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March 6, 2026

Jeff Killip
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

Dear Mr. Killip,

Attached for filing with the Commission are the proposed revisions to Avista’s Line Extension, Conversion and Relocation Schedule 51 of Tariff WN U-28:

12 th Revision Sheet 51C	Canceling	11 th Revision Sheet 51C
12 th Revision Sheet 51D	Canceling	11 th Revision Sheet 51D
12 th Revision Sheet 51E	Canceling	11 th Revision Sheet 51E
6 th Revision Sheet 51G	Canceling	5 th Revision Sheet 51G
12 th Revision Sheet 51H	Canceling	11 th Revision Sheet 51H
12 th Revision Sheet 51I	Canceling	Supplemental 11 th Revision Sheet 51I

The revisions to the tariff sheets listed above update the Company’s Electric Line Extension Schedule 51 and are proposed to become effective May 15, 2026.

Background

The Company’s present Schedule 51 electric line extension tariff incorporates the principle of average costing for electrical facilities commonly used in extending service. The tariff sets forth “Basic and Exceptional Costs”, which are costs based on recent average actual costs for facilities such as transformers and conduit which are used consistently for electric line extensions. The Basic and Exceptional Costs have a fixed and variable component, with the variable component stated on a cost-per-foot basis.

The average costing principle incorporated in the Company’s tariff has worked well and the Company is not proposing to change the conceptual structure of the tariff.

Detailed below are the Company’s proposed changes to Schedule 51 and included with this filing are workpapers which provide support for the proposed changes.

Allowances –The Company is not proposing to update the allowances in this filing. Typically, the Company updates the allowances after each general rate case based on a completed cost of service study. Because the Company last updated allowances based on its most recently concluded general rate case (Docket UE-240006) the Company is not proposing to update the allowances in this filing. The Company will update the allowances after its next general rate case filing (Docket UE-260007).

Costs – The Distribution Engineering Department at Avista is primarily tasked with the development and maintenance of the Company’s Construction & Material Standards. Periodically, Distribution Engineering will update the Construction & Material Standards in order to comply with the National Electric Safety Code (“NESC”). These Construction & Material Standards are reflective of the NESC’s most recent code revisions. The standard designs in this filing have not changed and are consistent with those reflected in this filing.

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

	<u>Present</u>	<u>Proposed</u>
<u>Overhead Primary Circuit:</u>		
Fixed Cost	\$ 5,536	\$ 5,952
Variable Cost	\$ 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

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

Residential development costs, updated for the most current Construction & Material Standards and average 2025 construction costs are detailed below.

<u>Residential Developments</u>		
	<u>Present</u>	<u>Proposed</u>
Total Cost per Lot	\$ 3,849	\$ 3,818
Less: Service Cost	\$ 516	\$ 541
Developer Responsibility	<u>\$ 3,333</u>	<u>\$ 3,277</u>
Developer Refundable Payment	\$ 3,333	\$ 3,277
Builder Non-Refundable Payment	\$ -	\$ -
Allowance	\$ 7,210	\$ 7,210

Administrative – Presently Schedule 51, tariff sheet 51G states, “The developer may apply for a refund for each permanent Customer connected within the development during the first five years from the start of construction following completion of the Developer portion of the Line Extension”. For clarification purposes “following completion of the Developer portion of the Line Extension” is being removed from the tariff verbiage to make clear the five year look back begins with the start of construction.

Enclosed is a copy of the workpapers supporting the line extension cost revisions contained in the proposed tariff sheets. In addition, during the week of April 6, 2026, the Company will send a letter to those developers and builders that may be affected by the proposed changes to inform them of the Company’s request.

Please direct any questions on this matter to Athena Allen at (509) 495-8325.

Sincerely,

/s/ Joe Miller

Joe Miller
Sr. Manager of Rates and Tariffs
Enclosures

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SCHEDULE 51 - continued

6) "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 (\$14.31 per 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 the 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 the 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.

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 and 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:

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By

Patrick Ehrbar, Director of Regulatory Affairs



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SCHEDULE 51 - continued

	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
+	Share of Previous Extension
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=	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 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: \$3,277 per Lot

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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.

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d. There will be no charge to the builder for the installation of the Service Circuit to serve a duplex or multiplex dwelling.

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SCHEDULE 51 – continued

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 after the extension is completed. 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.

For Developers who have made a cash payment to the Company for the Basic Cost in the development, the sum of all refunds shall not exceed the total Basic 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.

(R)

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 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.

5. RULES FOR COMMERCIAL AND INDUSTRIAL CUSTOMERS

a. Both the General Rules and the following rules apply to Line Extensions to serve individual Commercial and Industrial customers.

b. Single-Phase Extensions: For Customers who may be served at single phase, as determined by the Company, before the start of construction, the Customer must submit a written application for service and pay an extension cost to the Company which is computed as follows:

	Basic and Exceptional Cost
-	Allowance
+	Customer-Requested Costs
-	Cost Reductions
-	(one) Design Fee of \$150 (if paid)
+	Share of Previous Extension
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=	Extension cost

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SCHEDULE 51 - continued

If the Allowance exceeds the Customer portion of the Line Extension, the developer will be entitled to a refund of such excess amount, not to exceed the total advance which was paid to the Company. The developer may apply for a refund 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 developer when a refund is due.

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6. RULES FOR CONVERSIONS AND RELOCATIONS

Both the General Rules and the following rules apply to all requests to convert overhead facilities to underground or to change the location of overhead or underground facilities. Construction to replace electric facilities which were disconnected or removed at the customer's request within the last 12 months will be treated as a Conversion or a Relocation and will not be granted an Allowance.

a. All requests to convert or relocate electric facilities will be considered only when the Company, in its sole judgment, determines that they are feasible and compatible with existing neighboring electric facilities and when the requesting party has paid any Design Fees required.

b. Before construction starts, the party requesting a Conversion or Relocation must pay a conversion or relocation cost to the Company which is computed as follows:

	Basic and Exceptional Cost
+	Customer Requested Costs
-	Cost Reductions
=	new line cost
+	Removal Costs
-	Salvage Value
-	(one) Design Fee of \$150 (if paid)
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=	conversion or relocation cost

EXCEPTION: If the Customer is adding load and the load increase would require the Company to add or modify facilities at its expense, the conversion or relocation cost will be reduced by the estimated cost of such modification.

- 1) "New Line Cost" is the cost of the new line extension in accordance with the Rules for Individual Customers, except no Allowance will be credited to the cost.
- 2) "Removal Cost" is the cost of the labor, overheads and use of equipment required to remove the existing facilities.
- 3) "Salvage Value" is the value to the Company of the materials removed from the existing facilities. Materials removed may not have Salvage Value. Salvage Value will be determined in the Company's sole discretion

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SCHEDULE 51 - continued

7. DEFINITIONS AND CHARGES (listed alphabetically)

- a. "Customer" is any individual, partnership, corporation, association, governmental agency, political subdivision, municipality or other entity.
- b. "Dedicated Utility Easements" are designated strips or locations within the platted development which have been approved by the serving utility companies and the local government planning department and are dedicated to the serving utility companies for the purpose of construction, reconstruction, maintenance and operation of utilities, including the inspection of those utilities at reasonable times and the trimming or removal of brush and trees that may interfere with the construction, maintenance or operation of those utilities.
- c. "Design Fee" is a \$150.00 payment to the Company by the Customer requesting a Line Extension, Conversion, or Relocation, in advance of the Company preparing the design. A Design Fee may be collected for any Line Extension, Conversion of Primary Circuit, or Relocation of Primary Circuit that is unusually large, complex, or of a questionable nature. Design Fees may be collected for additional designs if the Customer requests more than one design. For large load requests, the actual costs of any additional system impact studies will be paid by the customer.
- d. "Extension Certificate" is a transferable certificate which entitles the bearer to receive certain refunds. Certificates will be issued to all Customers paying for a Primary Circuit, including Developers. The conditions under which refunds will be paid are described in this Schedule and on the Certificate.
- e. "Point of Delivery" is the location on the Customer's premises where the Company's Service conductors and the Customer's service entrance conductors are connected at a common point to permit a single meter installation. The Point of Delivery will be designated by the Company.
- f. "Primary Circuit" is the electrical facility between the Company's existing energized primary facilities and the proposed Transformer. The Primary Circuit is single phase operated at 2,400 to 20,000 volts to ground and may include conductors, connectors, supporting structures, conduit and trench. The Basic and Exceptional Cost of the Primary Circuit shall be computed using the following rates.

Single-Phase

Overhead Primary Circuit:

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

Underground Primary Circuit:

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

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SCHEDULE 51 - continued

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 (I)
Variable Costs: \$13.18 per foot (I)

Single-Phase Overhead Secondary Circuit:

Fixed Costs: \$2,466 per customer (I)

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: \$5.56 per foot (I)

Single Phase Underground Service Circuit:

Variable Costs: \$10.78 per foot (I)

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

Single Phase Overhead Transformer Costs: \$5,222 per Customer (R)
Single Phase Padmount Transformer Costs: \$9,134 per Customer (R)

j. "Underground Facilities" may include primary cable, secondary and service cable, secondary and service connections, surface-type (pad-mount) Transformers, concrete pads, enclosures, switch gear, terminations, equipment protective barriers and conduit or duct where necessary. These facilities will be owned, operated and maintained by the Company unless otherwise provided for by agreement.

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