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Corp.

STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

November 17, 2005

State of Washington
Washington Utilities and Transportation Commission
1300 Evergreen Park Drive South
Olympia WA 98504

Attention: Ms. Carole Washburn, Secretary

Docket No. UE-051417

Ladies/Gentlemen:

Avista Corporation requests that the Commission amend Order No. 01, granted on October 12, 2005, to increase the amount of securities authorized to be issued to \$150 million.

In Order No. 01, the Commission authorized the Applicant to issue up to \$100 million of securities. The Applicant just completed the issuance, under that authority, of \$100 million of securities. The current markets are favorable and there was a lot of interest in the offering. The Applicant has a substantial amount of maturities in the coming years and this additional authority will allow the Applicant to issue in the current attractive interest rate market. The Applicant feels the current economics are good and this would allow the Applicant to continue its return to financial health.

The following information is furnished in support of this amendment, in accordance with the requirements of RCW 80.08.040:


(1) A Description of the Purposes for Which the Issuance is Made, Including a Certification By an Officer Authorized To Do So That the Proceeds From Any Such Securities Are For One Or More of the Purposes Allowed By Chapter 80.08 RCW.

The Applicant will use the funds from the proposed offerings, issuance and sale of Securities for one or more of the following purposes: (a) The acquisition of property, or the construction, completion, extension, or improvement of its facilities, or (b) the improvement or maintenance of service, or (c) the issuance of stock dividends, or (d) the discharge or refunding of its obligations, or (e) the reimbursement of moneys actually expended from income or from the treasury of the Applicant to the extent permitted by RCW 80.08.030, or (f) for other purposes permitted by law.

The Applicant will utilize the proceeds of the proposed debt offering for lawful purposes as outlined in RCW 80.08.030. Specifically, the Applicant anticipates using the proceeds from the issuance of the Securities to refinance debt maturities and to repay funds borrowed under its corporate credit facility. The Applicant has \$50 million of debt maturities in the next 12 months beginning in November 2005 that must be refinanced. In addition, the Applicant will have borrowed approximately \$19 million under its corporate credit facility in November 2005 to fund the Applicant's purchase price obligation upon the termination of the lease for the Applicant's corporate office building and operation facility located in Spokane, Washington.

The undersigned certifies that she has read the foregoing information with respect to proposed use of funds and knows the contents thereof and that the same are true to the best of her own knowledge or belief.

Done at Spokane, Washington this 17th day of November, 2005.

By: 
Diane C. Thoren
Assistant Treasurer

(2) A Description of the Proposed Issuance Including the Terms of Financing.

The Applicant proposes to offer, issue and sell securities for purposes authorized by law in a total amount of up to and including an additional \$50,000,000. The rate will be competitive with then-existing market prices for similar transactions.

The issuance of debt securities under the requested amended authority is anticipated before the end of 2005 and would be a total of \$150 Million with a term of 30 years and the interest rate would not exceed 7.0%, all depending on and subject to then-existing market prices for similar transactions.

(3) Statement As To Why The Transaction Is In the Public Interest.

The issuance of the requested authority allows the Applicant greater flexibility in managing its funds and reducing future borrowing costs. The proposed authority would allow the Applicant to better manage its debt and capital in a more efficient and cost effective manner. Accordingly, Applicant believes the requested authority is in the public interest.

Please do not hesitate to contact Paul Kimball at (509) 495-4584 should you need any additional information or have any questions.

Sincerely,



Diane C. Thoren
Assistant Treasurer