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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	
CORPORATION'S APPLICATION TO)	CASE NO. AVU-E-12-05
ELIMINATE THE ANNUAL COMPLIANCE)	AVU-G-12-04
FILING REQUIREMENT FOR ASSET)	
RETIREMENT OBLIGATION (ARO))	COMMENTS OF THE
ESTABLISHED IN ORDER NO. 29962.)	COMMISSION STAFF
)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Neil Price, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 32605 on August 1, 2012, in Case No. AVU-E-12-05 and AVU-G-12-04, submits the following comments.

BACKGROUND

On June 29, 2012, Avista Corporation (hereinafter "Avista" or "Company") submitted an Application seeking authority 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) 143.¹

¹ Since Order No. 29962 was issued, Generally Accepted Accounting Principles (GAAP) have been codified. Codification Topic 410 incorporates SFAS 143, Asset Retirement Obligations, into the U.S. GAAP Codification of Accounting Standards. In this document, Staff will continue to reference the SFAS that originated the requirement.

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 copies of its 2011 SFAS 143 annual compliance filing.

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.

Avista confirmed 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.

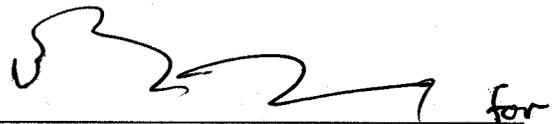
STAFF ANALYSIS

Staff has reviewed the Company's filing and agrees with the Company's proposal to discontinue its annual compliance filing. These entries are now routine and do not require annual reporting. Regulatory oversight will remain unaltered as the entries in the annual compliance filing will remain accessible to Staff upon request. Confirmation that these transactions are not included in any rate request can be verified during the Company's general (and other) rate cases.

STAFF RECOMMENDATION

Staff recommends that the annual compliance filing requirement established in Order No. 29962 to submit all journal entries made under the requirements of SFAS 143 be discontinued.

Respectfully submitted this *22nd* day of August 2012.



Neil Price
Deputy Attorney General

Technical Staff: Patricia Harms

i:umisc:comments/avue12.5_avug12.4npph comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 22ND DAY OF AUGUST 2012, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NOS. AVU-E-12-05 & AVU-G-12-04, BY E-MAILING AND MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY