

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION FOR AN) **CASE NO. AVU-G-05-3**
ACCOUNTING ORDER REGARDING) **AVU-E-05-9**
TREATMENT OF CERTAIN ASSET)
RETIREMENT OBLIGATIONS RESULTING) **NOTICE OF APPLICATION**
FROM IMPLEMENTATION OF SFAS 143)
) **NOTICE OF MODIFIED**
) **PROCEDURE**
)
) **ORDER NO. 29937**

YOU ARE HEREBY NOTIFIED that on November 30, 2005, Avista Corporation ("Avista" or "Company") filed an Application with the Idaho Public Utilities Commission ("Commission") seeking an accounting order authorizing the Company to treat certain asset retirement obligations ("AROs") for the current and future fiscal years in accordance with Statement of Financial Accounting Standards (SFAS) 143. Pursuant to *Idaho Code* § 61-524, the Commission is empowered to establish a system of accounts to be kept by public utilities subject to its jurisdiction.

YOU ARE FURTHER NOTIFIED that Avista is required to implement SFAS 143 in order to comply with generally accepted accounting principles. Due to the lack of an active market for settling AROs, Avista intends to use the expected present value method to determine its ARO liabilities and offsetting assets. The accounting changes proposed by Avista are supported by a series of exhibits identifying the proposed journal entries the Company believes are needed to comply with SFAS 143. The Company states that the proposed accounting treatment will have no impact for ratemaking purposes. The Company further states that nothing in the Application is intended to request any approval regarding future ratemaking treatment. The accounting changes proposed in the Application are supported by a series of exhibits identifying the accounting entries the Company believes are needed for compliance with SFAS 143.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified

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Procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Kelly O. Norwood
Vice President State and Federal Regulation
Avista Corporation
1411 E. Mission Ave.
Spokane, WA 99220

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

These comments should contain the case caption and case numbers shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form, using the case numbers as they appear on the front of this document.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's Website at www.puc.idaho.gov under the "File Room" icon.

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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* § 61-524. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examining witnesses must file a Petition to Intervene with the Commission pursuant to Rule 72 and 73 of the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.* Persons desiring to present their views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or to other parties.

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code.

ORDER

IT IS HEREBY ORDERED that the Application of Avista Corporation for an accounting order for the treatment of certain asset retirement obligations resulting from implementation of SFAS 143, Case Nos. AVU-E-05-9 and AVU-G-05-3, be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than 21 days from the service date of this Order.

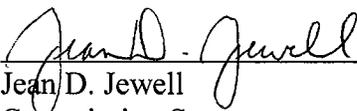
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20th
day of December 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:AVU-G-05-03_AVU-E-05-03_cg