

Avista Corp.  
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Corp.

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IDAHO PUBLIC  
UTILITIES COMMISSION

January 19, 2010

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,

Kelly Norwood  
Vice President, State and Federal Regulation

Enclosure

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IDAHO PUBLIC UTILITIES COMMISSION

**Avista Utilities**  
**FAS 143 Accounting - Asset Retirement Obligations**  
**Year Ended December 31, 2009**

	FERC Account	Dr.	Cr.
<b><u>December 31, 2008 Balances</u></b>			
ARO Assets	101000	1,418,345	
Accumulated Depreciation	108000		545,297
Regulatory Assets	182376	3,335,279	
ARO Liabilities	230000		4,208,327

**Recorded Journal Entries**

**Calendar Year 2009 Accretion, Depreciation and Removal Costs Entries**

1	Regulatory Assets	182376	(236,874)	
	ARO Liabilities	230000		(236,874)
	To record accretion expense, net of removal costs, on AROs.			
2	Regulatory Assets	182376	31,841	
	Accumulated Depreciation	108000		31,841
	To record depreciation on the ARO assets.			

**Calendar Year 2009 Other Changes**

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

**December 31, 2009 Balances**

ARO Assets	101000	1,418,345	
Accumulated Depreciation	108000		577,138
Regulatory Assets	182376	3,130,246	
ARO Liabilities	230000		3,971,453