

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL

**FROM:** JOHN R. HAMMOND JR.  
DEPUTY ATTORNEY GENERAL

**DATE:** JANUARY 17, 2020

**SUBJECT:** THE APPLICATION OF AVISTA FOR AN ACCOUNTING ORDER  
AUTHORIZING ACCOUNTING TREATMENT OF COSTS RELATED  
TO AFUDC (ALLOWANCE FOR FUNDS USED DURING  
CONSTRUCTION); CASE NOS. AVU-E-19-15, AVU-G-19-09.

On December 31, 2019, Avista Corporation dba Avista Utilities (“Avista” or “Company”) filed an Application for an Accounting Order Authorizing Accounting Treatment of Costs related to AFUDC (Allowance for Funds Used During Construction).

### BACKGROUND

On May 2, 2019, the Commission approved Avista’s request to defer costs related to AFUDC from 2018 and going forward, for both the difference calculated between using the State AFUDC rate and the FERC AFUDC rate as a regulatory asset (i.e. FERC Account No. 182.3) and for federal income taxes associated with AFUDC. *See* Order No. 34326. In this Application the Company seeks approval to reclassify a portion of AFUDC calculated in 2010 and through 2017, based on recommendations of FERC.

The Company requests that its Application be processed under the Commission’s rules for Modified Procedure.

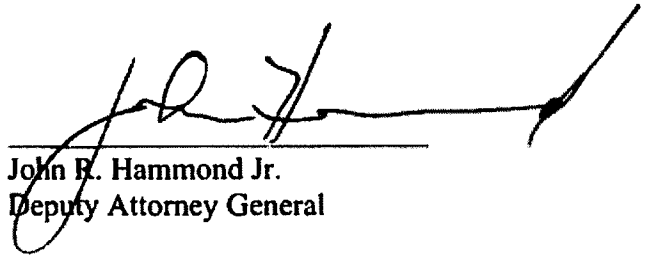
### STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure and set a twenty-one day comment period and a seven day reply period.

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**COMMISSION DECISION**

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure and set a twenty-one day comment period and a seven day reply period?



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John E. Hammond Jr.  
Deputy Attorney General

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