

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	
Avista Corporation, d/b/a Avista Utilities,)	
For an Order Authorizing the Company to)	Docket No. U G-180168
Revise its natural gas Depreciation Rates)	AMENDED PETITION OF AVISTA
and Authorizing Deferred Accounting Treatment for)	CORPORATION
the Difference in Depreciation Expense.)	
_____)	

1 On February 22, 2018, Avista Corporation (hereinafter "Avista" or the "Company") filed a
Petition in this Docket requesting approval of a proposed change to natural gas book deprecation
rates, effective January 1, 2019. Avista is amending this Petition to: (1) change the proposed
effective date to April 1, 2019; and (2) withdraw the request for deferred accounting treatment
for the difference in depreciation expense under current and proposed depreciation rates.

I. CHANGE TO PROPOSED EFFECTIVE DATE

2 In its original Petition, the Company had requested that the Commission make its
determination on depreciation rates by December 31, 2018, to commence Washington direct
plant and common plant depreciation rates effective January 1, 2019, coincident with the
implementation of depreciation rate updates in the Company's Idaho and Oregon jurisdictions
(previously anticipated by the end of 2018). (See para. 18 of Petition)

3 Since the filing of the Petition in February of this year, an all-party settlement has been
reached in Avista/Hydro One merger case (Docket No. U-170970) and is pending before the
Commission. An integral condition of that settlement calls for accelerated depreciation of
Avista's investment in Colstrip Units 3&4 to 2027, from 2034 and 2036, respectively. While it

had been anticipated that a final order would issue in the merger docket by August 14, 2018, the Commission extended that date to December 14, 2018, and set a procedural schedule to address the impact of recent actions by the Province of Ontario as they relate to the management of Hydro One. This schedule anticipates a decision in the merger docket in December of this year. Accordingly, the Company has amended its Petition for a change in electric depreciation rates, in the companion docket (UE-180167).

4 While this depreciation docket only addresses the natural gas plant depreciation rates, it is critical that the Company maintain uniform utility accounts and depreciation rates for common plant that are consistent among the Company's regulatory jurisdictions and across electric and natural gas services. In the event different depreciation rates or methods were to be ordered for allocated plant (a category which is primarily composed of production, transmission, intangible, and general plant assets serving multiple jurisdictions), the result would require multiple sets of depreciation accounts and records that would need to be adjusted annually for changes in allocation factors, which would impose a costly administrative burden on the Company and unnecessary expense for the Company's ratepayers, as well as possible unrecovered or stranded costs.

5 Because the revised depreciation rates in the Company's electric depreciation petition (Docket No. UE-180167) will depend, in part, on the final disposition of the merger settlement, Avista believes that additional time is needed beyond December 31, 2018, for the Commission and the Parties to address the Company's common depreciation rates which include natural gas as well, even though such accounts do not relate to Colstrip Units 3&4- hence, it has revised the proposed effective date of new gas depreciation rates to April 1, 2019 as well. No harm or

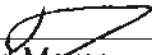
prejudice will be suffered by any party, insofar as this docket has not been set for an adjudicatory hearing, and is otherwise in its early stages.

6 The Company also anticipates similar delays in the implementation of new depreciation rates for natural gas in Idaho and Oregon (regarding common plant) until April 1, 2019, based on similar requests by the Company. Accordingly, any change in overall depreciation rates, both electric and natural gas, will remain synchronized among the States.

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II. WITHDRAWL OF REQUESTED DEFERRAL OF DIFFERENCE IN DEPRECIATION EXPENSE

8 In its original Petition, the Company requested that the difference between depreciation expense under current book depreciation rates and depreciation expense under the updated depreciation rates be deferred. (See Petition at Para. 19) After discussions with Staff, the Company agrees to withdraw this requested deferral as part of the original Petition, and amend the Petition accordingly, for both the requested effective date and the withdrawal of the deferral request.

9 Respectfully submitted this 22nd day of August, 2018.

By:  _____
David Meyer
Vice President and Chief Counsel for Regulatory and
Governmental Affairs

VERIFICATION

STATE OF WASHINGTON)
)
County of Spokane)

David Meyer, being first duly sworn on oath, deposes and says: That he is a Vice President and Chief Counsel for Regulatory and Governmental Affairs for Avista Corporation and makes this verification for and on behalf of said corporation, being thereto duly authorized;

That he has read the foregoing Amended Petition, knows the contents thereof, and believes the same to be true.

[Handwritten signature of David Meyer]

SIGNED AND SWORN to before me on this 22nd day of August 2018, by David Meyer.



[Handwritten signature of Patty L. Hanson]

NOTARY PUBLIC in and for the State of Washington, residing at Spokane.

Commission Expires: 11-23-2021