

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF AVISTA</b>	)	<b>CASE NOS. AVU-E-20-09</b>
<b>CORPORATION’S APPLICATION FOR AN</b>	)	<b>AVU-G-20-06</b>
<b>ACCOUNTING ORDER FOR APPROVAL</b>	)	
<b>OF DEPRECIATION AND AMORTIZATION</b>	)	<b>NOTICE OF APPLICATION</b>
<b>RATES FOR INVESTMENTS IN SOFTWARE</b>	)	
	)	<b>NOTICE OF</b>
	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>ORDER NO. 34835</b>

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On October 9, 2020, Avista Corporation dba Avista Utilities (“Company”) applied to the Commission seeking an accounting order authorizing it to use an amortization period for its capitalized software license costs and capitalized software implementation costs that aligns with the life of the underlying contract for Information Technology services. Application at 1. The Company requested its Application be processed by Modified Procedure. *Id.* at 9.

The Commission now issues this Notice of Application and Notice of Modified Procedure establishing public comment and Company reply deadlines.

**THE APPLICATION**

YOU ARE HEREBY NOTIFIED that intangible assets, including software, are amortized and tangible asset like plant, property, or equipment, are depreciated. *Id.* at 2. The Company’s depreciation rates were updated in 2019 (*see* Order No. 34276) but that case did not address the amortization period for capitalized software costs. *Id.*

YOU ARE FURTHER NOTIFIED that if cloud computing arrangements include a license to internal-use software, then the software license is capitalized over a five-year period under authorized accounting practices. *Id.* at 1, 4. The Company requests approval to use an amortization period for the license to internal-use software and implementation costs of cloud computing arrangements that reflect the actual useful life of the software arrangement. *Id.* at 8.

YOU ARE FURTHER NOTIFIED that the Company anticipates this would cause the lives of its various software and other cloud computing arrangements and extensions to be amortized over periods from two to ten years. *Id.*

YOU ARE FURTHER NOTIFIED that the Company is not requesting to impact customers' rates at this time and will only be utilizing the new amortization period for projects that become used and useful after obtaining Commission approval. *Id.* at 5. The impact on amortization expense would be included in a future general rate case. *Id.*

YOU ARE FURTHER NOTIFIED that the Company's Application and Exhibits, including the proposed tariff sheets, are available for public inspection during regular business hours at the Commission's office. The Application is also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "NATURAL GAS" or "ELECTRIC" tab in the left-hand column of the home page, then select "Open Cases" and then locate and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and specifically *Idaho Code* §§ 61-501 and 61-525. The Commission may enter any final order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted under the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and it will review the case through written submissions under the Commission's Rules of Modified Procedure Rule 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons shall have twenty-one (21) days from the service date on this Order to file written comments.** Comments must be filed by e-mail unless e-mail is unavailable. To comment by e-mail, please access the Commission's home page at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Case Comment Form" and complete the form using the case number as it appears on the front of

this document. Comments filed by e-mail must also be e-mailed to the Company at the e-mail addresses listed below. If e-mail is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities  
Commission:**

Commission Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

11331 W. Chinden Blvd.,  
Building 8, Suite 201-A  
Boise, ID 83714

E-Mail: [secretary@puc.idaho.gov](mailto:secretary@puc.idaho.gov)

**For Avista Corporation:**

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**YOU ARE FURTHER NOTIFIED** that the Company must file any reply comments **within twenty-eight (28) days from the service date on this Order.**

**YOU ARE FURTHER NOTIFIED** that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

**ORDER**

**IT IS HEREBY ORDERED** that this case be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201 - .204). Persons interested in submitting written comments must do so within twenty-one (21) days from the service date on this Order. The Company must file any reply comments within twenty-eight (28) days from the service date on this Order.

**IT IS FURTHER ORDERED** that parties continue to comply with Order No. 34781, issued September 17, 2020. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 16<sup>th</sup>  
day of November 2020.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
\_\_\_\_\_  
ERIC ANDERSON, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jan Noriyuki  
Commission Secretary

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