



- 3       The proposed accounting treatment allows Avista to comply with SFAS 143 on  
its balance sheet for financial reporting purposes and recognize no impact on  
Avista's income statement or effect on ratemaking consistent with SFAS 71  
*Accounting for the Effects of Certain Types of Regulation.*

### FINDINGS AND CONCLUSIONS

- 4       (1)     The Washington Utilities and Transportation Commission is an agency of  
the State of Washington vested by statute with the authority to regulate  
rates, rules, regulations, practices, accounts, securities, and transfers of  
public service companies, including electric companies. *RCW 80.01.040;*  
*Chapter 80.04 RCW and Chapter 80.28 RCW.*
- 5       (2)     Avista is an electric company and is a public service company subject to  
the jurisdiction of the Commission.
- 6       (3)     WAC 480-07-370(b)(i), allows companies to file a petition including that  
for which Avista seeks approval.
- 7       (4)     Staff has reviewed the petition in Docket UE-051852 including related  
workpapers. Staff believes the proposed accounting petition requested by  
Avista is reasonable and should be approved.
- 8       (5)     This matter was brought before the Commission at its regularly scheduled  
meeting on January 11, 2006.
- 9       (6)     After examination of the petition filed in Docket UE-051852 by Avista on  
November 30, 2005, and giving due consideration to all relevant matters  
and for good cause shown, the Commission finds that the Petition filed  
should be approved.

## ORDER

### THE COMMISSION ORDERS:

- 10 (1) Avista Corporation's request to record, as a regulatory asset or a regulatory liability, the cumulative financial statement impact resulting from the Company's implementation of statement of Financial Accounting Standards (SFAS) 143 and record on an ongoing basis, as a regulatory asset or liability, an amount equal to the difference between the annual SFAS 143 accretion and depreciation expense and the annual depreciation expense based on Commission-approved depreciation rates is approved.
- 11 (2) This Order shall in no way affect the authority of this Commission over rates, services, accounts, evaluations, estimates, or determination of costs on any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of costs claimed or asserted.
- 12 (3) The Commission retains jurisdiction over the subject matter and Avista Corporation d/b/a Avista Utilities to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 11th day of January, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary