

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET U-071805
)	
AVISTA CORPORATION d/b/a)	ORDER 01
AVISTA UTILITIES,)	
)	
Petitioner,)	
)	
For Order Approving Journal Entries for)	
Repurchased Office Building)	ORDER APPROVING PETITION
.....)	

BACKGROUND

- 1 On December 1, 1986, Avista Corporation (Avista or Company), under its former name of Washington Water Power Company, filed an application with the Washington Utilities and Transportation Commission (Commission) under the provisions of RCW 80.12, Transfer of Property, for authority to enter into a sale and leaseback of its general office building located at 1411 E. Mission Avenue and adjacent properties located in Spokane, Washington.

- 2 On December 18, 1986, the Commission approved the Company’s petition under Cause No. FR-86-150 to enter into a sale and leaseback. In the Commission’s order, the Company was required to file for prior written approval of the journal entries by which it will record on its books the repurchase of those assets.¹

- 3 On November 29, 2005, Avista terminated the then existing leasing arrangement and repurchased the previously owned facility for \$17.8 million. \$16.3 million was attributed to the building and \$1.5 million to the purchase of the land. The transaction was at arms-length with a non-affiliated entity. The Company did not file its journal entries with the Commission for prior approval before recording the transaction on its books and records as required in the Commission’s order.

- 4 In accordance with WAC 480-07-885, Avista filed a petition on September 4, 2007, seeking approval of the journal entries it used to record the repurchase of its general office building and adjacent properties.

¹ *In the Matter of the Application of The Washington Water Power Company*, Cause No. FR-86-150, Order Granting Application, (Dec. 18, 1986), Ordering Paragraph 2.

FINDINGS AND CONCLUSIONS

- 5 (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, RCW 80.04, RCW 80.08, RCW 80.12, and RCW 80.28.*
- 6 (2) Avista is an electric company and a public service company subject to Commission jurisdiction.
- 7 (3) WAC 480-07-885 allows companies making subsequent filings to file petitions including that for which Avista seeks approval.
- 8 (4) Although the Company's petition is in accordance with WAC 480-07-855 and the Commission's order, the filing is late by approximately twenty-one months. The Commission will issue a penalty assessment for the violation of Commission order in a separate action in this docket.
- 9 (5) Staff has reviewed the petition in Docket U-071805 including related workpapers. Staff believes the proposed accounting journal entries used to record the repurchase transaction correctly reflect the repurchase transaction on a regulatory basis and should be approved.
- 10 (6) This matter was brought before the Commission at its regularly scheduled meeting on September 26, 2007.
- 11 (7) After examining of the petition Avista filed in Docket U-071805 on September 4, 2007, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the journal entries used to record the repurchase transaction should be approved.

ORDER

THE COMMISSION ORDERS:

- 12 (1) Avista Corporation's request to approve the journal entries used to record the repurchase transaction of its general office building located at 1411 E. Mission Avenue and adjacent properties is approved.
- 13 (2) This Order shall not affect the Commission's authority over rates, services, accounts, evaluations, estimates, or determination of costs in any matters that may come before it, nor be construed as prior consent to any estimate or determination of costs claimed or asserted.
- 14 (3) A penalty assessment against Avista Corporation will be issued in a separate action in this docket in the amount of \$5,000 for violating a prior Commission order.
- 15 (4) The Commission retains jurisdiction over the subject matter and Avista Corporation to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective September 26, 2007.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner