

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF COMMISSION	)	CASE NO. GNR-E-25-02
STAFF’S APPLICATION FOR APPROVAL	)	
OF A FILING PROCESS FOR WILDFIRE	)	ORDER NO. 36849
MITIGATION PLANS	)	
	)	
	)	

On June 18, 2025, Staff (“Staff”) of the Idaho Public Utilities Commission (“Commission”) applied to establish a filing process for Wildfire Mitigation Plans (“WMPs”) submitted under the Wildfire Standard of Care Act (“WSCA”). *See* Idaho Code § 61-1801 *et seq.*

On September 30, 2025, the Commission issued a Final Order that, among other things, established filing procedures and content requirements for WMPs. Order No. 36774.

FINAL ORDER NO. 36774

As stated, Order No. 36774 established filing procedures and content requirements for WMPs submitted for approval under the WSCA, including a requirement that they include cost evaluations or cost-benefit analyses for certain projects. *Id.* at 15-17, 20. In establishing the requirement that WMPs contain cost evaluations of an electric corporation’s line designs, Order No. 36774 provides, in pertinent part:

Idaho Code § 61-1803(3)(e) requires WMPs to include line design methods for new, planned, and existing lines that are both financially prudent and reasonably practicable for wildfire risk mitigation. Accordingly, WMPs must explain how an electric corporation’s line design methods reduce the potential for wildfire ignition, including a cost evaluation. This cost evaluation need not be least-cost, least risk, but it must show how the mitigation project strikes the necessary “balance of mitigation costs with the resulting reduction in wildfire risk” required by the WSCA. *See Idaho Code* § 61-1803(3)(e).

In its discussion of cost-benefit analysis as a means of justifying expenditures for wildfire mitigation projects set forth in WMPs, Order No. 36774 stated:

Under *Idaho Code* § 61-1803(3), WMPs must reasonably balance anticipated wildfire risk reductions against the anticipated mitigation costs. Assessing whether the WMP has achieved this balance requires a review of the cost-benefit analysis underlying the expenditures outlined therein. Additionally, *Idaho Code* § 61-1804 requires the Commission to consider the feasibility and cost of implementing each WMP when deciding whether or not to approve a WMP. Review of the cost-benefit analysis supporting WMP expenditures can inform the

Commission's consideration of those costs. Finally, the WSCA is intended to guide the prudent use of resources to address wildfire risks with justifiable costs, keeping utility rates affordable and protecting Idaho residents and their property. *Idaho Code* § 61-1802. Including a cost-benefit analysis in WMPs supports this goal by requiring electric corporations to perform a balancing test that assesses whether expenses are prudent.

Accordingly, we find it reasonable to direct all electric corporations to include a cost-benefit analysis in their proposed WMPs that justifies the expenditures for risk mitigation described within. This directive does not amount to rate regulation. Rate regulation occurs when a government body sets the prices a company can charge. The WSCA grants the Commission authority solely to approve or reject a proposed WMP, not to regulate the rates an Unregulated Entity charges. The Commission has no authority other than that given to it by the legislature. It exercises a limited jurisdiction, and nothing is presumed in favor of its jurisdiction. *See United States v Utah Power & Light Co.*, 98 Idaho 665, 667, 570 P.2d 1353, 1355 (1977).

Furthermore, unlike IOUs, Unregulated Entities are not obligated to obtain a Commission-approved WMP and may choose not to pursue one. Seeking Commission approval of a WMP may influence an Unregulated Entity's decisions, including those related to service rates. However, any rate changes made to obtain approval of a WMP for an Unregulated Entity would be entirely voluntary and subject to their own processes only. This is not rate regulation.

Order No. 36774 at 15-17 (emphasis added).

PETITION FOR RECONSIDERATION AND MOTION FOR CLARIFICATION

On October 21, 2025, Kootenai Electric Cooperative, Inc. ("KEC"), Lower Valley Energy, Northern Lights, Inc., Idaho County Light & Power Cooperative, Inc., Clearwater Power Company, Lost River Electric Cooperative, Inc., Raft River Rural Electric Cooperative, Inc., Fall River Rural Electric Cooperative, and United Electric Co-op Inc. (collectively, "Filing Parties") filed a Petition for Reconsideration of Order No. 36774 ("Petition"). The Filing Parties argued the Commission erred by establishing requirements for WPMs that unnecessarily exceed those contained in the WSCA. Specifically, the Filing Parties argued that the WSCA does not require WMPs to include cost evaluations or cost-benefit analyses for certain projects, and that the Commission's decision requiring them constitutes an unreasonable and excessive administrative burden. Alternatively, to the extent their Petition is denied, the Filing Parties requested that the Commission clarify how to conduct the required cost evaluations and analyses.

POTLATCHDELTIC'S ANSWER

On October 27, 2025, PotlatchDeltic Corporation ("Potlatch") filed an answer to the Petition, asserting that Order No. 36774 constitutes a reasonable implementation of the WSCA.

Potlatch further argued that granting the relief sought in the Petition would contravene the WSCA and therefore lies beyond the Commission's authority. Instead, Potlatch contended that the Filing Parties must pursue their desired relief through legislative action amending the WSCA.

COMMISSION FINDINGS AND DECISION

Under *Idaho Code* § 61-626, the Commission may abrogate or change one of its orders that it determines after reconsideration is unjust, unwarranted, or should be changed. This permits the Commission to correct any errors in the original order before appellate review. *See Washington Water Power Co. v. Kootenai Env't All.*, 99 Idaho 875, 879, 591 P.2d 122, 126 (1979).

The Filing Parties seek relief from the obligation to justify the costs of the wildfire mitigation projects identified in their WMPs, asserting that such a requirement amounts to rate regulation. To support this contention, the Filing Parties assert that they may revise the costs associated with a WMP the Commission initially rejects for being too costly. The Filing Parties contend that this would effectively compel them to adjust their costs, and the resulting rates, in response to a Commission decision. Thus, according to the Filing Parties, they are left with a Hobson's choice: either acquiesce to de facto rate regulation or forego the opportunity to obtain Commission approval of a WMP and the attendant benefits.

To avoid such de facto rate regulation, the Filing Parties recommended that the Commission approve WMPs submitted by unregulated electric corporations based on attestations from their governing bodies. These attestations would confirm that each plan reflects a reasonable balance between cost and wildfire risk mitigation, and that the line designs intended to reduce fire risk are financially prudent.

These same arguments and recommendations were presented in the comments of the Filing Parties. For example, in its comments, KEC contended that the requirement to justify the costs of mitigation projects and to include cost-benefit analyses in its WMP was unduly burdensome and would encroach upon the ratemaking authority of its governing board. KEC Comments at 6-9. We expressly rejected the argument that the Filing Parties should be treated differently than investor-owned utilities. Order No. 36774 at 14-15. We also rejected the notion that the WMP approval process subjects an unregulated electric corporation to de facto rate regulation. *Id.* at 17.

More importantly, the WSCA requires WMPs to "identify a means for mitigating wildfire risk that reflect a reasonable balancing of mitigation costs with the resulting reduction of wildfire risk." *Idaho Code* § 61-1803(3). This includes "[f]inancially prudent and reasonably practicable

methods of line design for new, planned, and existing lines to mitigate fire risk.” *Idaho Code* § 61-1803(3)(e). The Commission must ensure that WMPs meet these minimum requirements. *Idaho Code* § 61-1803(4). Uncritical, blind acceptance of attestations from the governing board of an unregulated electric corporation regarding the feasibility, cost-effectiveness, and prudence of its WMP does not satisfy this obligation. The Commission is required by the WSCA and must determine for itself that a proposed WMP meets the minimum requirements of *Idaho Code* § 61-1803. Moreover, the Commission cannot reasonably consider the feasibility or implementation costs of a proposed WMP without reviewing justifications for the cost of mitigation projects, including a cost-benefit analysis.

The Filing Parties might revise a proposed WMP if it is rejected due to cost concerns. However, as we noted in Order No. 36774, unregulated electric corporations do not have to obtain a Commission-approved WMP. *Id.* at 15-17. By deciding to seek one, they voluntarily subject themselves to the same review and approval process as all other electric utilities. Similarly, any rate changes made in response to a Commission decision on a proposed WMP would be solely within the discretion of a Filing Party and voluntary—not rate regulation.

In sum, we must determine whether a proposed WMP reasonably balances costs with risk reduction and incorporates financially prudent line designs to mitigate fire risks. Despite the Filing Parties’ arguments, the WSCA expressly requires the Commission to exercise its own judgment on these issues, rather than defer to the electric corporation’s governing body. Any influence this may have on an unregulated electric corporation’s ratemaking decisions does not constitute rate regulation. Consequently, because requiring electric corporations to justify the costs in their WMPs is a reasonable means of implementing the WSCA, the Filing Parties’ Petition is denied.

In the alternative to the relief sought in the Petition, the Filing Parties moved for clarification regarding how they should present the cost evaluations and cost-benefit analyses required under Order No. 36774. However, no other parties have responded to this specific request. Additionally, Idaho Power Company (“Idaho Power”) has already submitted its WMP for Commission review. *See* Case No. IPC-E-25-32. To prevent any potential additional confusion, we find it is appropriate to address the matter in a separate, subsequent order.

ORDER

IT IS HEREBY ORDERED that the Filing Parties’ Petition for Reconsideration is denied.

IT IS FURTHER ORDERED that the Filing Parties' Motion for Clarification will be addressed in a separate, subsequent order.

THIS IS A FINAL ORDER. Any party aggrieved by this Order or other final or interlocutory Orders previously issued in this case may appeal to the Supreme Court of Idaho under the Public Utilities Law and the Idaho Appellate Rules.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 17th day of November 2025.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Laura Calderon Robles
Interim Commission Secretary

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