

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF AVISTA</b>	)	<b>CASE NO. AVU-E-24-04</b>
<b>CORPORATION’S APPLICATION FOR AN</b>	)	
<b>ACCOUNTING ORDER FOR APPROVAL</b>	)	<b>ORDER NO. 36236</b>
<b>OF DEPRECIATION AND AMORTIZATION</b>	)	
<b>RATES FOR OUTAGE MANAGEMENT</b>	)	
<b>SYSTEM &amp; ADVANCED DISTRIBUTION</b>	)	
<b>MANAGEMENT SYSTEM SOFTWARE</b>	)	
<b>INVESTMENT</b>	)	
	)	

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On March 5, 2024, Avista Corporation dba Avista Utilities (“Company”), filed an application (“Application”) with the Idaho Public Utilities Commission (“Commission”) requesting an accounting order authorizing the Company to use a 15-year depreciable life for certain software investments relating to the Company’s Outage Management System (“OMS”) and Advanced Distribution Management System (“ADMS”), to be transferred to plant in 2025.

The Company represented that it foresees a digital future that bridges the Customer, the Grid, Utility Operations, Utility Enterprise domains, and that requires a technology platform that enables the integration of these domains. Application at 2. The Company represented that it plans to replace its Outage Management Tracker (“OMT”) and Distribution Management System (“DMS”), which is an in-house customer tool, with a single ADMS. *Id.* at 2-3. The Company stated that it anticipated using ADMS for approximately 15 years as the Company previously used its OMT for nearly 20 years. *Id.* at 3.

The Company represented that it was authorized by the Commission to amortize software costs over 5 years; however, certain software assets transferring to plant in 2025 and 2028 relating to the OMS and ADMS were expected to have a longer useful life. *Id.* at 5-6. The Company requested that the Commission authorize a 15-year life for the software assets transferring in 2025, and a 12-year remaining life of the overall project, for the software assets transferring in 2028. *Id.* at 6.

**STAFF COMMENTS**

Based on its review of the Application, Staff believed that matching the depreciation life of OMS & ADMS software projects with the useful life of the assets provided the proper matching

of revenues with the benefits received from the assets and would not require the Company to maintain multiple depreciation accounts for each regulated jurisdiction. Staff Comments at 2.

Staff recommended that the Commission approve the Company's Application allowing the Company to use a 15-year depreciable life for OMS & ADMS software transferring to plant in 2025, and 12-years for software transferring in 2028.

### **COMMISSION FINDINGS AND DECISION**

The Commission has jurisdiction over the Company's Application and the issues in this case under Title 61 of the Idaho Code including *Idaho Code* §§ 61-301 through 303. The Commission is empowered to investigate rates, charges, rules, regulations, practices, and contracts of all public utilities and to determine whether they are just, reasonable, preferential, discriminatory, or in violation of any provisions of law, and to fix the same by order. *Idaho Code* §§ 61-501 through 503.

The Commission has reviewed the Application, all submitted materials, and all submitted comments. Based on its review of the record, the Commission finds it fair, just, and reasonable to approve the Application.


### **ORDER**

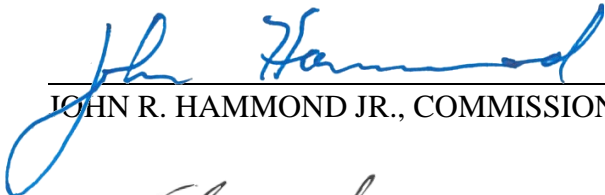
IT IS HEREBY ORDERED that the Company's Application is approved.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon this Order regarding 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. *Idaho Code* §§ 61-626 and 62-619.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 20<sup>th</sup> day of June 2024.

  
ERIC ANDERSON, PRESIDENT

  
JOHN R. HAMMOND JR., COMMISSIONER

  
EDWARD LODGE, COMMISSIONER

ATTEST:

  
Monica Barrios Sanchez  
Commission Secretary

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