

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NOS. AVU-E-23-07**  
**OF AVISTA CORPORATION FOR AN ) AVU-G-23-04**  
**ACCOUNTING ORDER AUTHORIZING )**  
**ACCOUNTING AND RATEMAKING ) NOTICE OF APPLICATION**  
**TREATMENT OF COSTS ASSOCIATED )**  
**WITH THE COMPANY’S INVESTMENT IN ) NOTICE OF**  
**AMI (ADVANCED METERING ) MODIFIED PROCEDURE**  
**INFRASTRUCTURE) )**  
**ORDER NO. 35885**

---

On July 10, 2023, Avista Corporation, doing business as Avista Utilities (“Company”), filed an application (“Application”) with the Idaho Public Utilities Commission (“Commission”), requesting an order approving the following: (1) “[d]eferral of the undepreciated net book value of existing electric meters, natural gas communicating modules . . . and Automated Meter Reading (AMR) communication equipment[;]” (2) adoption of the depreciable lives proposed for electric Automatic Metering Infrastructure (“AMI”) electric meters and gas digital monitors; and (3) deferral of AMI-related depreciation expenses until their inclusion in rates through a future rate case. Application at 1-2. The Company also requests that the Application be processed by Modified Procedure.

The Commission now provides this Notice of Application and establishes comment deadlines for interested persons and the Company’s reply.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that the Company represents that its existing AMR infrastructure has exceeded its 15-year expected service life and components of the system are out of production or no longer supported. Accordingly, the system must be updated to avoid excessive replacement costs and to continue providing reliable service for the Company’s electric and natural gas operations in Idaho.

YOU ARE FURTHER NOTIFIED that the Company represents that, after conducting a cost-benefit analysis, it determined replacing its existing AMR system with a new AMI system would be prudent to meet the Company’s long-term customer service objectives.

YOU ARE FURTHER NOTIFIED that the Company represents that implementing an AMI system requires, among other things, replacement of existing electric meters, natural gas communicating modules, and AMR communication equipment.

YOU ARE FURTHER NOTIFIED that the Company represents that, upon entering an agreement with a vendor to replace existing AMR equipment, the old equipment will be removed and recycled as there is no market for the volume of old equipment the switch to an AMI system will generate. Accordingly, the Company requests authority to defer the undepreciated net book value of the AMR equipment as a regulatory asset to avoid writing off its investment in that equipment.

YOU ARE FURTHER NOTIFIED that the Company proposes recording the deferred amounts as a regulatory asset in FERC Account 182.3 – Other Regulatory Assets.

YOU ARE FURTHER NOTIFIED that the Company proposes that, because the AMR equipment is currently included in rate base earning the authorized rate of return, the AMR equipment regulatory asset will be included in the base rate until fully amortized.

YOU ARE FURTHER NOTIFIED that the Company proposes the Commission adopt the 7.03% depreciation rate for electric and natural gas AMI metering equipment contained in the Company's recent depreciation study filed in Case Nos. AVU-E-23-02 and AVU-G-23-02.

YOU ARE FURTHER NOTIFIED that the Company represents that the transition to an AMI system will occur over multiple years but certain components of the system will be put in service prior to completion of the entire AMI system. Because depreciation and other costs related to the AMI system cannot be included in a general rates case until 2025, the Company request deferral of the depreciation expense on AMI investment from the beginning of the month in which the first transfer to plant of the AMI investment occurs until such plant is included in the Company's next general rates case.

YOU ARE FURTHER NOTIFIED that the Application and Attachments 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](http://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 all proceedings in this case will be held pursuant to the Commission's jurisdiction under 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 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 it will review the case through written submissions under the Commission's Rules of Modified Procedure Rules 201-204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-204. 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 persons desiring to state a position on this Application may file a written comment explaining why they support or oppose the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons shall have until November 1, 2023, to file written comments.** Comments must be filed through the Commission's website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission's website at [www.puc.idaho.gov](http://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 Commission Secretary and 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 PUC:**

Commission Secretary  
Idaho Public Utilities Commission  
P.O. Box 83720  
Boise, ID 83720-0074  
[secretary@puc.idaho.gov](mailto:secretary@puc.idaho.gov)

Street Address for Express Mail:

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

**For the Company:**

David J. Meyer, Esq.  
Vice President and Chief Counsel for  
Regulatory and Governmental Affairs  
Avista Corporation  
P.O. Box 3727  
1411 E. Mission Avenue, MSC-7  
Spokane, WA 99220-3727  
[david.meyer@avistacorp.com](mailto:david.meyer@avistacorp.com)

Patrick D. Ehrbar  
Director of Regulatory Affairs  
Avista Corporation  
P.O. Box 3727  
1411 E. Mission Avenue, MSC-7  
Spokane, WA 99220-3727  
[patrick.ehrbar@avistacorp.com](mailto:patrick.ehrbar@avistacorp.com)

YOU ARE FURTHER NOTIFIED that the Company must file any reply comments **by November 8, 2023.**

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.

**ORDER**

IT IS HEREBY ORDERED that the Company's Application be processed by Modified Procedure, Rules 201-204. Persons interested in submitting written comments must do so by November 1, 2023. The Company must file any reply comments by November 8, 2023.

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 10<sup>th</sup> day of August 2023.



ERIC ANDERSON, PRESIDENT

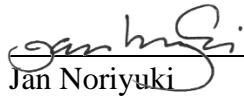


JOHN R. HAMMOND, COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

I:\Legal\ELECTRIC\AVUE2307\_G2304\orders\Ntc App\_Mod\_at.docx