Office of the Secretary
Service Date
September 1, 2021

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC AND NATURAL GAS SERVICE TO ELECTRIC AND NATURAL GAS CUSTOMERS IN THE STATE OF IDAHO	**))))))))**	**CASE NO. AVU-E-21-01 AVU-G-21-01 ORDER NO. 35156**

On January 29, 2021, Avista Corporation dba Avista Utilities ("Avista" or "Company") applied to increase its rates for electric and natural gas service in Idaho, to be effective on September 1, 2021, and September 1, 2022. *Application* at 1. The Company proposed a "Two-Year Rate Plan" with an increase in electric base revenue of $24.8 million or 10.1% for "Rate Year 1", and $8.7 million or 3.2% for "Rate Year 2". *Id*. For natural gas, the Company proposed an increase in base revenue of $52,000 or 0.1% for Rate Year 1, and $1.0 million or 2.2% for "Rate Year 2". *Id.*

Avista's Application proposed to offset these rate increases by the effect of Tax Customer Credit Tariff Schedules 76 (electric) and 176 (natural gas). *Id*. Avista asserted amortization of approximately $31.3 million in electric tax benefits from Schedule 76, beginning on September 1, 2021, would completely offset the Company's requested electric rate increase for Rate Year 1 until about November 30, 2022. *Id*. at 1-2. However, Avista also represented that its Idaho electric customers would see an $8.7 million or 3.5% bill increase for Rate Year 2, effective September 1, 2022. *Id*. at 2. For natural gas customers Avista proposed to amortize the natural gas benefits of $12.1 million from Schedule 176, beginning September 1, 2021, over 10 years, or about $1.2 million in benefits per year. *Id*. The Company asserted this would offset the slight increase in Rate Year 1 of $0.1 million and result in an overall reduction for natural gas customers of approximately 1.8%. *Id*. For Rate Year 2 the Company proposes to amortize its "Natural Gas Deferred Depreciation Expense" balance of approximately $0.9 million for one-year, effective September l, 2022 through August 31, 2023, offsetting the proposed $1.0 million increase through Separate Deferred Depreciation Credit Tariff Schedule 177. *Id*. The Company asserted customers would therefore see an overall slight bill impact, effective September 1, 2022, of 0.1%. *Id.*

The Commission issued a Notice of Application and granted intervention to the Idaho Conservation League ("ICL"), Walmart, Inc., ("Walmart") the Community Action Partnership Association of Idaho, Inc., ("CAPAI"), the Idaho Forest Group LLC ("IFG") and Clearwater Paper Corporation ("Clearwater") (collectively with Avista and the Commission Staff the "Parties"). *See* Order Nos. 34940, 34953, 34958, and 34967.

On April 23, 2021, the Commission set deadlines for the parties to file testimony and exhibits and set dates and times for a public workshop, public hearing and technical hearing. *See* Order No. 35010.

The parties held settlement discussions on May 19, 2021, and June 4, 2021. On June 14, 2021, the Company filed a Motion for Approval of Stipulation and Settlement ("Motion") with a copy of the proposed Stipulation and Settlement ("Settlement") attached thereto.[1] The Settlement was signed and supported by all Parties.

On June 25, 2021, the Commission issued an Order providing Notice of the Proposed Settlement and amending the case schedule. *See* Order No. 35087. The amended schedule included: 1) deadlines for filing testimony supporting the Settlement; and 2) deadlines for filing written comments. *Id*. at 4. The amended schedule included a public workshop and a separate public telephonic hearing for customers of the Company, public officials and any other person not related to Parties. *Id.* at 5-7. The amended schedule also set a technical hearing for August 2 and 3, 2021. *Id.* at 7.

TERMS OF THE STIPULATION AND THE SETTLEMENT

1. Overview of Settlement and Revenue Requirement

The proposed Settlement was executed by Avista and all other Parties. The Settlement provides Avista should be allowed to increase annual base electric revenue by $10.6 million, or 4.3%, effective September 1, 2021, and increase base electric revenue by $8.0 million, or 3.1%, effective September 1, 2022. *Settlement* at 3. For natural gas, Avista would decrease natural gas base revenue by $1.6 million, or 3.7%, effective September 1, 2021, and increase natural gas base revenue by $0.9 million, or 2.2%, effective September 1, 2022. *Id.* at 3-4.

2. Tax Customer Credit

The Parties agree that Avista would return to customers the Tax Customer Credits available of approximately $31.3 million for electric and $12.1 million for natural gas, through

[1] Avista and the Commission Staff executed the Motion.

Tariff Schedules 76 (electric) and 176 (natural gas). *Id.* at 4. For Rate Year 1 electric, an amount equal to the base rate increase in the Settlement would be returned to customers. *Id.* at 4, 19-20. For Rate Year 2 electric, the Parties agreed Avista would return the remaining balance of the Tax Customer Credit, offsetting the overall base rate increase effective September 1, 2022. *Id.* at 20. In addition, the Parties agreed that $250,000 of the Tax Customer Credit applicable to Schedule 11 would be allocated to Schedule 25. *Id.* For natural gas, Avista would return the Tax Customer Credit starting September 1, 2021, over a ten-year period. *Id.* The remaining balance of the Natural Gas Tax Customer Credit and the amortization period will be subject to review and possible modification during the Company's next general rate case. *See Direct Testimony of Elizabeth M. Andrews* at 6; *see also Direct Testimony of Donn English* at 8-9.

3. Capital Structure and Cost of Capital

The Parties agreed to a 9.4% return on equity, with a 50% common equity ratio. Avista's capital structure and weighted-average cost of capital (rate of return) would be:

Component	Capital Structure	Cost	Weighted-Average Cost of Capital
Debt	50%	4.70%	2.35%
Common Equity	50%	9.40%	4.70%
Total	100%		7.05%

Id.

4. Percentage Increase for Electric Service by Schedule

The tables below reflect the agreed-upon percentage change by schedule for electric service:

Effective September 1, 2021 (Rate Year 1)

Rate Schedule	Increase in Base Revenue	Increase in Billing Revenue before Offset	Change in Billing Revenue with Offset
Residential Schedule 1	4.9%	4.9%	0.6%
General Service Schedules 11/12	4.3%	4.1%	0.0%
Large General Service Schedules 21/22	4.3%	4.1%	0.0%
Extra Large General Service Schedule 25	4.3%	4.2%	0.0%
Clearwater Paper Schedule 25P	1.1%	1.0%	-3.1%
Pumping Service Schedules 31/32	4.3%	4.2%	0.0%
Street & Area Lights Schedules 41-48	4.3%	4.2%	0.0%
Overall	**4.3%**	**4.2%**	**0.0%**

Effective September 1, 2022 (Rate Year 2)

Rate Schedule	Increase in Base Revenue	Increase in Billing Revenue before Offset	Change in Billing Revenue with Offset
Residential Schedule 1	4.3%	4.4%	0.3%
General Service Schedules 11/12	0.8%	0.8%	-2.5%
Large General Service Schedules 21/22	3.1%	3.1%	-0.8%
Extra Large General Service Schedule 25	3.1%	3.1%	-2.2%
Clearwater Paper Schedule 25P	0.8%	0.8%	-3.2%
Pumping Service Schedules 31/32	3.1%	3.1%	-0.8%
Street & Area Lights Schedules 41-48	3.1%	3.1%	-0.8%
Overall	**3.1%**	**3.2%**	**-0.8%**

5. Percentage Increase for Natural Gas Service by Schedule

The tables below reflect the agreed-upon percentage change by schedule for natural gas service:

Effective September 1, 2021 (Rate Year 1)

Rate Schedule	Change in Margin Revenue	Change in Billing Revenue before Offset	Change in Billing Revenue with Offset
General Service Schedule 101	-3.7%	-2.6%	-4.6%
Large General Service Schedules 111/112	-3.7%	-2.1%	-3.7%
Transportation Service Schedule 146	-3.7%	-3.7%	-6.5%
Overall	**-3.7%**	**-2.5%**	**-4.5%**

Effective September 1, 2022 (Rate Year 2)

Rate Schedule	Change in Margin Revenue	Change in Billing Revenue
General Service Schedule 101	2.2%	1.6%
Large General Service Schedules 111/112	2.2%	1.3%
Transportation Service Schedule 146	2.2%	2.3%
Overall	**2.2%**	**1.5%**

6. Other Settlement Components

A. Power Cost Adjustment Authorized Level of Expense. The Parties agreed to the new level of power supply revenues, expenses, retail load, and Load Change Adjustment Rate resulting from the September 1, 2021, settlement revenue requirement for the monthly Power Cost Adjustment ("PCA") mechanism calculations detailed in Appendix A to the Settlement. *Id*. at 17.

B. Electric and Natural Gas Fixed Cost Adjustment Mechanisms Authorized Base.

The Parties agreed to the new level of baseline values for the electric and natural gas fixed cost adjustment mechanism ("FCA") resulting from the September 1, 2021, and September 1, 2022, settlement revenue requirements in Appendixes B through E attached to the Settlement. *Id.*

C. Natural Gas Tax Credit Amortization. The Parties agreed to amortize the Company's natural gas tax basis benefit over ten years and carrying through the Two-Year Rate Plan. *Id*. However, the amortization period of the remaining balance available at the time of the Company's next general rate case will be subject to review and possible change of the amortization period at that time.

D. Wildfire Balancing Account. The Parties agreed to a two-way Wildfire O&M Expense Balancing Account to defer the difference in actual O&M Wildfire expenses, up or down, from the authorized "base" level approved in Rate Year 1 of $1.471 million and Rate Year 2 of $1.836 million. *Id*. at 17-18. The balance in the deferral will be included for review and recovery in future general rate cases. *Id*. at 18.

E. Energy Imbalance Market ("EIM"). The Parties agreed that effective with the expected "go live" March 1, 2022, date, the Company will begin to reflect Idaho's share of incremental EIM O&M expenses through the PCA up to Idaho's share of EIM benefits that also will flow through the PCA. *Id.* Any incremental EIM O&M expenses exceeding EIM benefits would continue to be deferred for review and determination of recovery in a future proceeding.

F. Agreed Upon Workshops and Meetings/Conferences.

Avista will work with the interested parties to set a schedule for workshops and meetings by October 15, 2021, concerning the following matters:

(a) Cost of Service Workshops;

(b) Basic Charge Discussion;

(c) Long-Term Ownership of Colstrip;

(d) Weather Normalization Discussion;

(e) Neilson Substation and Interconnection Discussion; and,

(f) Customer Service Metrics/Customer Facing Technologies.

Id. at 18-19.

7. Cost of Service/Rate Spread (Base Rate Changes)

The Parties did not agree on any particular cost of service methodology. *Id*. at 19. In recognition, however, that certain electric rate schedules are generally above their relative cost of service, the Parties agreed that electric Schedule 25P should receive 25% of the overall percentage base rate changes for the September 1, 2021, and September 1, 2022, base rate increases. *Id*. In addition, the Parties agreed electric Schedules 11/12 should receive 25% of the overall percentage base rate change for the September 1, 2022, increase. *Id*. All other schedules, except electric Schedule 1, should receive a uniform percentage of the overall base rate revenue increase. *Id.* The remaining revenue requirement should be spread to Schedule 1. *Id*. at 19-20. For natural gas, the Parties agreed to a uniform percentage of distribution margin increase on September 1, 2021, and September 1, 2022. *Id*. at 20.

8. Weather Normalization

Avista agreed to meet and confer with the Commission Staff ("Staff") and any interested parties, on its weather normalization methodologies to see what changes, if any, should be made to further the accuracy of its modeling. *Id*. at 22.

9. Signing Parties

Avista, Staff, Clearwater, IFG, CAPAI, ICL, and Walmart have signed the Settlement, and asserted it is in the public interest and is fair, just, and reasonable.

TESTIMONY AND COMMENTS OF PARTIES

Staff and the Company filed testimony supporting the Settlement. ICL filed a Statement of Position in support of the Settlement.

A. Avista Testimony

Company witness Elizabeth M. Andrews testified the Settlement was produced by discussions that occurred between the parties. *See Direct Testimony of Elizabeth M. Andrews* at 7-8. Ms. Andrews represented the parties reached a compromise among differing points of view, with concessions made by all Parties. *Id.* Additionally, Ms. Andrews states that the Settlement is also the result of extensive audit work conducted through the discovery process, including various virtual conference discussions with Staff. *Id*. at 8.

Ms. Andrews testified that, under terms of the Settlement, Avista would implement revised tariff schedules designed to increase annual base electric revenues by $10.6 million, or 4.3%, effective September 1, 2021, and increase base revenues by $8.0 million, or 3.1%, effective September 1, 2022. *Andrews* at 5. For natural gas, Ms. Andrews stated that the Parties agreed Avista should decrease natural gas base revenue by $1.6 million, or 3.7%, effective September 1, 2021, and increase natural gas base revenue $0.9 million, or 2.2%, effective September 1, 2022. *Id.* Ms. Andrews testified these rate changes provide retail revenues to allow the Company the opportunity to earn the rate of return agreed to in the Settlement for Rate Years 1 and 2. *Id*. Ms. Andrews noted that with the use of Tax Customer Credits to offset base rate changes over the Two-Year Rate Plan, the Settlement provides no base rate change overall for electric customers in Rate Year 1 and an overall reduction of 0.8% in Rate Year 2. *Id.* at 8. For natural gas, customers will see an overall reduction of 4.5% in Rate Year 1 and an overall increase of 1.5% in Rate Year 2. *Id.*

Ms. Andrews contended the Settlement is supported by evidence showing the need for rate adjustments to provide for the recovery of necessary expenditures and investment, the costs of which are not offset by growth in sales margins. *Id.* Ms. Andrews also pointed out that the Settlement enjoys support from a variety of customer groups. *Id*. Ms. Andrews asserted the Settlement strikes a reasonable balance between the interests of the Company and its customers, including low-income customers, and therefore represents a reasonable compromise among differing interests and points of view. *Id.* at 29. Ms. Andrews also testified that Avista will not file another electric or natural gas general rate case to increase base rates before February 1, 2023, and any such rates will not go into effect before September 1, 2023. *Id.* at 7. Ms. Andrews stated this does not apply to tariff filings authorized by or contemplated by the PCA, FCA, or other miscellaneous annual/regular tariff filings. *Id*.

According to Company witness Patrick D. Ehrbar, the Settlement includes terms for rate spread and rate design. *See Direct Testimony of Patrick E. Ehrbar* at p. 1-3. Mr. Ehrbar testified that the Settlement contains components for the new level of power supply revenues, expenses, retail load and Load Change Adjustment Rate resulting from the September 1, 2021, settlement revenue requirement, for monthly PCA mechanism calculations. *Id*. at 6. Mr. Ehrbar also testified about the new level of baseline values for the electric and natural gas FCAs resulting from the September 1, 2021, and September 1, 2022, settlement revenue requirements that are detailed in the Settlement. *Id*. at 6-7. Mr. Ehrbar also testified about the agreed-upon workshops and meetings/conferences as described in the Settlement. *Id*. at 7-8.

B. Staff Testimony

On July 19, 2021, Staff member Donn English filed direct testimony in support of the Settlement. Mr. English is employed by the Commission as a Program Manager overseeing the Accounting and Audit Department in the Utilities Division. *See Direct Testimony of Donn English* at 1. Mr. English is also the Program Manager overseeing the Technical Analysis Department with the Utilities Division. *Id.* Mr. English could not attend the technical hearing held on August 2, 2021, so Terri Carlock, Administrator of the Utilities Division of the Commission sponsored Mr. English's testimony and was available to be cross-examined by the Parties. Mr. English testified that, before the settlement conference scheduled in the case, Staff extensively reviewed the Company's Application, associated testimony and workpapers to identify adjustments to the Company's revenue requirement request, and prepared to file testimony for a fully litigated proceeding. *See Direct Testimony of Donn English* at p. 5. Mr. English also represented that Staff auditors engaged in an extensive audit of the Company's regulated operations and worked with other technical staff from the Utilities Division of the Commission to determine the prudence of capital additions and verify in-service dates. *Id.* at 5-6. Mr. English noted that Staff also served over 180 production requests on the Company as part of its comprehensive investigation. *Id*. at 8. Mr. English asserted that because of this investigation Staff was prepared to recommend 27 adjustments to the Company's requested revenue requirement. *Id*. at 6. Mr. English testified that Staff determined the Settlement was reasonable because all 27 revenue requirement adjustments identified by Staff were incorporated either fully or partially in the Settlement. *Id*. at 9. Mr. English testified that the Settlement offers a reasonable balance between the Company's opportunity to earn a reasonable return on its investment and affordable rates for customers. *Id*. at 7. Staff believes the Settlement, supported by the Parties, is in the public interest, fair, just, and reasonable; and should be approved by the Commission. *Id*.

Mr. English testified that the proposed Settlement provides a reduction in the Company's requested revenue requirement. *Id.* at 6. Mr. English stated that, in Rate Year 1, instead of the Company's proposed electric base rate increase of $24.8 million or 10.1% and a natural gas base rate increase of $52,000 or 0.1%, base rates under the proposed Settlement for Idaho electric customers will increase by $10.6 million or 4.3%, and natural gas customers will see a base rate decrease of $1.6 million or 3.7%, effective September 1, 2021. *Id*. at 5. In Rate Year 2, on September 1, 2022, Idaho electric customers' base rates under the proposed Settlement will increase by $8.0 million or 3.1% compared to the originally proposed $8.7 million or 3.5%, while natural gas customers' base rates will increase by $0.9 million. *Id*. These base rate increases are before any offsets from the Tax Customer Credit Schedule Nos. 76 and 176. *Id*. at 6. Although not part of the Settlement, Mr. English testified that for Rate Year 2 for natural gas the Company proposed to offset the requested natural gas rate increase of approximately $1.0 million by using the Natural Gas Deferred Depreciation Expense regulatory liability approved in Order No. 34276 in Case Nos. AVU-E-18-03 and AVU-G-18-02 (*see* Settlement at page 9, para. 14). *Id*. at 4. The Natural Gas Deferred Depreciation Expense balance is estimated to be approximately $900,000 through August 31, 2021. *Id*. The Company is returning these funds to customers, effective September 1, 2021, to help offset the increase in the Company's Purchased Gas Cost Adjustment ("PGA"). *See* Order No. 35150, Case No. AVU-G-21-03.

Mr. English also testified that, although not contained within the Settlement, Avista proposed removing transmission assets from the Colstrip Regulatory Asset and depreciate those transmission assets using the same depreciation rates approved for non-Colstrip transmission assets. *Id*. at 15. Mr. English stated that the Company has determined that the transmission assets will be functional even when Colstrip generating units are no longer functional. Therefore, the Company proposed to move the Colstrip transmission assets from the Regulatory Asset account to Plant in Service. *Id*. Mr. English testified that the stipulated revenue requirement accounts for a reduction in the Colstrip amortization expense by $125,000. *Id*. at 16. On June 24, 2021, after the Settlement was signed by all Parties and filed with the Commission, Avista emailed the Parties explaining that the Settlement did not address the new depreciation rates for the Colstrip transmission assets, although embedded in the agreed upon revenue requirement. *Id.* Because Avista must use the updated depreciation rates on its books to match the accounting for the Colstrip transmission assets, the Company seeks specific approval for the change in depreciation rates from the Commission. *Id*. All parties concurred that the Commission should specifically address the depreciation rates for the Colstrip transmission assets. *Id*.

Mr. English testified that an important part of the Company's Two-Year Rate Plan is to provide rate stability and certainty to customers. *Id*. at 14. Mr. English also noted that although not in the Settlement, the parties agreed that other than this Two-Year Rate Plan, base rates from a general rate case filing would not increase before September 1, 2023. *Id*. Mr. English asserted that it is important that the Commission direct the Company not to file another general rate case with rates effective before September 1, 2023. *Id.* With that caveat, Mr. English believes the Settlement represents a fair, just, and reasonable compromise of the positions put forth by all parties and is in the public interest. *Id*. Mr. English concluded that Staff recommends the Commission approve the Settlement without material changes or modifications. *Id*.

Mike Louis, Program Manager who oversees the Engineering Department of the Utilities Division of the Commission testified in support of cost of service and rate design issues agreed to by the Parties and discussed the appropriate level of power supply expenses to be included in base rates. *Direct Testimony of Mike Louis* at p. 1-2.

C. ICL Statement of Position

On July 19, 2021, ICL filed a Statement of Position ("Statement") to support the Settlement under 31.01.01.255. *Statement of Position* at 1. ICL filed the Statement as an alternative to filing testimony so it could avoid the expense of hiring a witness. *Id*. As a party in the case, ICL focused on Avista's proposed spending at the Colstrip coal plant. *Id*. Through negotiations, ICL asserted a settlement term was achieved that reduces electric rate base by over $2 million and reduces annual rates. *Id*. ICL recommends that the Commission approve the Settlement.

PUBLIC COMMENTS AND TESTIMONY

One customer filed written comments opposing the rate increase and requesting that the Company provide her with an analog meter because the existing meter is affecting her health. No customers testified at the telephonic customer hearing.

COMMISSION FINDINGS AND DECISION

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-502 and 61-503. The Commission has the express statutory authority to investigate rates, charges, rules, regulations, practices, and contracts of public utilities and to determine whether they are just, reasonable, preferential or discriminatory, or in violation of any provision of law, and may fix the same by Order. *Idaho Code* §§ 61-502 and 61-503.

The Commission's process for considering settlement stipulations is set forth in its Rules of Procedure 271-277. IDAPA 31.01.01.271-277. When a settlement is presented to the Commission, it "will prescribe the procedures appropriate to the nature of the settlement to consider the settlement." IDAPA 31.01.01.274. Here, the Commission convened both a technical hearing and public customer hearing on the Settlement. IDAPA 31.01.01.274. Proponents of a proposed settlement must show "that the settlement is reasonable, in the public interest, or otherwise in accordance with law or regulatory policy." IDAPA 31.01.01.275. Finally, the Commission is not bound by settlement agreements. IDAPA 31.01.01.276. Instead, the Commission "will independently review any settlement proposed to it to determine whether the settlement is just, fair and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy." *Id*.

The Commission has reviewed the Application, Settlement, testimony, and comments. The Parties have built a substantial record through their filings, negotiations and participation in hearings setting forth their justifications for signing and supporting the Settlement. We appreciate the investment of time and resources the Parties have made to participate in this case. The robust record has assisted the Commission in understanding the important issues. Based on our review of the record, we find that the Settlement is fair, just and reasonable, in the public interest, and we approve it.

Pursuant to the terms of the Settlement, Avista will implement tariff schedules designed to increase annual base electric revenue by $10.6 million, or 4.3%, effective September 1, 2021, and increase base electric revenue by $8.0 million, or 3.1%, effective September 1, 2022. For natural gas, Avista will implement tariff schedules that would decrease natural gas base revenue by $1.6 million, or 3.7%, effective September 1, 2021, and increase natural gas base revenue $0.9 million, or 2.2%, effective September 1, 2022.

The Commission also finds it fair, just, and reasonable for Avista to return to customers the Tax Customer Credits available of approximately $31.3 million for electric and $12.1 million for natural gas, through Tariff Schedules 76 (electric) and 176 (natural gas). For Rate Year 1 electric, an amount equal to the base rate increase in the Settlement will be returned to customers. *Id*. at 4, 19-20. For Rate Year 2 electric, Avista will return the remaining balance of the Tax Customer Credit, offsetting the overall base rate increase effective September 1, 2022. In addition, the Commission finds it fair, just and reasonable for $250,000 of the Tax Customer Credit applicable to Schedule 11 to be allocated to Schedule 25. For natural gas, Avista will begin returning the Tax Customer Credit starting September 1, 2021, over a ten-year period. *Id*. However, the amortization period of the remaining balance available at the time of the Company's next general rate case will be subject to review and possible change of the amortization period at that time.

Although not addressed within the Settlement, the Parties agreed to remove Colstrip transmission assets from the Colstrip Regulatory Asset account and begin depreciating those assets using the depreciation rates approved for non-Colstrip transmission assets. As noted in Staff witness English's testimony sponsored by Terri Carlock, Avista sent an email to the Parties explaining that the Settlement did not address the new depreciation rates for the Colstrip transmission assets, although embedded in the agreed upon revenue requirement. All Parties concurred that the Commission Order in this case should address the depreciation rates for the Colstrip transmission assets. Because Avista must use the updated depreciation rates on its books to match the accounting for the Colstrip transmission assets, the Commission finds it fair, just, and reasonable to approve the change in depreciation rates.

The Commission also acknowledges and accepts Avista's agreement outside the Settlement with the Parties to not file another electric or natural gas general rate case to increase base rates before February 1, 2023, with any such rates not going into effect before September 1, 2023. The Commission memorializes this agreement between Avista and the Parties by our Order. This agreement and directive do not apply to tariff filings authorized by or contemplated by the PCA, FCA, or other miscellaneous annual/regular tariff filings. *Id.*

At this time the Commission reserves decision on any intervenor funding request that might be made by any intervening party. CAPAI filed a timely Petition for Intervenor funding on August 17, 2021. The Commission's review and decision on any such request will be made by a separate order.

ORDER

IT IS HEREBY ORDERED that the Settlement regarding Avista's Application in Case Nos. AVU-E-21-01 and AVU-G-21-01 is approved.

IT IS FURTHER ORDERED that the Company may implement revised tariff schedules designed to recover the annual electric and natural gas revenue from Idaho customers consistent with the Settlement, with revised rates effective September 1, 2021, as set forth in the Settlement.

IT IS FURTHER ORDERED that the Company may implement its Tariff Schedules 76 (electric) and 176 (natural gas) to return to customers Tax Customer Credits as set forth in the Settlement.

IT IS FURTHER ORDERED that Avista is authorized to remove transmission assets from the Colstrip Regulatory Asset and depreciate those transmission assets using the same depreciation rates approved for non-Colstrip transmission assets.

IT IS FURTHER ORDERED that Avista shall not file another electric or natural gas general rate case to increase base rates before February 1, 2023, and any such rates will not go into effect before September 1, 2023. This does not apply to tariff filings authorized by or contemplated by the PCA, FCA, or other miscellaneous annual/regular tariff filings. *Id*.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1st day of September 2021.

PAUL KJELLANDER, PRESIDENT

KRISTINE RAPER, COMMISSIONER

ERIC ANDERSON, COMMISSIONER

ATTEST:

Jan Noriyuki
Commission Secretary

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