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AVU-E-26-10

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July 9, 2025

Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Building 8, Suite 201-A
Boise, ID 83714

Re: Case No. AVU-E-26-___ - Application of Avista Corporation for a Certificate of Public Convenience and Necessity for Carlin Bay Transmission Line

Commission Secretary:

Avista Corporation, doing business as Avista Utilities (Avista or the Company), hereby submits for filing with the Commission an application for a Certificate of Public Convenience and Necessity for the development of the Carlin Bay transmission line. If you have any questions regarding this filing, please contact me at (509) 495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT THE CARLIN BAY TRANSMISSION LINE	)))))	CASE NO. AVU-E-26-____ APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

I. INTRODUCTION

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, pursuant to Section 61-524 Idaho Code and Rule of Procedure (RP) 52 of the Idaho Public Utilities Commission, respectfully requests that the Commission issue an order granting the Company a Certificate of Public Convenience and Necessity (CPCN) to construct a new overhead 115 kilovolt (kV) transmission line and related facilities to provide service by connecting the proposed O'Gara Substation to the Carlin Bay Substation.

The Company requests, pursuant to Idaho Code §§ 61-508 and 61-526, that the Commission find it to be in the public convenience and necessity that Avista construct a new 115 kV transmission line as an additional source of energy for the east side of Lake Coeur d'Alene. The east side of Lake Coeur d'Alene is currently supplied by two feeder lines that have experienced sustained outage line events, which Avista forecasts to increase in frequency.

The proposed facilities, as described herein, are necessary and required in order to continue to provide: 1) reliable and adequate electricity to Avista's customers on the east side of Lake Coeur d'Alene into the future, 2) increased flexibility to deliver energy and reserve capacity, 3) a back-up resource to shift electrical loads when there is an outage or equipment failure, which will help restore power quickly, and 4) the capacity to respond to future grown and energy demands.

Avista is a utility that provides service to approximately 419,000 electric customers and 381,000 natural gas customers in a 26,000 square-mile area in northern Idaho, eastern Washington, and Oregon. The largest community served by Avista is Spokane, Washington, which is the location of its corporate headquarters. Communications in reference to this Application should be addressed to:

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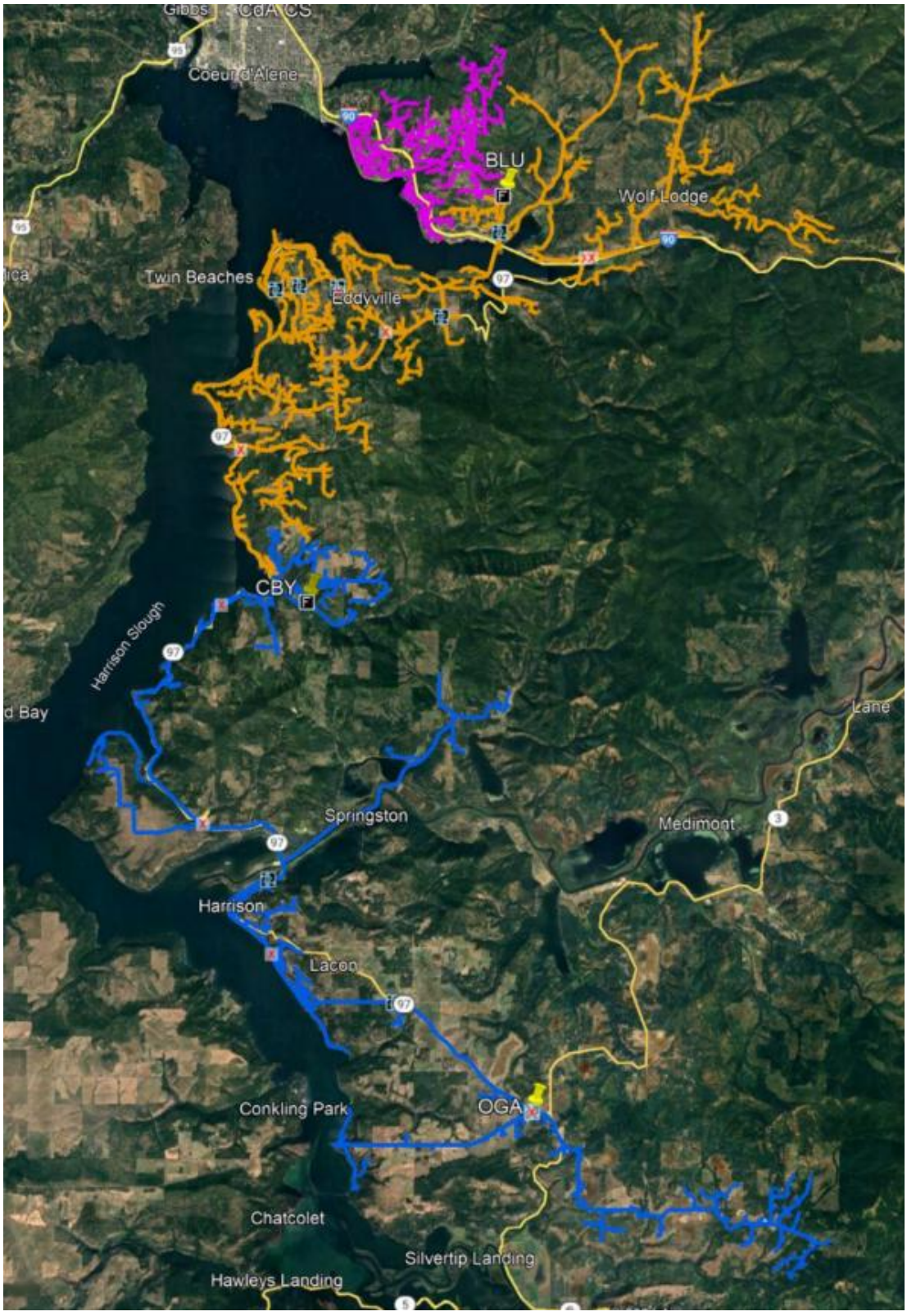
Avista Dockets (Electronic Only) - AvistaDockets@avistacorp.com

II. BACKGROUND

The population and load demand growth on the east side of Lake Coeur d'Alene has resulted in rising concerns for Avista to reliably support new customers at the far-reaching end of two distribution feeders. Currently, two distribution feeders serve the east side of Lake Coeur d'Alene, one originating from the Blue Creek Substation and the other originates from the existing O'Gara Substation. See Illustration No. 1 below for a map of the existing feeders

serving the east side of Coeur d'Alene.

Illustration No. 1 – Map of Existing Feeders Serving East Side of Coeur d'Alene



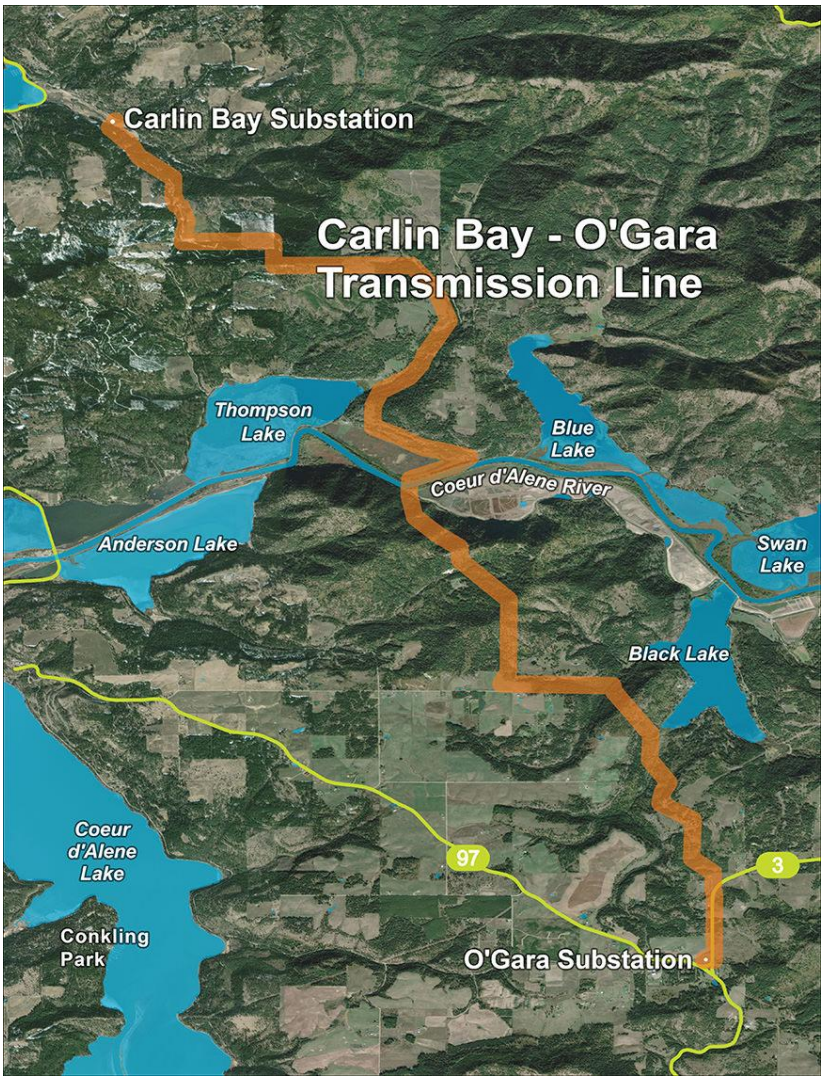
The associated feeders cannot support additional growth in the area and have reached their capacity. A reliable protection system requires a balance of dependability and security. Dependability dictates that a protective device correctly identifies and operates in the event of a faulted condition. Security ensures a protective device only operates within its defined zone of protection while maintaining coordination with other protective devices located in its immediate proximity. Distribution of electrical load across the electric grid and the topography of each device's zone of protection have a major impact on a protective system's ability to reliably operate. The existing protection system and associated protective devices in the area of the proposed Carlin Bay and O'Gara substations currently meet the reliability requirements outlined above; however, due to recent significant load growth, the margin for proper operation is diminishing.

The consequence of protection coordination issues is customers will experience outages due to fault detection devices, fuses and reclosers, tripping under heavy load conditions. Equipment capacity issues have emerged, including overloaded feeder cable, voltage drop, voltage imbalance, reduced fault current, overloaded fusing and feeder protection, and cold load pickup, all of which contribute to system protection challenges (see Appendix A). Construction of the Carlin Bay and O'Gara substations helps to mitigate the risk of mis-operation and ensure reliable operation of the protection system by beneficially modifying zones of protection and redistributing load. The addition of the proposed substations has a significantly positive impact on both the dependability and security of the protection system in the area. If the improvements are not made to the system, Avista will seek to prevent overloading equipment by disrupting service to customers to reduce loading or risk the equipment becoming damaged resulting in a longer outage duration to customers.

A new overhead 115 kV transmission line, which is 13 miles in length, needs to be

constructed to serve the new Carlin Bay Substation. See Illustration No. 2 below for a map of where the proposed new line will be.

Illustration No. 2 – Map of New Transmission Line



This will alleviate system protection issues caused by the growing load at the end of the Blue Creek and O'Gara feeders (See Appendix A).

III. COMMUNITY OUTREACH AND PUBLIC PARTICIPATION

Avista has conducted extensive outreach to the community, affected landowners, and local jurisdictions throughout the development of the project. Once a 90% line siting route was

identified, Avista and its consultant, Black & Veatch, invited the community to an Open House on September 27, 2023, at Harrison Elementary School. At this event, Avista presented the proposed routing, distributed fact sheets and informational materials, and held a question and answer and public comment session to address community questions (See Appendix C). All comments received were documented in a feedback log, allowing Avista to follow up directly with property owners after the event. A sign-in sheet was also provided to collect contact information for continued engagement and discussion of any additional concerns.

To supplement in person outreach, Avista also developed a public facing project website early in the process.[1] The site included detailed maps, project background, schedule information, and frequently asked questions (FAQs). It also featured a project specific email address, giving community members a direct channel to contact the project team with questions or concerns at any time. This resource remained active throughout the routing process to ensure transparency and consistent communication.

Following the open house, Avista worked one on one with individual property owners directly impacted by the proposed route. While Avista and Black & Veatch identified which parcels the line would intersect, we collaborated closely with landowners to determine the least impactful alignment across each property, making adjustments wherever feasible to incorporate their feedback.

Avista has also coordinated closely with local jurisdictions and state/federal agencies, including Kootenai County, Idaho Department of Lands, Idaho Fish and Game, U.S. Fish and Wildlife Service, and the Bureau of Land Management. These agencies have been engaged throughout the process, and we have secured the necessary permits or easements from the

[1] https://www.myavista.com/about-us/construction-services/current-major-electrical-projects/carlin-bay-ogara-transmission-line

participating state and federal agencies. Coordination with Kootenai County is ongoing, and they continue to participate in discussions related to the project.

IV. CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Avista must construct additional facilities on the east side of Lake Coeur d'Alene, so it can continue meeting its obligation to serve both new and existing customers. This proposed new transmission line is a cost-effective way to meet this obligation. Avista is facing rising concerns about reliably supporting new and existing customers on the east side of Lake Coeur d'Alene. Population and load growth continue to expand. This area is currently only served by two distribution feeders one originating from the Blue Creek Substation and the other originates from the existing O'Gara Substation. These feeders are at capacity and unable to serve new growth.

Avista is aware of many developments in the area that are under various stages of construction or planned for in the near future. Based on current performance of the existing feeders in the area, some customers are waiting for Avista to mitigate the performance issues prior to beginning constructions on their developments. Table No. 1 below demonstrates the expected feeder and transformer loading over the next 10 years.

Table No. 1. Potential Developments on the East Side of Lake Coeur d'Alene

Project	Description	Year	Feeder
Powderhorn Ranch	[25% conf] up to 1300 residences	2023	OGA611
Patriot Homes	[100% conf] ~40 units	2023	BLU321
Fish Inn Campground	[100% conf] Campground w/cabins & RV spots	2023	BLU321
Burma Rd	[100% conf] old mill needs cleanup	2024	BLU321
Gotham Bay	[100% conf] ~50 premium lots	2024	BLU321
Stonegate Development	[100% conf] 3000 sq ft houses - Harrison has building moratorium b/c of sewer issues - 3ph PM for water	2024	BLU321
Carlin Bay Lodge Replacement	[75% conf]	2024	OGA611

Avista has established performance criteria in the planning horizon to mitigate equipment loaded at ~80% of its applicable facility rating. When equipment approaches 100% of its facility ratings in real time operations, customers' power will be turned off to prevent damaging equipment. In the East Lake Coeur d'Alene area, customer outages can have long restoration times due to cold load pickup[2] causing fuses and/or reclosers to trip.

3.2.4. Mitigation Plan Results

Implementation of the East Coeur d'Alene Lake System Reinforcement project results in significant improvements to system performance. The results of a multi-year analysis are shown in Table 10. The proposed Carlin Bay Station, energize year 2028, will have a portion of load transferred from feeders BLU321 and OGA611 to mitigate existing capacity constraints. The proposed O'Gara Station rebuild, energize year 2028 after Carlin Bay Station, will have load transferred from the existing O'Gara Station and mitigates the existing capacity constraints.

To mitigate the high growth on BLU321 feeder, CBY641 feeder can pick up a portion of load at Gozzer Ranch during peak winter conditions if necessary to meet system performance criteria. This capacity for the CBY641 feeder to pick up a portion of Gozzer Ranch load increases as more sections of trunk conductor are upgraded to #556 AAC.

Feeder / Sub	Year 2024	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034
BLU XFMR #1	50.54	54.07	58.15	62.49	56.21	60.3	64.71	69.53	74.74	80.22	86.33
BLU321	70.56	75.31	81.01	89.24	73.35	79.05	85.25	92.16	99.34	107.21	115.46
BLU322	24.51	26.08	27.91	28.4	30.39	32.52	34.81	37.25	39.86	42.66	45.91
OGA XFMR #1	78.33	81.91	85.68	89.27	0	0	0	0	0	0	0
OGA XFMR #1 NEW	0	0	0	0	25.03	26.12	27.25	28.46	29.7	31.04	32.4
OGA611	84.23	88.05	92.66	104.16	0	0	0	0	0	0	0
OGA611_2	0	0	0	0	38	39.67	41.56	43.54	45.61	47.88	49.99
OGA612	118.31	123.31	128.54	134.23	0	0	0	0	0	0	0
OGA612_2	0	0	0	0	30.28	31.57	32.91	34.32	35.79	37.32	38.92
CBY XFMR #1	0	0	0	0	13.17	13.9	14.69	15.52	16.42	17.32	18.37
CBY641	0	0	0	0	16.91	17.97	19.11	20.39	21.75	23.13	24.74
CBY642	0	0	0	0	14.96	15.65	16.34	17.1	17.89	18.55	19.51

Table 10: Mitigation Case Winter % Loading

The impact of not performing this work is that Avista would not be able to reliably serve an area that is experiencing significant growth. Customers will experience outages during peak winter conditions when building electric heating demand is high (See Appendix A). The

[2] Cold load pickup is the temporary surge in electric demand that occurs when power is restored to customers after an outage.

outages may occur due to overloaded equipment tripping or failing, or Avista intentionally reducing load to prevent equipment damage. The outages could impact several hundred customers for multiple hours and may occur daily until peak winter loading weather conditions pass. Extended outages can last multiple days and be catastrophic, not only from economic loss, but customers may also face additional damage that may be caused by freezing water pipes. Further customer growth in the area will increase the number of impacted customers. The energization of the Carlin Bay Substation is dependent on the construction of this 115kV transmission line.

V. ESTIMATED COST AND PRUDENCE OF PROJECT

Avista's estimated construction costs for this new 115kV transmission line is approximately $30 million. Avista began exploring options for this project in 2023. Avista and its consultant, Black & Veatch, conducted and completed line siting in 2023. Easement acquisition began in 2025 and is ongoing. Once easements with landowners and permits with agencies have been obtained and finalized, line design completion will take place. This phase is anticipated to be complete in 2026. Avista anticipates construction will begin in 2027 and will take approximately two years to complete. Energization of this transmission line is expected to take place in late 2028.

VI. CONCLUSION

Approval by this Commission for an order granting the Company a CPCN to construct the Carlin Bay transmission line is in the public interest and necessary to maintain adequate electric service to Avista's Idaho customers on the east side of Lake Coeur d'Alene. Without this new line, customers may face reliability and resource adequacy issues in the future.

Constructing this new line is the most economic solution to address the system needs in the area in question.

Avista respectfully requests that this Application be processed under Modified Procedure, through the use of written comments. RP 201, et seq.

VII. REQUEST FOR RELIEF

WHEREFORE, Avista respectfully requests that the Commission issue an Order on or before December 1, 2026, granting the Company a CPCN to construct the Carlin Bay transmission line and associated facilities.

DATED at Spokane, Washington, this 7th day of July 2026.

AVISTA CORPORATION

By 

Patrick Ehrbar
Director of Regulatory Affairs
Avista Corporation

APPENDICES

Appendix A – East Coeur d'Alene Lake System Reinforcement System Impact Study (V0)

Appendix B – East Coeur d'Alene Lake System Reinforcement Business Case Justification Narrative (2025 Signed)

Appendix C – Public Meeting Materials