

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170

RECEIVED



2009 MAR -6 PM 12: 24

IDAHO PUBLIC
UTILITIES COMMISSION

March 5, 2009

Ms. Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

*Re: Annual Compliance Filing of Asset Retirement Obligation (SFAS 143)
Case Nos. AVU-E-05-09 & AVU-G-05-03*

Dear Ms. Jewell:

In Order No. 29962, the Commission directed the Company to record regulatory assets or liabilities associated with the implementation of Statement of Financial Accounting Standards (SFAS) 143. As a result of the Order, the Company is required to file annually, and as part of any rate case filing, all journal entries made under the requirements of SFAS 143.

Enclosed, please find three copies of the 2008 SFAS 143 annual compliance filing.

Please direct any questions regarding this filing to Liz Andrews at (509) 495-8601.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood
Vice President, State and Federal Regulation

Enclosure
LA

Avista Utilities
 FAS 143 Accounting - Asset Retirement Obligations
 Year Ended December 31, 2008

RECEIVED
 2009 MAR -6 PM 12: 24
 IDAHO PUBLIC
 UTILITIES COMMISSION

	FERC Account	Dr.	Cr.
<u>December 31, 2007 Balances</u>			
ARO Assets	101000	1,418,345	
Accumulated Depreciation	108000		513,456
Regulatory Assets	182376	3,085,523	
ARO Liabilities	230000		3,990,412

Recorded Journal Entries

Calendar Year 2008 Accretion, Depreciation and Removal Costs Entries

1	Regulatory Assets	182376	217,915	
	ARO Liabilities	230000		217,915
	To record accretion expense on AROs.			
2	Regulatory Assets	182376	31,841	
	Accumulated Depreciation	108000		31,841
	To record depreciation on the ARO assets.			

Calendar Year 2008 Other Changes

3	ARO Assets	101000		
	Accumulated Depreciation	108000		
	Regulatory Assets	182376		
	ARO Liabilities	230000		

December 31, 2008 Balances

ARO Assets	101000	1,418,345	
Accumulated Depreciation	108000		545,297
Regulatory Assets	182376	3,335,279	
ARO Liabilities	230000		4,208,327