

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA’S)	CASE NO. AVU-E-21-06
APPLICATION FOR AN ACCOUNTING)	AVU-G-21-05
ORDER AUTHORIZING ACCOUNTING)	
AND RATEMAKING TREATMENT OF)	NOTICE OF APPLICATION
COSTS RELATED TO ALLOWANCE FOR)	
FUNDS USED DURING CONSTRUCTION)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 35113

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 requests its Application be processed by modified procedure.

The Commission now issues this Notice of Application and Notice of Modified Procedure establishing dates for public comments and the Company’s reply.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that AFUDC represents the cost of the debt and the equity funds used to finance utility plant additions during the construction period. AFUDC is capitalized during construction as part of the cost of utility plant and the Company is authorized to recover the capitalized AFUDC through its inclusion in rate base and the provision for depreciation after a related utility plant is placed in service.

YOU ARE FURTHER NOTIFIED the Company seeks authority to amortize the regulatory asset¹ using the approved depreciation rate by plant Federal Energy Regulatory Commission (“FERC”) account that has been 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.

¹ 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. See Order No. 34326.

YOU ARE FURTHER NOTIFIED that 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.²

YOU ARE FURTHER NOTIFIED that the Company has received approval from the Washington Utilities and Transportation Commission and will request approval from the Public Utility Commission of Oregon to use the same method of amortization of the deferred AFUDC costs it seeks approval to use in Idaho.³

YOU ARE FURTHER NOTIFIED that the Company's Application and exhibits are available for public inspection during regular business hours at the Commission's office. The Application are also available on the Commission's web site at www.puc.idaho.gov. Click on the "ELECTRIC" or "GAS" tab, select "Open Cases" and then locate and click on the corresponding 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. 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 under 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 that it will proceed under Modified Procedure pursuant to Rules 201 through 204 of the 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 anyone desiring to state a position on the Company's Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons shall have 21 days from the service date of this Order to file written comments.** Comments must be filed through the Commission's website or by e-mail

² 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. 34276.

³ The Company states it is critical to maintain uniform utility accounts and AFUDC methods for common plant among the Company's regulatory jurisdictions.

unless computer access is unavailable. To comment electronically, please access the Commission's home page at 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 e-mail addresses listed below. In addition to submitting the comments to the Commission Secretary, the customer must also e-mail 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 Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

Street Address for Express Mail:

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

For Avista Corporation:

David Meyer
Patrick Ehrbar
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue
Spokane, WA 99220
david.meyer@avistacorp.com
patrick.ehrbar@avistacorp.com

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **within 28 days of the service date of this Order.**

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 a formal hearing.

ORDER

IT IS HEREBY ORDERED that this case be processed by Modified Procedure. Interested persons must file written comments within 21 days of the service date of this Order. The Company must file any reply comments within 28 days of the service date of this Order.

IT IS FURTHER ORDERED that parties continue to comply with Order No. 35058, issued June 3, 2021. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service

between parties should also be accomplished electronically. 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 22nd day of July 2021.



PAUL KJELLANDER, PRESIDENT

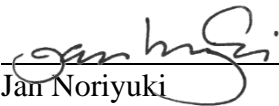


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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