeking an increase in customer rates (Case No. AVU-E-26-01) garnered 77 public comments, almost exclusively from residential customers opposing the proposed rate increase.

All but one of IDL's timely recommendations were incorporated in Order No. 37604. Specifically, we directed the Company "to make revisions to future WMP submissions" in the form of including: "a detailed description of the risk modeling methodology and inputs used to determine geographical risk areas";[8] "a cost-benefit analysis for each general mitigation action category"; "a description of actions designed to reduce damage from external wildfire events";[9] "establish a formal process for determining the fair market value of timber"; "input from county fire planning groups." Order No. 37604 at 11–12.

In arguing that requiring implementation of the State Forester's recommendations in all future plans, rather than the instant plan, failed to satisfy *Idaho Code* § 61-804(3), Petitioners effectively sought to add requirements to the statute. Under Petitioners' proposed standard, the Commission would not only have to incorporate the State Forester's recommendations into its wildfire mitigation plan decisions but also withhold approval of wildfire mitigation plans that otherwise satisfied all statutory conditions and require companies to revise and resubmit their plans whenever the State Forester had recommendations for approval. Such a requirement could either add significant expense to the process, ultimately borne by customers, or, through perverse disincentive, discourage the State Forester from participating in the process out of concern that her recommendations could require the Company to revise an otherwise approvable wildfire mitigation plan, potentially exacerbating the concern over rising electricity rates. We find this reading inconsistent with both the plain statutory text and the stated legislative intent of the WSCA.

Importantly, all available evidence suggests that IDL disagrees with Petitioner's interpretation as to the WSCA's requirement to implement the State Forester's recommendations. In Case No. CO1-E-26-01, another recent wildfire mitigation plan proceeding before the Commission, IDL's May 29, 2026, comments expressly stated: "IDL has reviewed the risk

[8] PotlatchDeltic claimed that Order No. 37064 mischaracterized IDL's recommendation concerning risk modeling by specifying that the description of the methodology and inputs should explain how they were used to determine geographical risk areas. PotlatchDeltic's Petition at 10–11. According to PotlatchDeltic, IDL's recommendation "was not limited to risk modeling used just to determine geographical risk areas." *Id.* at 11. However, PotlatchDeltic provided no clarification as to what it believed risk modeling in the Company's 2026 WMP is used for beyond geographical risk assessments.

[9] PotlatchDeltic also claimed that Order No. 37064 mischaracterized IDL's recommendation regarding actions intended to reduce damage from external wildfire events on the system. IDL recommended that the Company "include additional connection of activities to the influence of external wildfire impinging on the system to clarify which actions are being taken to reduce damage from external wildfire events on the system." Again, PotlatchDeltic offered no explanation as to how it believed the Commission's directive would practically differ from IDL's recommendation and instead simply assumed that the absence of a verbatim recreation of IDL's recommendation meant that the Commission had failed to accurately implement the recommendation.

modeling as provided in the submitted Wildfire Mitigation Plan by Clearwater Power and presents the following as considerable shortcomings that IDL recommends must be addressed before plan approval." In several wildfire mitigation plan proceedings, IDL's comments—filed both before (e.g. in this docket, and Case Nos. PAC-E-25-22, and CO7-E-25-01) and after (e.g. in Case Nos. C10-E-26-01, and C11-E-26-01) May 29, 2026—made no such definitive statements about the weight the State Forester's recommendations were intended to carry. IDL also did not petition for reconsideration in this (or any other) docket on the grounds that the Commission had failed to implement its recommendations. Nor did IDL express support for Petitioner's statutory construction arguments, despite being included on the service list for both petitions for reconsideration in this matter. From these facts, we conclude that when IDL believes it is imperative that the State Forester's recommendations be implemented in a wildfire mitigation plan prior to approval, its comments explicitly state as much. Here, in the absence of such definitive statements, IDL's comments suggest that IDL intends to defer to the Commission's discretion regarding timing requirements for implementation.

While Order No. 37064 documented our reasoning for declining to adopt the State Forester's recommendation concerning vegetation management inspection certifications, both Petitioners apparently believed the reasoning failed to comply with *Idaho Code* § 61-804(3) because we did not quote the "are not just, reasonable, and in the public interest" statutory language. For Petitioners' benefit, we reiterate and expound upon our reasoning here. As we previously stated:

> While the Commission is unopposed to IDL's position that vegetation inspection practices and certification standards should address conditions specific to wildfire risks, without further elaboration of the additional requirements envisioned by IDL, we lack the basis to impose rigid obligations on the Company in excess of, and possibly contrary to, what IDL acknowledges are established industry standards. However, we strongly encourage the Company to explore opportunities to address IDL's concerns about vegetation inspections overlooking fire ignition and propagation potential.

Order No. 37604 at 12. Though PotlatchDeltic found this statement "remarkable," we maintain that it would not be just, reasonable, or in the public interest to implement a requirement under which either the Commission or Company must guess at the specific certifications IDL believes Company personnel should obtain, and should the guess be incorrect, Company personnel must go back to gain additional certifications—all at the Company's customers' expense.

Bennett Lumber's suggestion that we should disregard the comment filing deadlines and adopt requirements based on the recommendations contained in IDL's late-filed comments would amount to an inappropriate application of Commission Rule of Procedure 13, IDAPA 31.01.01.013, regarding liberal construction of the Commission's rules. As we previously explained: "We note that the Company had no opportunity to respond to the recommendations contained in IDL's supplemental comments, filed on May 20, 2026. Accordingly, we will not expressly require the Company to incorporate those recommendations in future WMPs." Order No. 37064 at 12. We maintain that binding a public utility's use of resources based on late-filed comments to which the Company had no opportunity to respond would not be just, reasonable, or in the public interest. Commission Rule of Procedure 13 is more appropriately applied to instances such as the possibly mislabeled Staff filing that was the subject of PotlatchDeltic's Motion, as discussed below. While we decline to impose additional requirements on the Company's 2026 WMP based on late filed comments, we expect another wildfire mitigation plan filing from the Company and would invite parties to file comments or testimony that include ways to improve that wildfire mitigation plan at the appropriate time.

3. Order No. 37064 Properly Considered Staff's Comments, and the Commission is not Bound by Staff's Recommendations

While accusing the Commission of twisting the meaning of certain Staff recommendations, PotlatchDeltic itself discounted the crucial context of Staff's comments. Specifically, PotlatchDeltic argued that Staff's recommendations concerning documentation of inspection deficiency backlogs and quality-assurance processes for inspection and vegetation management programs reflected Staff's belief that the Commission should reject the 2026 WMP in the absence of those components, while failing to acknowledge Staff's broader, express recommendation that the Commission approve the 2026 WMP.[10] With that context, the Commission is confident that Staff's individual recommendations were meant to describe methods for improving future wildfire mitigation plans, as reflected in Order No. 37064, not to supersede its overall recommendation to approve the 2026 WMP.

[10] While arguing the "essential" nature of monitoring deficiency backlogs, PotlatchDeltic also neglected to include the portion of Staff's comments that clearly established that *the Company was already conducting the monitoring and Staff directly stated that its recommendation was meant to apply to future WMPs*: "The Company provided this data in response to Staff Production Request No. 48. Staff believes the Company should include the data below for the three previous years *in future WMP filings*…." Staff Comments at 17 (emphasis added).

Even if, contrary to the record, the Commission were to accept PotlatchDeltic's argument concerning the intent of Staff's recommendations (rather than Staff's own explanation), the Commission is not required to adopt each, or in fact any, of Staff's recommendations. PotlatchDeltic clearly understood this, as it argued that the Commission should reject Staff's overall recommendation of approving the 2026 WMP. PotlatchDeltic advanced a paradoxical standard under which the Commission must accept Staff's individual recommendations—as interpreted by PotlatchDeltic—while simultaneously rejecting Staff's overall recommendation. We reject this standard.

4. Distinguishing the Record in This Matter from That in Case No. CO1-E-26-01

Bennett Lumber's comparison of the record in this case to that in Case No. CO1-E-26-01 was misplaced. The Commission's findings in Order No. 37102, in relevant part, concerned "material omissions" that the Company sought to resolve through information provided during discovery. Order No. 37102 at 13–14. Order No. 37102 should not be read to necessitate a finding that the wildfire mitigation plan under consideration fails to meet the minimum requirements anytime the applicant provides some project-level detail only in response to discovery requests.

Moreover, as discussed above, IDL's comments in Case No. CO1-E-26-01 stated: "IDL has reviewed the risk modeling as provided in the submitted Wildfire Mitigation Plan by Clearwater Power and presents the following as considerable shortcomings that IDL recommends must be addressed before plan approval." Again, IDL made no such definitive recommendation in this case.

B. Denial of PotlatchDeltic's Motion

Staff's at-issue filing responded to the arguments contained in PotlatchDeltic's Petition, which, as Staff pointed out, were incorporated by reference into PotlatchDeltic's supplement to the record in accordance with scheduling Order No. 37106 and was not an answer to PotlatchDeltic's Petition under Commission Rule of Procedure 331.05, IDAPA 31.01.01.331.05. Therefore, Staff's filing was timely.

We reject PotlatchDeltic's argument that it did not file any supplement to the record pursuant to Scheduling Order No. 37106 to which Staff could respond. Under *Idaho Code* § 61-626(2), the Commission has discretion to "specify how the matter will be reconsidered…." Order No. 37106 set a schedule for written submissions. PotlatchDeltic filed comments on

reconsideration pursuant to this schedule on August 11, 2026—which, as Staff noted, incorporated by reference PotlatchDeltic's Petition. Staff filed a response consistent with Order No. 37106.

The Commission's decision-making benefits from a complete, clear record, and we invoke Commission Rule of Procedure 13, IDAPA 31.01.01.013, regarding liberal construction of the Commission's rules. No party was prejudiced by Staff's possibly mislabeled filing, which complied with the schedule set in Order No. 37106.

C. Rejection of PotlatchDeltic's Implied Request for a Hearing

PotlatchDeltic used its characterization of Staff's recommendations concerning documentation of inspection deficiency backlogs and quality-assurance processes for inspection and vegetation management programs, and Staff's resulting explanation, to question Staff's credibility and serve as a basis to renew its request for a technical hearing. We do not find PotlatchDeltic's position compelling.

We agree with PotlatchDeltic that "[t]he record speaks for itself." PotlatchDeltic Motion at 3. PotlatchDeltic was afforded multiple opportunities to file written submissions responding to and challenging Staff's positions, and those of the other parties to the case, as well as the opportunity to participate fully in the discovery process. The Commission clearly understands PotlatchDeltic's positions and those of Staff and can sufficiently assess the credibility of those positions based on the record presented.

Given PotlatchDeltic's framing of the record in this case, we have no doubt that it would dispute the intention and meaning of oral testimony the same as it has for written submissions. Despite claiming it requested a hearing to clarify Staff's position, within the same filing, PotlatchDeltic moved to strike Staff's explanation of the disputed wording from the record based on technicality. This calls into question the sincerity of PotlatchDeltic's request.

PotlatchDeltic failed to explain how a technical hearing would serve to prevent competing interpretations of wildfire mitigation plan approval standards or why the Commission would be unable to draw its own conclusions from written submissions, as it would from oral testimony. PotlatchDeltic did not meet its burden to "explain[] why written comments alone are insufficient." IDAPA 31.01.01.202.01.c.

Moreover, PotlatchDeltic's unreasonable delay and maneuvering ensured that the reconsideration timeline would not allow for the hearing it sought. As explained above, within its initial comments filed April 16, 2026, Staff included both the contested recommendations

concerning specific mitigation measures and a broader recommendation that the Commission approve the 2026 WMP. If PotlatchDeltic perceived any inherent contradiction in these positions that necessitated exploration through oral examination, it already had the opportunity to include this argument in its Petition, which it filed on June 30, 2026. Instead, in requesting the process it sought on reconsideration, as required by Commission Rule of Procedure 331, IDAPA 31.01.01.331.03, PotlatchDeltic merely stated: "PotlatchDeltic requests reconsideration by written briefs and oral examination on the same. PotlatchDeltic is, however, prepared to pursue reconsideration by whatever method the Commission deems appropriate." PotlatchDeltic's Petition at 20. Although PotlatchDeltic had long been aware of the alleged contradiction in Staff's position, its Petition did not convey the urgency regarding the need for oral examination that PotlatchDeltic later asserted in its September 8, 2026, submission. Under *Idaho Code* § 61-626(2), the Commission has just 13 weeks after the date for filing petitions for reconsideration to conduct a hearing. PotlatchDeltic's reply filing in which it implicitly sought a hearing was submitted exactly ten weeks after the deadline for filing reconsideration. Because PotlatchDeltic's reply was filed in the alternative to its unnecessary Motion to Strike Staff's response, Staff was then due another two weeks to file its Answer to the Motion under Commission Rule of Procedure 57.03, IDAPA 31.01.01.57.03. By that time, it would not have been feasible to schedule and conduct a hearing.

D. Conclusion

The Commission appreciates Petitioners' participation in this proceeding and their contributions to a robust record. The Commission also recognizes Petitioners' particularized business concerns regarding the WSCA. Nevertheless, the Commission is tasked with evaluating the 2026 WMP against the statutory criteria, including whether the plan satisfies the minimum statutory requirements; describes mitigation efforts consistent with the public health, safety, and welfare; can be feasibly implemented at a reasonable cost; and adequately minimizes wildfire risk while providing for an appropriate response to fires that occur. Having considered the record in its entirety, the Commission finds that the 2026 WMP satisfies each of these criteria and consequently reaffirms Order No. 37064.

ORDER

IT IS HEREBY ORDERED that Order No. 37064 is reaffirmed.

IT IS FURTHER ORDERED that Order No. 37064 shall remain in full force and effect.

IT IS FURTHER ORDERED that PotlatchDeltic's Motion to Strike is denied.

IT IS FURTHER ORDERED that PotlatchDeltic's implied request for a hearing is denied.

THIS IS A FINAL ORDER ON RECONSIDERATION. Any party aggrieved by this Order may appeal to the Supreme Court of Idaho within 42 days pursuant to the Public Utilities Law and the Idaho Appellate Rules. *Idaho Code* § 61-627; I.A.R. 14.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 19th day of October 2026.

EDWARD LODGE, PRESIDENT

JOHN R. HAMMOND JR., COMMISSIONER

DAYN HARDIE, COMMISSIONER

ATTEST:

Monica Barrios-Sanchez
Commission Secretary
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