

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION DBA AVISTA) CASE NOS. AVU-E-17-03
UTILITIES FOR AN ORDER) AVU-G-17-02
AUTHORIZING A CHANGE IN ELECTRIC)
AND NATURAL GAS DEPRECIATION) NOTICE OF APPLICATION
RATES)
)
) NOTICE OF
) MODIFIED PROCEDURE
)
)
) ORDER NO. 33820**

On June 19, 2017, Avista Corporation dba Avista Utilities filed an Application requesting that the Commission approve changes to the Company's depreciation rates for electric and natural gas property (software). Avista serves customers in Washington, Idaho and a small portion of Oregon. While the Company does not seek a specific effective date for the proposed changes, it has requested that the Commission make a determination on the matter before the end of August.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Avista implemented its current customer software information system in February 2015 for both electric and natural gas service. The system supports several functions including billing, payment processing, collections, and customer service orders. The Company plans to implement a Meter Data Management (MDM) system in the second half of 2017. The Company proposes to depreciate the software investment associated with the MDM system over a 12.5 year time frame to align with the remaining useful life of its current customer software information system. *See* Order No. 33130. For the MDM implementation, current estimates indicate that the Idaho share of the MDM system represents approximately \$1.5 million of hardware and approximately \$5.9 million of software.

YOU ARE FURTHER NOTIFIED that in this case, the Company estimates that the remaining useful life of its customer information system is approximately 12.5 years. *See* Order No. 33130. Because the customer information system and the MDM system are inter-related, the Company has proposed an 8% depreciation rate¹ for the MDM system that will correspond to

¹ 8% is a rate of 12.5 years.

that of the customer information system's depreciation rate, rather than the standard five years for both software and hardware.

YOU ARE FURTHER NOTIFIED that the Company requests that the Commission process its depreciation application under Modified Procedure.

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 will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .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 any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than August 18, 2017**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and Avista at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Kelly O. Norwood
Vice President, State and Federal Regulations
Avista Utilities
1411 E. Mission Avenue
Spokane, WA 99220-3727
E-Mail: kelly.norwood@avistacorp.com

David J. Meyer, Esq.
Vice President and Chief Counsel
Regulatory and Governmental Affairs
Avista Corporation
1411 E. Mission Avenue
Spokane, WA 99220-3727
E-mail: david.meyer@avistacorp.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the comment form using the case number as it

appears on the front of this document. These comments must also be sent to Avista at the e-mail addresses listed above.

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.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at www.puc.idaho.gov. Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases" or "Open Gas Cases," and then 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* §§ 61-307, 61-503, and 61-622. 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 pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons wishing to file comments or protests in this matter must do so no later than August 18, 2017.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *26th*
day of July 2017.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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