

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA) CASE NO. AVU-E-26-02
CORPORATION’S ANNUAL RATE)
ADJUSTMENT FILING FOR ITS ELECTRIC) ORDER NO. 37042
LINE EXTENSION SCHEDULE 51)
)

On March 6, 2026, Avista Corporation, doing business as Avista Utilities (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) requesting approval to update costs and make administrative changes to the Company’s Electric Line Extension Schedule 51 (“Schedule 51”), effective May 15, 2026 (“Application”).

On March 30, 2026, the Commission issued a Notice of Application and Notice of Modified Procedure, establishing public comment and Company reply deadlines. Order No. 36985. No petitions to intervene were filed. Staff filed the only comments.

Based on our review of the record, we issue this Final Order approving the Company’s request to update costs and make administrative changes to its Schedule 51, effective May 15, 2026.

THE APPLICATION

The Company requested approval to update the costs of, and make administrative changes to, its Schedule 51, and for the changes to take effect May 15, 2026. Application at 1. The Company represented Schedule 51 establishes the estimated costs for electrical infrastructure regularly used in extending electrical service, such as transformers and conduit. *Id.* at 2. The Company stated that the estimated costs for Schedule 51 were determined from the recent average costs of the electrical infrastructure. *Id.* The Company did not propose changing the average costing principle used to determine the estimated costs in Schedule 51. *Id.*

The Company requested approval to update its allowances in Schedule 51 for incoming commercial, industrial, and residential customers. *Id.* at 3. The Company represented that the revised allowances were calculated by using the embedded-cost methodology approach. *Id.* The Company explained the approach ensures that the cost of distribution/terminal facilities for each new customer is similar to the costs of the same infrastructure already allocated for in the Company’s base rates. *Id.* New customers will have to pay for costs that exceed the updated

allowances. *Id.* The Company represented the embedded-cost calculation was based on the Cost-of-Service study approved in Order No. 36741. *Id.* The Company proposed the following changes to the allowances:

<u>Service Schedule</u>	<u>Existing</u>	<u>Proposed</u>
Schedule 1 Individual Customer (per unit)	\$2,545	\$2,755
Schedule 1 Duplex (per unit)	\$2,035	\$2,205
Schedule 1 Multiplex (per unit)	\$1,530	\$1,655
Schedule 11/12 (per kWh)	\$0.19912	\$0.21041
Schedule 21/22 (per kWh)	\$0.18388	\$0.20083
Schedule 31/32 (per kWh)	\$0.32929	\$0.35568

Id.

The Company also requested approval to update the average costs for primary circuits, secondary circuits, service circuits, and transformers. *Id.* at 4. The Company proposed the following updates to the average costs:

	<u>Present</u>	<u>Proposed</u>
<u>Overhead Primary Circuit</u>		
Fixed Cost	\$5,536	\$5,952
Variable Costs	\$11.20	\$12.04
<u>Underground Primary Circuit</u>		
Fixed Costs	\$2,583	\$2,754
Variable Costs	\$13.55	\$14.31
<u>Underground Secondary Circuit</u>		
Fixed Costs	\$647	\$688
Variable Costs	\$12.75	\$13.18
<u>Overhead Secondary Circuit</u>		
Fixed Costs	\$2,279	\$2,466
Overhead Service Circuit	\$5.06	\$5.56
Underground Service Circuit	\$10.29	\$10.78
Overhead Transformer	\$5,308	\$5,222
Padmount Transformer	\$10,003	\$9,134

Id. The Company represented that the increase in average costs was due to higher overhead and vehicle costs. *Id.* Higher overhead costs were due to increased costs for labor and benefits. *Id.* at 5. Higher vehicle costs were due to expenses for maintenance and repair of the Company's fleet vehicles and higher fuel costs. *Id.* at 4.

The Company requested approval to update its residential development costs. *Id.* at 5. The update to the residential development costs were based on the Company’s current Construction & Material Standards, which reflected the most recent revisions to the National Electrical Safety Code, and average construction costs for 2025. *Id.* The Company proposed the following updates:

Residential Developments	Present	Proposed
Total Cost per Lot	\$ 3,849	\$ 3,818
Less: Service Cost	\$ 516	\$ 541
Developer Responsibility	\$ 3,333	\$ 3,277
Developer Refundable Payment	\$ 2,545	\$ 2,755
Builder Non-Refundable Payment	\$ 1,304	\$ 1,063
Allowance	\$ 2,545	\$ 2,755

Id.

The Company requested approval to remove “after the extension is completed” from Schedule 51G. *Id.* Schedule 51G states the following:

A Developer who pays the extension cost described in 4.b.1) may apply for a refund annually for each permanent Customer connected within the development during the first five years from the start of construction after the extension is completed.

Id. The Company felt removing “after the extension is completed” would clarify that developers who pay for extension costs described in 4.b.1) can apply for a refund annually for each permanent customer that is connected in the development in the first five years following the start of construction. *Id.* Lastly, the Company indicated that it would send a letter to its developer and builder customers who could be affected by the Company’s proposed changes to Schedule 51. *Id.*

STAFF COMMENTS

After reviewing the Company’s Application and supporting workpapers, and comparing the Company’s requested cost changes to the costs approved by the Commission in Order No. 36613, Staff recommended that the Commission: (1) approve the Company’s proposed changes to construction allowances and average costs in Schedule 51; (2) approve the Company’s requested change to Schedule 51G’s language; and (3) approve the Company’s proposed Schedule 51 tariff as filed, with a May 15, 2026, effective date, or an effective date of the Commission’s final Order in this case, whichever occurs later. Staff Comments at 2.

I. Construction Allowances.

Staff reviewed the Company’s proposed updates for new residential, commercial, and industrial customer services outlined in Table 1 of the Application. *Id.* at 2–3. Because Staff believed the Company used the embedded-cost methodology approach and inputs previously approved by the Commission, Staff recommended that the Commission approve the construction allowance changes in Schedule 51. *Id.* at 3.

II. Average Costs.

To review the Company’s proposed changes to average costs for primary circuit, secondary circuit, service circuit, and transformer, Staff compared the Company’s average costs proposed in the Application to the average costs approved in Order No. 36613. Staff Comments at 3. As a result, Staff calculated the difference between the Company’s existing costs and proposed costs:

Table No. 2: Proposed Average Cost Changes

Costs	Existing	Proposed	Increase Rate
<u>Overhead Primary Circuit</u>			
Fixed Cost	\$5,536	\$5,952	7.51%
Variable Cost	\$11.20	\$12.04	7.50%
<u>Underground Primary Circuit</u>			
Fixed Cost	\$2,583	\$2,754	6.62%
Variable Cost	\$13.55	\$14.31	5.61%
<u>Underground Secondary Circuit</u>			
Fixed Cost	\$647	\$688	6.34%
Variable Cost	\$12.75	\$13.18	3.37%
<u>Overhead Secondary Circuit</u>			
Fixed Cost	\$2,279	\$2,466	8.21%
Overhead Service Circuit	\$5.06	\$5.56	9.88%
Underground Service Circuit	\$10.29	\$10.78	4.76%
Overhead Transformer	\$5,308	\$5,222	-1.62%
Padmount Transformer	\$10,003	\$9,134	-8.69%

Id. at 4.

The Company’s overhead costs increased by 20.20%. *Id.* Specifically, labor overhead increased by 15%. *Id.* Staff believed that the higher labor overhead costs contributed to the average cost increase. *Id.* at 4–5. The Company’s vehicle costs also increased by 21.01%. *Id.* at 5. Specifically, repair costs for the Company’s double bucket trucks increased by 69.30% and repair costs for its tandem diggers increased by 53.30%. *Id.* Based on Staff’s calculations, the Company’s fuel usage increased by 22.85% and resulted in the Company’s fuel costs rising by 26.03%. *Id.* Staff believed that the Company’s higher vehicle costs and fuel usage contributed to the average cost increase. *Id.*

III. Residential Developments.

After reviewing the Company’s proposed cost changes to residential development, Staff believed that the developer responsibility cost decreased by 1.68%, as detailed in the following table:

Table No. 3: Proposed Residential Development Cost Changes

Residential Development	Existing	Proposed	Increase Rate
Total Cost per Lot	\$3,849	\$3,818	
Less: Service Cost	\$516	\$541	4.84%
Developer Responsibility	\$3,333	\$3,277	-1.68%
Developer Refundable Payment	\$2,545	\$2,755	
Builder Non-Refundable Payment	\$1,304	\$1,063	
Allowance	\$2,545	\$2,755	

Id. at 5. Staff believed the decrease in developer responsibility costs were reasonable because even though overhead and tool costs increased by 15.9% and 17.4%, respectively, material costs decreased by 8.7%, and those costs make up most of the expenses for developer responsibility. *Id.*

IV. Administrative Changes & Customer Notice.

Staff agreed that removing “after the extension is completed” from Schedule 51G would help clarify that the start of construction is when the five-year look back period begins. *Id.* Staff also believed that the Company’s Customer notice met the requirements of Rule 125 of the Idaho

Administrative Procedures Act 31.01.01 and provided a reasonable amount of time for the public to file comments before the Commission's set deadline. Staff Comments at 5.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over the Company's Filing 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 has reviewed the record in this case. Based on our review, we find it fair, just, and reasonable to: (1) approve the Company's proposed changes to construction allowances and average costs in Schedule 51; (2) approve the Company's requested change to Schedule 51G's language; and (3) approve the Company's proposed Schedule 51 tariff as filed, with a May 15, 2026 effective date.

The Commission finds that the Company used the embedded-cost methodology approach and inputs previously approved by the Commission. Further, the Commission finds that the Company's higher vehicle costs and fuel usage contributed to the average cost increase in Schedule 51. The Commission finds that because the Company's costs for material decreased, which make up most of the expenses for developer responsibility costs, it is reasonable that the developer responsibility costs decreased in Schedule 51. The Commission finds that removing "after the extension is completed" from Schedule 51G will clarify that the start of construction is when the five-year look back period begins under Schedule 51. *Id.* Lastly, the Commission finds that the Company's Customer notice meets the requirements of Rule 125 of the Idaho Administrative Procedures Act 31.01.01 and provided a reasonable amount of time for the public to file comments.


ORDER

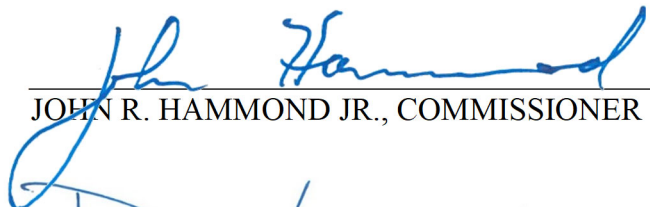
IT IS HEREBY ORDERED that the Application to update costs for Schedule 51 and remove "after the extension is completed" from Schedule 51G is approved as filed.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21 days of the service date of this Order regarding any matter decided in

this Order. Within seven days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th day of May 2026.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

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