

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: NEIL PRICE
DEPUTY ATTORNEY GENERAL

DATE: JULY 27, 2012

SUBJECT: AVISTA'S APPLICATIONS TO ELIMINATE THE ANNUAL COMPLIANCE FILING REQUIREMENT FOR ASSET RETIREMENT OBLIGATION (ARO) ESTABLISHED IN ORDER NO. 29962, CASE NOS. AVU-E-12-05 AND AVU-G-12-04

On June 29, 2012, Avista Corporation (hereinafter "Avista" or "Company") submitted dual Applications 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." *Application* at 1.

APPLICATIONS

Avista states that "in Order No. 29962, the Commission directed the Company to record regulatory assets or liabilities associated with the implementation of . . . SFAS 143." *Id.* Attached to its Application, Avista included three copies of its 2011 SFAS 143 annual compliance filing. *Id.*

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

Finally, Avista remarked that it will continue to “maintain the same records regarding the ARO transactions and would have them available to Staff and any other party upon request.”

Id.

COMMISSION DECISION

Does the Commission wish to process Avista’s Applications through Modified Procedure with a corresponding 21-day comment period?



Neil Price
Deputy Attorney General

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