

Avista Corp.  
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Toll Free 800-727-9170

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IDAHO PUBLIC  
UTILITIES COMMISSION



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,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood  
Vice President, State and Federal Regulation

Enclosure  
LA

Avista Utilities  
 FAS 143 Accounting - Asset Retirement Obligations  
 Year Ended December 31, 2010

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AVU-5-05-03

	FERC Account	Dr.	Cr.
<b><u>December 31, 2009 Balances</u></b>			
ARO Assets	101000	1,418,345	
Accumulated Depreciation	108000		577,138
Regulatory Assets	182376	3,130,246	
ARO Liabilities	230000		3,971,453

**Recorded Journal Entries**

Calendar 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.			

Calendar 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.			

**December 31, 2010 Balances**

ARO Assets	101000	1,437,593	
Accumulated Depreciation	108000		615,216
Regulatory Assets	182376	3,065,032	
ARO Liabilities	230000		3,887,409