

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NO. AVU-E-23-06**  
**OF AVISTA COPORATION FOR AN )**  
**ACCOUNTING ORDER AUTHORIZING ) NOTICE OF APPLICATION**  
**DEFERRAL OF CERTAIN COSTS )**  
**ASSOCIATED WITH THE MONTANA ) NOTICE OF**  
**RIVERBED LEASE AGREEMENT ) MODIFIED PROCEDURE**  
**)**  
**) ORDER NO. 35878**

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On June 30, 2023, Avista Corporation, dba Avista Utilities (“Company”) applied for Commission authorization to defer \$1,298,000 of approximately \$3.8 million of total interest costs associated with the Montana Riverbed Lease Agreement due to the State of Montana in the third quarter of 2023 (“Idaho’s Share”). Application at 7; Attachment A. The Company would record Idaho’s Share of the interest costs as a regulatory asset in FERC Account 182.3-Other Regulator Assets. The Company requests the Application be processed by Modified Procedure.

The Commission now provides this Notice of Application and establishes comment deadlines for interested persons and the Company’s reply.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that the Company represents that, on May 4, 2023, it received notice funds were released from an escrow account holding lease payments owed to the State of Montana for the years 2016 through 2020 under the Montana Riverbed Lease Agreement (“Lease”).

YOU ARE FURTHER NOTIFIED that the Company represents that it also received notice of an additional amount it owes to Montana consisting of interest on the lease payments. As of February 28, 2023, the additional amount the Company owed was \$3,766,353, which would be payable to Montana within thirty days of dispersion of the funds held in the escrow account.

YOU ARE FURTHER NOTIFIED that the Company represents that the lease payments arise from a settlement agreement resolving a 2006 lawsuit in which Montana sought past and future rent for a dam owned by the Company and PPL Montana that allegedly encroached upon the bed and banks of navigable waters Montana owns.

YOU ARE FURTHER NOTIFIED that the Company represents that, after failed attempts to renegotiate the lease payments in 2016, lease payments for the years 2016 through 2020 were made under protest into an escrow account. The escrow agreement provided that the Company would owe Montana the lease payments with interest reflecting the rate of return of the unified investment program administered by the Montana Board of Investment.

YOU ARE FURTHER NOTIFIED that the Company represents that it reached a settlement with Montana in 2021 regarding the lease payments and began making the payments directly to Montana again.

YOU ARE FURTHER NOTIFIED that the Company represents that, although it has been recovering the lease payments from ratepayers since 2007, deferral of Idaho's Share of the interest costs is necessary to facilitate recovery of those costs from ratepayers in the future.

YOU ARE FURTHER NOTIFIED that Company proposes recording Idaho's Share of the interest costs as a regulatory asset in FERC Account 182.3-Other Regulator Assets until the Company proposes recovery of the costs in its next general rate case.

YOU ARE FURTHER NOTIFIED that the Application and Attachments are available for public inspection during regular business hours at the Commission's office. These documents are also available on the Commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "ELECTRIC" icon, select "Open Cases," 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.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to 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 Rules 201-204 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 they support or oppose the Application.

Persons who would like a hearing must specifically request a hearing in their written comments. **Persons shall have until August 23, 2023, to file written comments.** Comments must be filed through the Commission’s website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission’s website 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. To file by e-mail, the customer must e-mail the comments to the Commission Secretary and the Company at the e-mail addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho PUC:**

Commission Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074  
[secretary@puc.idaho.gov](mailto:secretary@puc.idaho.gov)

Street Address for Express Mail:

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

**For the Company:**

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[avistadockets@avistacorp.com](mailto:avistadockets@avistacorp.com)

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **by August 30, 2023.**

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 the Company's Application be processed by Modified Procedure, Rules 201-204. Persons interested in submitting written comments must do so by August 23, 2023. The Company must file any reply comments by August 30, 2023.

IT IS FURTHER ORDERED that parties comply with Order No. 35375, issued April 21, 2022. Generally, all pleadings should be filed with the Commission electronically and will be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should continue to be accomplished electronically when possible. However, voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

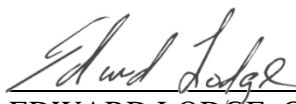
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9<sup>th</sup> day of August 2023.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND, COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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