

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)
CORPORATION’S APPLICATION TO) **CASE NOS. AVU-E-12-05**
ELIMINATE THE ANNUAL COMPLIANCE) **AVU-G-12-04**
FILING REQUIREMENT FOR ASSET)
RETIREMENT OBLIGATION (ARO)) **NOTICE OF APPLICATION**
ESTABLISHED IN ORDER NO. 29962)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
) **ORDER NO. 32605**

YOU ARE HEREBY NOTIFIED that on June 29, 2012, Avista Corporation (hereinafter “Avista” or “Company”) submitted an Application seeking a Commission Order authorizing the Company to discontinue its annual compliance filing requirement established in Order No. 29962 to submit all journal entries made under the requirements of Statement of Financial Accounting Standards (SFAS) 143.

YOU ARE FURTHER NOTIFIED that Avista states that, pursuant to Commission Order No. 29962, the Company is recording regulatory assets or liabilities associated with the implementation of SFAS 143. Attached to its Application, Avista included three copies of its 2011 SFAS 143 annual compliance filing.

YOU ARE FURTHER NOTIFIED that the Company stated that it removed the Asset Retirement Obligation (ARO) transactions from its monthly Results of Operations. These transactions are not included in the Company’s earnings or in any rate request in the Company’s general rates cases. Avista notes that the journal entries are routine in nature and that the Company has made the compliance filings for the past five years.

YOU ARE FURTHER NOTIFIED that Avista remarked that it will continue to maintain the same records regarding the ARO transactions and would make them available to Staff and any other party upon request.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the Company’s filing in Case Nos. AVU-E-12-05 and AVU-G-12-04 and finds that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to

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Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position concerning Avista's Application may file a written comment in support or opposition with the Commission. 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 Avista's Application shall be filed with the Commission within **twenty-one (21) days of the service date of this Order**. Written comments concerning this filing should be mailed to the Commission and the Company at the addresses written below:

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

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Kelly Norwood
Vice President, State and Federal Regulation
Avista Corporation
1411 E. Mission Ave.
Spokane, WA 99220
E-mail: kelly.norwood@avistacorp.com

These comments should contain the case caption and case number 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 number as it appears on the front of this document. These comments must also be sent to Avista at the address listed above.

YOU ARE FURTHER NOTIFIED that Avista's Application can be viewed at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases" or "Gas Cases."

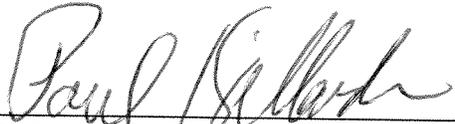
YOU ARE FURTHER NOTIFIED that the Idaho Public Utilities Commission has jurisdiction over the Company, its filing and the issues pertaining to this case pursuant to Title 61 of the Idaho Code.

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.*

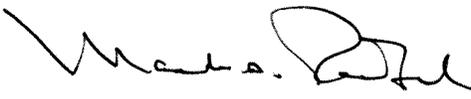
ORDER

IT IS HEREBY ORDERED that persons interested in submitting written comments regarding Avista Corporation's Application should do so within 21 days of the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31st day of July 2012.



PAUL KJELLANDER, PRESIDENT

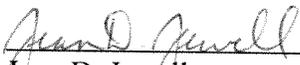


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:AVU-E-12-05_AVU-G-12-04_np