

AVISTA CORP
Form 8-K
April 20, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): April 14, 2004

AVISTA CORPORATION

(Exact name of registrant as specified in its charter)

Washington

1-3701

91-0462470

(State or other jurisdiction of
incorporation or organization)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

1411 East Mission Avenue, Spokane, Washington

99202-2600

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:
Web site: <http://www.avistacorp.com>

509-489-0500

(Former name or former address, if changed since last report)

Item 5. Other Events and Regulation FD Disclosure

On April 19, 2004, the Federal Energy Regulatory Commission (FERC) issued an order approving the contested Agreement in Resolution of Section 206 Proceeding (Agreement in Resolution) reached by Avista Corporation (Avista Corp.) d/b/a Avista Utilities, Avista Energy, Inc. (Avista Energy) and the FERC's Trial Staff with respect to an investigation into the activities of Avista Utilities and Avista Energy in western energy markets during 2000 and 2001. The FERC Order Approving Contested Settlement, which was announced on April 14, 2004, is filed as Exhibit 99(a).

In the Agreement in Resolution, the FERC Trial Staff stated that its investigation found: (1) no evidence that any executives or employees of Avista Utilities or Avista Energy knowingly engaged in or facilitated any improper trading strategy; (2) no evidence that Avista Utilities or Avista Energy engaged in any efforts to manipulate the western energy markets during 2000 and 2001; and (3) that Avista Utilities and Avista Energy did not withhold relevant information from the FERC's inquiry into the western energy markets for 2000 and 2001.

As part of the Agreement in Resolution, Avista Utilities has agreed to improve its system of taping energy transaction conversations and improve its account settlement process. Avista Utilities and Avista Energy have agreed to maintain an annual training program on the applicable FERC Code of Conduct for all employees engaged in the trading of electric energy and capacity.

Under the Agreement in Resolution, no remedial measures are to be taken against Avista Utilities or Avista Energy and there is no imposition of monetary remedies, or relinquishment or modification of market-based rate authority, or assessment of penalties.

Item 7. Exhibits

99(a) FERC order issued April 19, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: April 20, 2004

AVISTA CORPORATION

(Registrant)

/s/ Gary G. Ely

Gary G. Ely
Chairman of the Board, President
and Chief Executive Officer