

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF**

**FROM: SEAN COSTELLO
DEPUTY ATTORNEY GENERAL**

DATE: FEBRUARY 14, 2019

**SUBJECT: PROPOSED SETTLEMENT REGARDING AVISTA UTILITIES
REQUEST TO REVISE ITS ELECTRIC AND NATURAL GAS BOOK
DEPRECIATION RATES – CASE NOS. AVU-E-18-03 AND AVU-G-18-02.**

On February 14, 2019, Avista Corporation dba Avista Utilities (“Avista” or “Company”) filed a Stipulation and Settlement (“Stipulation”) and a Motion for Approval of Stipulation and Settlement. The Stipulation is signed by the Company, Commission Staff, and intervenors Clearwater Paper Corporation (“Clearwater”), Idaho Forest Group, LLC (“Idaho Forest”), Sierra Club, and the Idaho Conservation League (“Conservation League”). Collectively, the “Parties,” and represent all of the parties in the above-referenced cases.

In brief summary, if approved, the Stipulation would result in the following: (1) Before reflecting the proposed depreciation rates for the Colstrip generating plant, the change in all other electric depreciation rate changes results in an annual reduction to electric depreciation expense of \$101,656; (2) After reflecting the revisions to Colstrip Units 3 and 4 to reflect an earlier 2027 depreciable date for depreciation purposes, results in an annual overall electric increase in depreciation and amortization expense of \$678,434; and (3) Reflecting the proposed depreciation rates for natural gas operations results in an annual overall decrease in depreciation expense of approximately \$487,780.

The parties now ask the Commission to process the Stipulation by Modified Procedure with Comments due in time for an approving order to issue by April 1, 2019, as Avista is attempting to synchronize the proposed date of changes in depreciation rates with those occurring in Washington and Oregon. To meet this deadline, the Parties recommend the Commission set a March 1, 2019, comment deadline.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Proposed Settlement and Notice of Modified Procedure setting a March 1, 2019, comment deadline relating to the Stipulation and Settlement?

A handwritten signature in black ink, appearing to read "Sean Costello", written over a horizontal line.

Sean Costello
Deputy Attorney General

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