

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET UE-150715
)	
AVISTA CORPORATION,)	ORDER 01
)	
Petitioner,)	
)	ORDER GRANTING PETITION
For an Order Approving the Lease)	
Agreement related to the Post Street)	
Annex between Avista Corporation and)	
Mobius Science Center)	
.....)	

BACKGROUND

- 1 On May 1, 2015, Avista Corporation (Avista or Company) filed a petition for an order approving a Lease Agreement between the Company and Mobius Science Center (Mobius), a non-profit science center that opened in Spokane in 2012. The Lease Agreement will allow Avista to form an educational partnership with Mobius and fulfill its hydro-dam relicensing requirements to provide educational displays on the operations and environmental aspects of hydro power. The Lease Agreement grants Mobius occupancy of the ground floor of the Post Street Annex, which is a three-story facility. Avista will continue to use the other two floors of the Annex as a supporting facility for the Post Street substation next door.
- 2 Avista will incur approximately \$550,000 in make-ready costs to accommodate building use by a third party. Those costs will cover basic mechanical and structural building improvements such as: reinforcing the roof, removing lead-based paint on an interior brick wall of the ground floor, and improving electrical safety to protect against electrical surges from the adjacent Post Street substation.
- 3 The Lease Agreement is for an annual rent payment of one dollar. Plus Mobius will be responsible for interior operations and maintenance costs for its occupation of the ground floor space, and it will make all improvements and renovations required for the permitted uses specified in the lease at its own expense with prior approval from Avista. The Lease Agreement also requires Mobius to develop, construct, and display at least three different educational programs per year in collaboration with Avista. Avista will have input into all exhibits and educational programs, and will have a permanent seat on the Mobius Board of Directors for the duration of the lease to ensure that Avista’s interests are represented.

4 Commission Staff reviewed the Lease Agreement and performed an onsite visit to the Post Street Annex. Staff finds that the Lease Agreement is reasonable, and recommends the Commission grant the Company's petition to approve it. The Lease Agreement will allow Avista to form an educational partnership with Mobius and fulfill its hydro-dam relicensing requirements. In addition, the Post Street Annex is adjacent to the Monroe Street Hydroelectric Project, the Post Street Substation, Riverfront Park, Huntington Park, City of Spokane's City Hall, and River Park Square. The location of the Post Street Annex will provide Mobius with a well-established and convenient venue where Avista's educational materials will be available to a larger segment of both the Spokane community and the general public.

DISCUSSION

5 We agree with Staff that Avista's partnership with Mobius will benefit both parties, as well as the general public. Avista will fulfill its hydro-dam relicensing requirements, and Mobius will have a central location in downtown Spokane for its exhibits and educational programs. Though Mobius will pay a nominal rent of \$1 per year, Avista will benefit from having the dedicated exhibition space, as well as the technical and professional expertise in designing and displaying the energy-related educational materials that Mobius will provide. Accordingly, we grant Avista's petition and approve the Lease Agreement between Avista and Mobius.

FINDINGS AND CONCLUSIONS

- 6 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric companies.
- 7 (2) Avista is a watern electric company and a public service company subject to Commission jurisdiction.
- 8 (3) This matter came before the Commission at its regularly scheduled meeting on July 30, 2015.

- 9 (4) On May 1, 2015, Avista filed a petition for an order approving the Lease Agreement between Avista and Mobius Science Center.
- 10 (5) Staff reviewed the Lease Agreement and found that its terms will benefit Avista, Mobius, and the general public. The agreement will allow Avista to fulfill its hydro-dam relicensing requirements to provide educational displays on the operations and environmental aspects of hydro power, and will provide Mobius with a central location in downtown Spokane for its exhibits and educational programs.
- 11 (6) After reviewing Avista's petition and giving due consideration to all relevant matters and for good cause shown, the Commission finds it is consistent with the public interest to grant Avista's petition and approve the Lease Agreement between Avista and Mobius.

O R D E R

THE COMMISSION ORDERS:

- 12 (1) Avista Corporation's petition for approval of the lease agreement between Avista Corporation and Mobius Science Center is granted.
- 13 (2) The Commission retains jurisdiction over the subject matter and Avista Corporation to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective July 30, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN RENDAHL, Commissioner