



**Avista Corp.**

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August 16, 2021

Jan Noriyuki, Commission Secretary  
Idaho Public Utilities Commission  
11331 W Chinden Blvd. Building 8, Suite 201-A  
Boise, ID 83714

RE: Avista Utilities Reply Comments to Staff Comments in Case AVU-E-21-06 and AVU-G-21-05.

Dear Ms. Noriyuki:

Avista Corporation, doing business as Avista Utilities, submits these Reply Comments regarding comments submitted by the Staff of the Idaho Public Utilities Commission regarding Avista's application for an accounting order for approval of accounting and ratemaking treatment of AFUDC.

Please direct questions on this matter to me at (509) 495-8601.

Sincerely,

*/s/Elizabeth Andrews*

Senior Manager, Revenue Requirements  
Regulatory Affairs  
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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION OF )	CASE NO. AVU-E-21-06
AVISTA CORPORATION, D/B/A AVISTA )	
UTILITIES FOR AN ACCOUNTING ORDER )	CASE NO. AVU-G-21-05
AUTHORIZING ACCOUNTING AND )	
RATEMAKING TREATMENT OF AFUDC )	REPLY COMMENTS OF
(ALLOWANCE FOR FUNDS USED DURING )	AVISTA CORPORATION
CONSTRUCTION)	

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**I. INTRODUCTION**

Avista Corporation, doing business as Avista Utilities (hereinafter “Avista” or “Company”), submits these Reply Comments regarding comments submitted by the Staff of the Idaho Public Utilities Commission (“Staff”) regarding the above referenced case.

**II. BACKGROUND**

On July 6, 2021, Avista Corporation dba Avista Utilities ("Company") applied to the Commission for authorization of accounting and ratemaking treatment related to Allowance for Funds Used During Construction ("AFUDC").

The Company seeks authority to amortize the regulatory asset<sup>1</sup> using the approved depreciation rate by Federal Energy Regulatory Commission ("FERC") plant account approved by the Commission in the most recent depreciation study and to be able to update the amortization rate with each depreciation study going forward. For the AFUDC capitalized to plant-in-service, the depreciation rate is determined by a depreciation study at the individual plant account level that is performed periodically.<sup>2</sup>

The Company has received approval from the Washington Utilities and Transportation Commission ("WUTC") and has requested approval from the Oregon Public Utility Commission of ("OPUC") to use the same method of amortization of the deferred AFUDC costs it seeks approval to use in Idaho. The Company believes it is critical to maintain uniform utility accounts and AFUDC methods for common plant among the Company's regulatory jurisdictions.

### **III. AVISTA'S REPLY COMMENTS**

Avista appreciates and thanks Staff for their filed comments and agrees with their position, i.e., approve Avista's application allowing the Company to amortize the AFUDC regulatory asset over the depreciation life for each FERC plant account using the Company's current depreciation rates as approved in Order No. 34276 and allow Avista to periodically update the amortization rate as the Company receives approval of new depreciation rates.

### **IV. CONCLUSION**

Avista respectfully requests the Commission approve the Company's Application allowing the Company to amortize the AFUDC regulatory asset over the depreciation life for each FERC plant

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<sup>1</sup> The Company was authorized to defer the difference calculated between the state regulatory AFUDC rate and the FERC AFUDC rate and amortize the balance over the composite remaining life of the plant-in-service in Case Nos. AVU-E-19-02 and AVU-G-19-01. See Order No. 34326.

<sup>2</sup> The Company's last depreciation study was approved March 19, 2019, in Case Nos. AVU-E-18-03 and AVU-G-18-02. See Order No. 3427



account using the Company's current depreciation rates as approved in Order No. 34276 and allow Avista to periodically update the amortization rate as the Company receives approval of new depreciation rates.

DATED at Spokane, Washington, this 16<sup>th</sup> day of August 2021.

AVISTA CORPORATION



By \_\_\_\_\_

Patrick Ehrbar  
Director of Regulatory Affairs - Avista