

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NOS. AVU-E-23-02
OF AVISTA CORPORATION, D/B/A AVISTA) AVU-G-23-02
UTILITIES, REQUESTING AUTHORITY TO)
REVISE ITS ELECTRIC AND NATURAL) NOTICE OF APPLICATION
GAS BOOK DEPRECIATION RATES AND)
AUTHORIZE DEFERRED ACCOUNT) NOTICE OF
TREATMENT FOR DIFFERENCE IN) INTERVENTION DEADLINE
DEPRECIATION EXPENSE)
) ORDER NO. 35709
)
)
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On February 22, 2023, Avista Corporation, doing business as Avista Utilities (“Company”), filed an application (“Application”) with the Idaho Public Utilities Commission (“Commission”), for approval of a proposed change to electric and natural gas book depreciation rates. The Company also requests that the Commission approve deferred accounting treatment if allocated depreciation rates are not approved by all jurisdictions prior to September 1, 2023, resulting in a difference between allocated depreciation expense included in Case Nos. AVU-E-23-01 and AVU-G-23-01, and allocated depreciation expense ultimately approved in these dockets. The Company requests that the Application be processed by Modified Procedure through the use of written comments.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company represents that it hired Gannett Fleming, Inc. to undertake a depreciation study of its depreciable electric, gas, and common plant in service as of December 31, 2021. As a result of that study, the Company submitted the following table showing the existing and proposed weighted depreciation rates, by functional group, for its Idaho electric and natural gas plants. Application at 3.

Table No. 1 Electric Weighted Group Depreciation Rates - Existing vs Proposed

Functional Group	Weighted Group Depreciation Rates	
	Existing	Proposed
Steam Production Plant	4.31%	4.17%
Hydraulic Production Plant	2.19%	2.27%
Other Production Plant	3.59%	3.09%
Transmission Plant	2.07%	2.32%

Distribution Plant	2.69%	2.47%
General Plant	6.55%	6.41%

Table No. 2 Natural Gas Weighted Group Depreciation Rates -Existing vs Proposed

Weighted Group Depreciation Rates		
Functional Group	Existing	Proposed
Underground Storage	1.50%	1.51%
Distribution Plant	2.34%	2.24%
General Plant	6.55%	6.41%

YOU ARE FURTHER NOTIFIED that the Company represents that the results show that the Company’s current annual depreciation expense for its Idaho electric and natural gas service, would be decreased by \$1,248,960 and \$329,186, respectively, as a result of setting the depreciation accrual rates at the recommended level. The Company states that this recommended change is necessary to update asset lives and existing depreciation accrual rates, which are currently based upon a depreciation study completed in 2018. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Company represents that the overall net decrease in Idaho electric depreciation is mainly driven by changes in net salvage values and average useful lives of production plant and distribution assets, offset by changes in salvage costs for transmission assets. The Company states that the overall decrease in Idaho natural gas depreciation expense is generally driven by changes in net salvage values for distribution plant assets and increases in service lives for transportation equipment. *Id.* at 7.

YOU ARE FURTHER NOTIFIED that the Company represents that it is not proposing any adjustments to the levels currently approved for the production assets at the Colstrip production plant. *Id.* at 8.

YOU ARE FURTHER NOTIFIED that the Company requests that the Commission allow the Company to implement the proposed depreciation rate revisions effective September 1, 2023, coincident with requested rate change on September 1, 2023, in the Company’s current general rate case filings, Case Nos. AVU-E-23-01 and AVU-G-23-01. *Id.* at 8-9.

YOU ARE FURTHER NOTIFIED that the Company requests that if the allocated depreciation rates are not approved by all jurisdictions prior to September 1, 2023, resulting in a difference between allocated depreciation expense included in Case Nos. AVU-E-23-01 and AVU-G-23-01, and allocated depreciation expense ultimately approved in these dockets, that the

difference in expense be deferred for later recovery from customers in a subsequent rate proceeding. *Id.* at 10.

YOU ARE FURTHER NOTIFIED that the Application and supporting documentation have been filed with the Commission and 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. Click on the "ELECTRIC" icon, or click on the "NATURAL GAS" icon, select "Open Cases," and click one of the case numbers as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over the Company, its filing, and the issues pertaining to this case pursuant to 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 INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this matter to obtain parties' rights of participation must file a Petition to Intervene with the Commission pursuant to this Commission's Rules of Procedure 71-73, IDAPA 31.01.01.072-073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 21 days after the date of service of this Order.** Persons desiring to present their views without parties' rights of participation do not have to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the Commission Secretary shall issue a Notice of Parties after the deadline for intervention has passed. The Notice of Parties shall assign exhibit numbers to each party in this proceeding.

YOU ARE FURTHER NOTIFIED that once the Notice of Parties is issued, Commission Staff will informally confer with the parties to discuss a schedule to process this case and other issues as may be raised by the parties.

YOU ARE FURTHER NOTIFIED that the following persons are designated as the Company's representatives in this matter:

David J. Meyer, Esq.
Vice President and Chief
Counsel for Regulatory &
Governmental Affairs
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Patrick D. Ehrbar
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avistadockets@avistacorp.com


ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this case for the purpose of obtaining parties' rights of participation must file a Petition to Intervene with the Commission, under Rules 71-73, IDAPA 31.01.01.071-073, no later than 21 days after the service date of this Order.

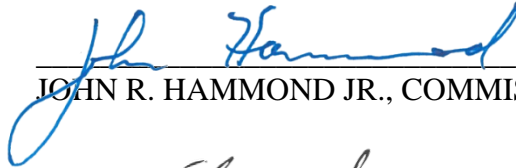
IT IS FURTHER ORDERED that, after the Secretary issues a Notice of Parties, Staff will informally confer with the parties to discuss the appropriate scheduling of this case.

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 15th day of March 2023.



ERIC ANDERSON, PRESIDENT

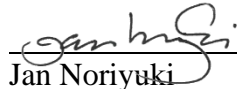


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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