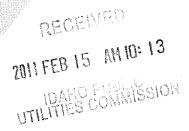
Avista Corp.

1411 East Mission PO Box 3727

Spokane, Washington 99220-3727

Telephone 509-489-0500

Toll Free 800-727-9170





February 14, 2011

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 2010 SFAS 143 annual compliance filing.

Please direct any questions regarding this filing to Liz Andrews at (509) 495-8601.

Sincerely,

Kelly Norwood

Telly Nowood

Vice President, State and Federal Regulation

**Enclosure** 

LA

## **Avista Utilities**

RECEIVED

AUU-E-05-09

FAS 143 Accounting - Asset Retirement Obligations AM 10: 13
Year Ended December 31, 2010

	UTILITIES COMMISSION	FERC Account	Dr.	Cr.
Decemb	per 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
Record	ed Journal Entries			
<u>Calenda</u>	r Year 2010 Accretion, Depreciation and Removal Costs Entries			
1	Regulatory Assets	182376	(235,710)	
	ARO Liabilities	230000		(235,710)
	To record accretion expense, net of removal costs, on AROs.			
2	Regulatory Assets	182376	25,993	
	Accumulated Depreciation	108000	•	25,993
	To record depreciation on the ARO assets.			
Calenda	ar Year 2010 Other Changes			
3	ARO Assets	101000	19,248	
	Accumulated Depreciation	108000		12,086
	Regulatory Assets	182376	144,504	
	ARO Liabilities	230000		151,666
	To record 2010 impact due to HVAC remodel.			
Dagorri	hor 24, 2040 Polonoos			
<i>Decem</i>	<u>ber 31, 2010 Balances</u> ARO Assets	101000	1,437,593	
	Accumulated Depreciation	108000	.,,	615,216
	Regulatory Assets	182376	3,065,032	
	ARO Liabilities	230000	, , ,	3,887,409