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10 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

11 IN THE MATTER OF THE ELECTRIC )  
12 LINE EXTENSION SCHEDULE 51 ) CASE NO. AVU-E-26-\_\_  
13 ANNUAL RATE ADJUSTMENT FILING ) APPLICATION OF AVISTA  
14 OF AVISTA CORPORATION ) CORPORATION  
15

16 **I. INTRODUCTION**

17 In accordance with Idaho Code §61-502 and RP 052, Avista Corporation, doing  
18 business as Avista Utilities (hereinafter “Avista” or “Company”), at 1411 East Mission  
19 Avenue, Spokane, Washington, respectfully makes application to the Idaho Public Utilities  
20 Commission (“Commission”) for an order approving the update in costs and administrative  
21 changes to the Company’s Electric Line Extension Schedule 51. The Company has  
22 requested a May 15, 2026 effective date.

23 The Company requests that this filing be processed under the Commission’s  
24 Modified Procedure Rules (RP 201-204) through the use of written comments.  
25 Communications in reference to this Application should be addressed to:

26	Anni Glogovac	Patrick Ehrbar
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1 **II. BACKGROUND**

2 The Company’s present Schedule 51 electric line extension tariff incorporates the  
3 principle of average costing for electrical facilities commonly used in extending service.  
4 The tariff sets forth “Basic and Exceptional Costs”, which are costs based on recent  
5 average actual costs for facilities such as transformers and conduit which are used  
6 consistently for electric line extensions. The Basic and Exceptional Costs have a fixed  
7 and variable component, with the variable component stated on a cost-per-foot basis. The  
8 average costing principle incorporated in the Company’s tariff has worked well and the  
9 Company is not proposing to change the conceptual structure of the tariff.

10 In Commission Order No. 35757, the Commission ordered that future filings shall  
11 clearly identify the details requested by Commission Staff (Staff) in their comments. In  
12 particular Staff stated:

13 *Staff recommends that the Company clearly identify the hours, materials,*  
14 *and vehicle support it assumed for each type of line extension work, it*  
15 *identify any changes from the previous year, and it provide evidence and*  
16 *justification for the changes. Specifically, Staff recommends that the*  
17 *Company provide actual work order examples for each type of line extension*  
18 *work to provide confirmation of the standard estimates.*

19  
20 In compliance with the Commission Order, the Company has included additional  
21 workpapers that detail the hours, materials, and vehicle support for each job, as well as  
22 actual work order estimates for each job type. Detailed below are the Company’s proposed  
23 changes to Schedule 51 and included with this filing are workpapers which provide  
24 support for the proposed changes.

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**III. CONSTRUCTION ALLOWANCES**

In this filing, the Company has updated the allowances applicable to new residential, commercial and industrial customers. For purposes of calculating the revised allowances, the Company is continuing to utilize an embedded-cost methodology approach that is designed to ensure that investment in distribution/terminal facilities for each new customer will be similar to the embedded costs of the same facilities reflected in base rates. Any costs in excess of the allowance would be paid by the new customer as a Contribution in Aid of Construction. The Company utilized its Cost of Service study from its most recently concluded general rate case filing (AVU-E-25-01), updated for the base rates approved in the Settlement Agreement and approved in Order No. 36741 effective September 1, 2025, as the basis of the embedded cost calculation. Below is a summary of the proposed allowance changes:

<b><u>Service Schedule</u></b>	<b><u>Existing</u></b>	<b><u>Proposed</u></b>
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

The Company has provided workpapers that provide the inputs and calculation of the allowances.

**IV. AVERAGE COSTS**

The Distribution Engineering Department at Avista is primarily tasked with the development and maintenance of the Company’s Construction & Material Standards.

1 Periodically, Distribution Engineering will update the Construction & Material Standards  
 2 in order to comply with the National Electric Safety Code (“NESC”). These Construction  
 3 & Material Standards are reflective of the NESC’s most recent code revisions. The  
 4 standard designs in this filing have not changed and are consistent with those reflected in  
 5 this filing.

6 As detailed on proposed tariff sheets 51M and 51N, the Company is proposing to  
 7 update the primary, secondary, service and transformer average costs. Below is a  
 8 summary of the cost changes:

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

21 The primary drivers of the slight increase contributing to the overall costs above are  
 22 related to higher overheads and vehicle costs. Higher maintenance and repair expenses for  
 23 our fleet vehicles and year-over-year higher fuel costs are driving the higher vehicle costs.

1 Rising labor and labor benefit costs are driving higher overheads costs.

2 Residential development costs, updated for the most current Construction &

3 Material Standards and average 2025 construction costs, are detailed below:

4 **Residential Developments**

	<b><u>Present</u></b>	<b><u>Proposed</u></b>
5 Total Cost per Lot	\$ 3,849	\$ 3,818
6 Less: Service Cost	\$ 516	\$ 541
<b>Developer Responsibility</b>	<b><u>\$ 3,333</u></b>	<b><u>\$ 3,277</u></b>
7 Developer Refundable Payment	\$ 2,545	\$ 2,755
8 Builder Non-Refundable Payment	\$ 1,304	\$ 1,063
9 Allowance	\$ 2,545	\$ 2,755

10 **V. ADMINISTRATIVE CHANGES**

11 Presently, tariff sheet 51G states, “A Developer who pays the extension cost  
12 described in 4.b.1) may apply for a refund annually for each permanent Customer  
13 connected within the development during the first five years from the start of construction  
14 after the extension is completed”. For clarification purposes “after the extension is  
15 completed” is being removed from the tariff verbiage to make clear the five-year look back  
16 begins with the start of construction.

17

18 **VI. COMMUNICATIONS AND SERVICE OF APPLICATION**

19 In conformance with RP 125, this Application will be brought to the attention of  
20 the Company’s affected customers. Consistent with past practice, during the week of April  
21 6, 2026, the Company will send a letter to those developers and builders that may be  
22 affected by the proposed changes to inform them of the Company’s request.

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**VII. REQUEST FOR RELIEF**

The Company requests that the Commission issue an order approving the update in costs to Schedule 51 to become effective May 15, 2026. The Company requests that the matter be processed under the Commission’s Modified Procedure rules through the use of written comments.

Dated at Spokane, Washington this 6<sup>th</sup> day of March 2026.

AVISTA CORPORATION

BY /s/ Patrick Ehrbar  
Patrick D. Ehrbar  
Director of Regulatory Affairs

AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 51 - continued

When two or more Customers apply concurrently for service from the same Line Extension, each will receive an Allowance up to their proportion of the Basic and Exceptional Cost of the line extension.

Allowances shall be granted only against the Basic and Exceptional Cost of the current project and not against any part of an earlier or future extension.

The Allowance will be equal to the Basic and Exceptional Cost or the applicable amount listed below, whichever is less:

MAXIMUM ALLOWANCE

Schedule 1 individual Customer	\$2,755 per unit
Schedule 1 duplex	\$2,205 per unit
Schedule 1 multiplex	\$1,655 per unit

EXCEPTION: The Company will not grant an immediate Allowance if the Company, in its sole judgement, determines that the load:

- a) is less than 2500 kWh per year, or
- b) will be in service less than five years.

A mobile home will not qualify for an Allowance until it has permanent connections to both water service and either a sewer or septic system. If such connections are made within five years after the completion of the line extension, the Company will, at that time, refund the Basic and Exceptional Cost or the amount of the Allowance in effect at the time of the line construction, whichever is less. The Customer must apply for the refund before the line extension becomes six years old.

Issued March 6, 2026

Effective May 15, 2026

Issued by Avista Utilities  
By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 51 - continued

- 5) "Share of Previous Extension" applies only to Primary Circuits less than five years old. If part of a previous line extension is used to serve a new Customer, the new Customer must pay a share of the previous Primary Circuit cost and Transformer cost, if shared, to the Company before the start of construction. The amount paid by the new Customer will be refunded to existing Customers in relation to their share of the Primary Circuit and Transformer, if shared. The Company will refund appropriate shares to the bearers of Extension Certificates when the Certificates are presented for payment and the connection of the subsequent Customer has been verified. The Company will make a reasonable attempt to inform the bearer of the Certificate when a refund is due. Bearers of Extension Certificates must apply for refunds before the original line extension becomes six years old. Unclaimed refunds will be returned to the contributor.

EXAMPLE:

1. First Customer pays \$14,310 for 1,000 feet of primary underground circuit (\$14.31per foot).
2. Second Customer takes service within five years using 600 feet of the original extension.
3. Both Customers share the first 600 feet equally:  
 $600 \text{ ft} \times \$14.31/\text{ft} \times \frac{1}{2} = \$4,293$ .
4. The Second Customer's payment of \$4,293, will be refunded to the First Customer to reduce his investment in the 600 feet to \$4,293. The First Customer's investment in the remaining 400 feet remains at \$5,724. ( $\$14,310 - \$4,293 - \$4,293 = \$5,724$ )

EXCEPTION: If the refund to an existing Customer is less than \$100 each, the new Customer will not be required to pay that share and the existing Customer will not receive a refund.

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SCHEDULE 51 - continued

4. RULES AND CHARGES FOR UNDEVELOPED RESIDENTIAL LOTS

- a. A development is a group of neighboring undeveloped lots separated by no more than streets and under the ownership or legal control of a single party as determined by the Company. Both the General Rules and the following rules apply to line extensions within residential developments.
- b. Before Company facilities will be installed, the developer must submit a written application for service, a copy of the plat as approved by the governing agency depicting dedicated utility easements approved by the serving utilities and must pay an extension cost to the Company which is computed as follows:

	Basic and Exceptional Cost
+	Customer-Requested Costs
-	Cost Reductions
-	(one) Design Fee of \$150 (if paid)
=	extension cost within development
+	cost of extension to development
+	<u>Share of Previous Extension</u>
=	extension cost

- 1) "Basic and Exceptional Cost" will be computed from the following rate per lot when the Development serves single phase loads, has at least six lots and the average frontage is no more than 175 feet per lot. The Basic and Exceptional Cost includes the cost of the Primary Circuit, the Transformer and the Secondary Circuit in the utility easement or public right-of-way, but does not include the Service Circuit from the point of connection with the Secondary Circuit to the Point of Delivery.

Developments: \$3,277per Lot

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SCHEDULE 51 - continued

The Basic and Exceptional Cost for all other Developments will be computed from the rates listed in this Schedule for Service Circuits, Secondary Circuits, Transformers and Primary Circuits.

- 2) "Cost Reductions, "Customer-Requested Costs, and "Share of Previous Extension" are described under Rules for Individual Customers.
  - 3) "Extension to development" is the line extension between the Company's existing energized electric facilities and the boundary of the development. The Rules for Individual Customers apply to the extension to the development.
- c. In lieu of a cash payment of the Basic and Exceptional Cost in a Development, the Company will accept a letter of credit, a contractor's performance bond, or another credit instrument agreeable to the Company for \$3,277 per lot upon execution of a written agreement with the Developer. The agreement shall prescribe the requirements for such a credit instrument and shall permit the face amount of the instrument to be reduced annually as new customers are connected within the Development. The Developer will provide ditching within the Development.
- d. Prior to the installation of the Service Circuit to each single-family residence in a development, the home builder will be required to make a non-refundable cash payment to the Company of \$1,063 per residence. There will be no charge to the builder for the installation of the Service Circuit to serve a duplex or multiplex dwelling.
- e. 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.. The Company will make a reasonable attempt to inform the bearer of the certificate when a refund is due. The Company will pay the refund to the bearer of the Extension Certificate when it is presented to the Company for payment and the connection of the permanent Customer has been verified.

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SCHEDULE 51 - continued

For Developers who have made a cash payment to the Company for the Basic and Exceptional Cost in the development, the sum of all refunds shall not exceed the total Basic and Exceptional Cost paid by the Developer or \$3,277 per lot multiplied by the number lots, whichever is less. The developer must apply for the refunds before the line extension becomes six years old.

- f. In a Development where primary taps may be required into some lots to provide adequate service or where the loads are not clearly defined, the Company may elect to install only an initial Primary Circuit through the Development (no Transformers or Secondary Circuits). The Rules for Individual Customers will be used to establish the extension cost of the Primary Circuit and that cost must be paid in advance by the Developer.

The permanent Customer on each lot must meet the Rules for Individual Residential Customers for the extension into the lot, except they will not pay a share of the cost of the Primary Circuit through the Development or a share of previous extensions outside the Development. The applicable Allowance will be credited first to the Basic and Exceptional Cost to serve the permanent Customer. The Developer will be refunded only the portion of the Allowance not granted or applied to the permanent Customer.

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SCHEDULE 51 – continued

- 1) The Total Estimated Extension Cost shall include all costs which are necessary to provide service to the Customer, as determined by the Company. The amount of the Allowance will be determined individually for each Customer based on the Company’s estimate of the Customer’s annual metered energy usage (delivered by Avista) and an allowance per kWh based on the applicable service schedule.
  
- d. When two or more Customers apply concurrently for service from the same Line Extension, each will receive an Allowance up to their proportion of the Total Estimated Extension Cost. Allowances shall be granted only against the costs of the current project and not against any part of an earlier or future extension.

The Allowance will be the Total Estimated Extension Cost, or the applicable Allowance by Schedule multiplied by the Customer’s estimated metered energy usage (delivered by Avista), whichever is less:

ALLOWANCE BY SERVICE SCHEDULE

Schedule 11 or 12: \$0.21041 per kWh  
 Schedule 21, 22 or 23: \$0.20083 per kWh  
 Schedule 31 or 32: \$0.35568 per kWh

Exception: The Company will not grant an immediate Allowance if the Company, in its sole judgement, determines that the load is unknown, or will be in service less than five years. If an Allowance is not provided at the time service is installed, the Customer is eligible to receive a refund of their Allowance when annual metered energy usage (delivered by Avista) is known and measured. Any refund of Customer Allowance must be requested by the Customer within five years of the service installation.

Undeveloped Commercial and Industrial Lots: A development is a group of neighboring undeveloped lots separated by no more than streets and under the ownership or legal control of a single party as determined by the Company. The General Rules, the Rules for Commercial and Industrial Customers and the following apply to line extensions within commercial or industrial developments. Before Company facilities will be installed, the developer must submit a written application for service and a copy of the plat as approved by the governing agency depicting dedicated utility easements approved by the serving utilities.

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SCHEDULE 51 - continued

Single-Phase  
Overhead Primary Circuit:

Fixed Costs: \$5,952 per Customer  
Variable Costs: \$12.04 per foot

Underground Primary Circuit:

Fixed Costs: \$2,754 per Customer  
Variable Costs: \$14.31 per foot

- g. "Secondary Circuit" is the electrical facility from the Company's Transformer to a handhole or connectors from which one or more Service Circuits originate. The Secondary Circuit is single phase, is operated at less than 600 volts to ground and may include conductors, connectors, conduit, handholes, and ditch. The Basic and Exceptional Cost of the Secondary Circuit shall be computed using the following rates.

Single Phase Underground Secondary Circuit:

Fixed Costs: \$688 per customer  
Variable Costs: \$13.18per foot

Single Phase Overhead Secondary Circuit:

Fixed Costs: \$2,466 per customer

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SCHEDULE 51 - continued

- h. "Service Circuit" is the electrical facility between the Company's Transformer, connectors, or handhole and the Point of Delivery for a single Customer or building. The Service Circuit is single phase\*, is operated at less than 600 volts to ground and may include conductors, connectors, conduit, and ditch. The Basic and Exceptional Cost of the Service Circuit shall be computed using the following rates. These rates do not include meters and metering facilities which are used by the Company for billing purposes.

Single Phase Overhead Service Circuit:

Variable Costs: \$5.56per foot

Single Phase Underground Service Circuit:

Variable Costs: \$10.78 per foot

- i. "Transformer" Basic and Exceptional Cost shall be computed using the following rates for single phase transformers.

Single Phase Overhead Transformer Costs: \$5,222 per Customer

Single Phase Padmount Transformer Costs: \$9,134 per Customer

- j. "Underground Facilities" may include primary cable, secondary and service cable, secondary and service connections, surface-type (padmount) Transformers, pads, enclosures, terminations, and conduit where necessary. These facilities will be owned, operated and maintained by the Company unless otherwise provided for by agreement.

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