

June 1, 2006

1025-300

VIA EMAIL (director@fasb.org)

LETTER OF COMMENT NO. 162

Financial Accounting Standards Board 401 Merritt 7 PO Box 5116 Norwalk, Connecticut 06856-5116

Re: Comments to the FASB's Exposure draft on Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—an amendment of FASB Statements No. 87, 88, 106, and 132(R) (FASB File No. 1025-300)

Avista Corporation appreciates the opportunity to comment on the FASB proposed amendments to SFAS 87, SFAS 88, SFAS 106, and SFAS 132(R). Avista Corp., incorporated in the State of Washington, is an energy company engaged in the generation, transmission and distribution of energy as well as other energy-related businesses.

We support the FASB's continued attempt to improve financial reporting transparency with regard to employee benefits plans. However, we have concerns regarding certain aspects of the proposed amendments.

Measurement Date

Current guidance provides for a measurement date within three months prior to a company's year-end. This allows companies adequate time to complete year-end disclosures with their outside actuaries. Although our company currently uses a measurement date that coincides with our fiscal year-end, it has been problematic to do so. Generally, information from our outside actuaries is not available until at least 30 days after our year-end close; this is well into our annual reporting time frame and drafting of our financial statements. As a result of accelerated reporting deadlines, we have (prior to this exposure draft) considered changing our measurement date to one month prior to our year-end in order to mitigate the timing problems associated with waiting for actuarial information. By requiring all companies to use a measurement date that coincides with the balance sheet date, more companies will be competing with the same limited number of actuaries. This may make it even more difficult to meet accelerated reporting deadlines and issue timely financial statements. Therefore, we encourage the FASB to retain current provisions that permit companies to use a measurement date of up to three months earlier than the balance sheet date.

Liability Measurement

Measurement of a plan's funded status using the Projected Benefit Obligation (PBO) for a defined benefit plan or Accumulated Projected Benefit Obligation (APBO) for other post-retirement plan does not appropriately reflect the liability associated with these plans. PBO assumes salary increases that may or may not occur and are at the Company's sole discretion. APBO assumes that a company will maintain a plan in place in perpetuity although it is under no legal obligation to do so. Ultimately, ABO is more representative of what the company's liability is to settle a pension plan at the measurement date and represents the benefits earned by the employees.

Thank you for giving our comments your consideration. If you have any questions, please call me at (509) 495-4321 or ann.wilson@avistacorp.com.

Sincerely,

Ann M. Wilson Vice President & Controller