

## 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

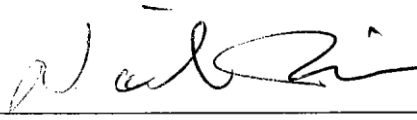
Avista states that "in Order No. 29962, the Commission directed the Company to record regulatory assets or liabilities associated with the implementation of . . . SFAS 143." *Id.* Attached to its Application, Avista included three copies of its 2011 SFAS 143 annual compliance filing. *Id.*

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?



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Neil Price  
Deputy Attorney General

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