

May 11, 2009

Tina G. Ko  
Manager, Residential Exchange Program  
Bonneville Power Administration  
P.O. Box 3621  
Portland, OR 97208-3621

Subject: Comments of Avista on the FY 2009 & FY 2010-2011 ASC Reports for  
Avista Corporation  
BPA Docket No. ASC-10-AV-01

Dear Ms. Ko:

Following are the comments of Avista Corporation (“Avista”) on the FY 2009 and the FY2010-2011 ASC Reports for Avista. The comments in this letter are specific only to our review of these draft reports. In addition to our comments filed today, however, Avista incorporates all other previous (methodology and report) ASC comments filed by Avista and filed as joint comments by the Investor-Owned Utilities (Including, in addition to Avista, Puget Sound Energy, Inc., PacifiCorp, Idaho Power Company, and Portland General Electric Company) in, or related to, Bonneville Power Administration’s (“Bonneville”) FY 2009 and/or FY 2010-2011 ASC proceedings.<sup>1</sup>

Avista asks that Bonneville consider all of these prior comments as part of the record for the FY 2009 and FY 2010-2011 ASC reports. Avista also notes that if Bonneville, in the final ASC reports for FY 2009 and FY 2010-2011, makes additional changes that are not reflected in either these drafts or in the Avista/other Investor-Owned Utility comments, that Avista be allowed to comment on those changes before the respective ASC reports are finalized.

We have appreciated the opportunity to work with staff of the Bonneville Power Administration in development of these reports, and particularly, for the supportive and helpful manner in which Bonneville has conducted this process. If you have any questions or comments, you may contact Karen Schuh at 509.495.2293 ([karen.schuh@avistacorp.com](mailto:karen.schuh@avistacorp.com)), or me at 509.495.4710 ([larry.labolle@avistacorp.com](mailto:larry.labolle@avistacorp.com)).

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<sup>1</sup> Such comments were filed in Docket Nos. ASC-10-AV-01, ASC-10-PA-01, ASC-10-IP-01, ASC-10-NW-01, and/or ASC-10-PS-01.

#### ASC Report for FY 2009 and FY 2010

In Section 4, Under Account 303, Unspecified Software, related accumulated amortization and expense: Avista does not believe it is reasonable for Bonneville to assign all of Avista's software costs to Distribution. The software assets of Avista Corporation appear to be smaller in magnitude than those of some of the other exchanging utilities who do account for individual software assets. For Avista to have to determine after the fact accounting for individual software assets, for the purpose of this ASC report, is overly burdensome. Avista advocates, in accordance with the prior joint comments of the Investor-Owned Utilities, that exchanging utilities be allowed to allocate costs associated with software assets to PTD or LABOR.

Under Account 108 In Service: Depreciation of Common-Plant, Unspecified Software – for Account 356 and 356.1: These Accounts appear to be incorrectly labeled. We believe these costs should be labeled Utility Plant, Common, Plant Miscellaneous, Utility Plant Software as these relate to the plant balances not the related accumulated depreciation.

#### ASC Report for FY 2010

Section 5.7 of Bonneville's review of the report – New Resource Addition: Montana Riverbed Lease: Avista understands that in subsequent discussions between Avista and our Bonneville representative, Julia Shaughnessy, that the subject costs associated with the riverbed lease do exceed the incremental threshold for an individual new resource addition of 0.5%, and that, in the aggregate with the other additions listed by Avista, that all of the new resource additions exceed the cumulative threshold of 2.5%. Accordingly, Avista understands that the final report to be issued by Bonneville will include all of new resource additions provided by Avista, including the costs associated with the riverbed lease.

Again, thank you for the opportunity to comment.

Larry La Bolle