

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. AVU-E-18-03
OF AVISTA CORPORATION DBA AVISTA)	CASE NO. AVU-G-18-02
UTILITIES FOR AUTHORITY TO REVISE)	
ITS ELECTRIC AND NATURAL GAS)	NOTICE OF STIPULATION AND
DEPRECIATION RATES)	SETTLEMENT
)	
)	NOTICE OF MODIFIED
)	PROCEDURE
)	
)	ORDER NO. 34243

On February 23, 2018, Avista Corporation dba Avista Utilities (“Avista” or the “Company”) filed an Application requesting that the Commission approve changes to the Company’s depreciation rates for electric and natural gas property. Avista included a request for an effective date of January 1, 2019. The Company last changed its Idaho book depreciation rates in January and April 2013. Order No. 32769.

The Commission subsequently issued a Notice of Application and set an intervention deadline of April 23, 2018. Order No. 34014. Clearwater Paper, Idaho Conservation League (ICL), Idaho Forest Group, and the Sierra Club intervened as parties. Order Nos. 34016, 34049. The parties also agreed on, and the Commission approved, a procedural schedule. Order Nos. 34116, 34133. In addition, the Commission approved the Company’s request to change its proposed effective date for new depreciation rates from January 1, 2019, to April 1, 2019. *Id.*

On February 15, 2019, Avista filed a Stipulation and Settlement (the “Stipulation”) signed by the Company, the Staff of the Idaho Public Utilities Commission, and intervenors Clearwater Paper Corporation, Idaho Forest Group, LLC, Sierra Club, and the Idaho Conservation League. With this Order, the Commission provides notice of the Stipulation and sets deadlines for interested persons to file comments.

NOTICE OF STIPULATION AND SETTLEMENT

YOU ARE HEREBY NOTIFIED that if approved, the Stipulation would increase the annual system depreciation expense by about \$191,000. The Company will absorb the increased depreciation expense until customer base rates change, provided the Company has filed its next general rate case before the effective date of its 2019 Purchased Gas Adjustment. Specific electric and gas depreciation expense changes include: (1) a proposed electric depreciation expense

reduction of \$101,656 annually, before reflecting depreciation rates for the Colstrip generating plant; (2) proposed revisions to Colstrip Units 3 and 4 to reflect an earlier 2027 depreciable date for depreciation purposes, which would increase the annual overall electric depreciation and amortization expense to \$667,434; and (3) proposed depreciation rates for natural gas operations resulting in an annual overall decrease in depreciation expense of approximately \$487,780.

YOU ARE FURTHER NOTIFIED that Avista's Motion to approve the Stipulation asks the Commission to expedite its review of the Stipulation so the Company can synchronize its April 1, 2019, proposed effective date for the new Idaho depreciation rates with effective dates that Avista has proposed for new depreciation rates in Washington and Oregon. Avista further asks the Commission to review the Stipulation by Modified Procedure, with the current procedural schedule being replaced with a March 1, 2019, comment deadline.¹

YOU ARE FURTHER NOTIFIED that this docket, the Stipulation, and any supporting workpapers, testimony, and exhibits are available for public inspection during regular business hours at the Commission office. They also may be viewed on the Commission's website at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases" or "Gas Cases" and going to the case number(s) referenced in the above caption.

YOU ARE FURTHER NOTIFIED that the Commission is not bound by the parties' agreement as reflected in the Stipulation. The Commission will independently review the Stipulation consistent with Commission Rules 271-280, IDAPA 31.01.01.271-280, to decide whether to approve or reject it, or state conditions under which to accept it. The proposed settlement's proponents ultimately must prove that it is just, fair, and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.

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 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

¹ Avista originally inadvertently filed the Motion with a proposed comment deadline of February 22, 2019, whereas the parties agreed to a comment deadline of March 1, 2019. Avista corrected this mistake by letter to the Commission Secretary on February 15, 2019.

YOU ARE FURTHER NOTIFIED that the parties, and any person desiring to state a position on this Stipulation, may file a written comment about the Stipulation with the Commission **no later than March 1, 2019**. 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 Stipulation may be mailed to the Commission and the Company at the addresses reflected below:

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

David J. Meyer
Avista Corporation
PO Box 3727
Spokane, WA 99220
E-Mail: david.meyer@avistacorp.com

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

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 at www.puc.idaho.gov. Click the "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number on the front of this document. These comments must also be sent to the Company 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 all proceedings in this case will be conducted pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and 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.*

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ORDER

IT IS HEREBY ORDERED that the Stipulation be processed under Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). The parties and any interested persons shall have until March 1, 2019, to file written comments.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this *22nd* day of February 2019.



PAUL KJELLANDER, PRESIDENT

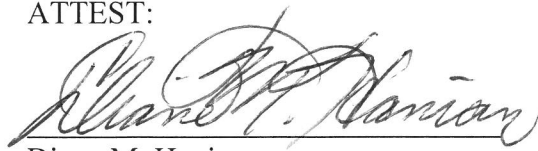


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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