

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF AVISTA</b>	)	<b>CASE NOS. AVU-E-18-03</b>
<b>CORPORATION’S APPLICATION TO</b>	)	<b>AVU-G-18-02</b>
<b>CHANGE ITS ELECTRIC AND NATURAL</b>	)	
<b>GAS DEPRECIATION RATES</b>	)	<b>NOTICE OF APPLICATION</b>
	)	
	)	<b>NOTICE OF INTERVENTION</b>
	)	<b>DEADLINE</b>
	)	
	)	<b>ORDER NO. 34014</b>

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On February 23, 2018, Avista Corporation dba Avista Utilities filed an Application requesting that the Commission approve changes to the Company’s depreciation rates for electric and natural gas property. Avista serves customers in Washington, Idaho, and Oregon. The Company seeks an effective date for the proposed changes to its depreciation rates of January 1, 2019. Avista last changed its Idaho book depreciation rates in January and April 2013. Order No. 32769.

**BACKGROUND**

The Company hired a contractor, Gannett Fleming, to undertake a depreciation study of its depreciable electric, gas, and common plant as of December 2016. The objective of this study was to attain depreciation rates to be utilized by Avista going forward. As a result of this study, the Company filed this above-captioned matter. According to the Company, the annual accrual rates proposed in this filing were calculated using “straight-line method of depreciation, using the average service life procedures and the remaining life basis, based on estimates which reflect considerations of historical evidence and expected future conditions.” Application at 3.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that Avista is a public utility engaged in the production, transmission, and distribution of electric power and natural gas to customers in eastern Washington, northern Idaho, and parts of southern and eastern Oregon.

YOU ARE FURTHER NOTIFIED that Company’s Application proposes to *increase* the depreciation rate for electric service by approximately \$1 million. *Id.*

YOU ARE FURTHER NOTIFIED that the Company’s Application proposes to *decrease* the depreciation rate for natural gas by approximately \$500,000. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Company claims the changes are necessary to update asset lives and existing depreciation accrual rates from the 2012 levels. *Id.*

YOU ARE FURTHER NOTIFIED that in addition to electric and natural gas depreciation rates, the Company provided an updated estimate for the remaining useful life of Colstrip Units 3 and 4, of which Avista is a 15 percent owner. *Id.* at 7-8. In sum, the Company proposes *no change* to its previous useful life estimates, and proposes to continue to operate the coal facilities under a 2034, and 2036 end-of-life estimate. *Id.*

YOU ARE FURTHER NOTIFIED that the Company proposes an additional component in its Colstrip depreciation: asset retirement obligations, an expense relating to coal waste. *Id.*

YOU ARE FURTHER NOTIFIED that approval of the new depreciation rates would be for accounting purposes only and the Company does not seek a change in customer service rates at this time. If approved, the new depreciation rates would become effective January 1, 2019, and will be concurrently updated in Washington and Oregon.

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 and specifically *Idaho Code* §§ 61-501, 61-502, 61-520, 61-523, and 61-610. The Commission may enter any final Order consistent with its authority under Title 61.

#### **NOTICE OF INTERVENTION DEADLINE**

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in Case Nos. AVU-E-18-03 and AVU-G-18-02 for the purpose of becoming a party must file a Petition to Intervene with the Commission pursuant to Rules 72 and 73 of the Commission's Rules of Procedure, IDAPA 31.01.01.072 and .073. Persons desiring to acquire intervenor rights of participation must file a Petition to Intervene **by April 17, 2018.**

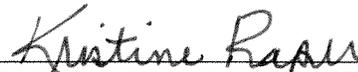
**ORDER**

IT IS HEREBY ORDERED that persons desiring to intervene in this case shall file a Petition to Intervene with the Commission by April 17, 2018. Once the deadline for intervention has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for this matter.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28<sup>th</sup> day of March 2018.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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