

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170



January 14, 2011

State of Washington
Washington Utilities and Transportation Commission
1300 Evergreen Park Drive South
Olympia WA 98504
Attention: Ms. Carole Washburn, Secretary

Docket No. UE - 011615

We are submitting the following information in compliance with the Commission's Order No. 3 under Docket No. UE-0801842 for the authorization to issue up to \$83,700,000 for the refunding of certain pollution control revenue bonds issued by the City of Forsyth.

On December 15, 2010, \$66.7 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds, (Avista Corporation Colstrip Project) due 2032, which had been held by Avista Corp. since 2008, were refunded by a new bond issue (Series 2010A). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, these bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet.

On December 15, 2010, \$17.0 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds, (Avista Corporation Colstrip Project) due 2034, which had been held by Avista Corp. since 2009, were refunded by a new bond issue (Series 2010B). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, the bonds will be remarketed to unaffiliated investors. So long as Avista Corp. is the holder of these bonds, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet.

The initial interest rate of these bonds was 1.5%. These rates will reset on a weekly basis, until they are remarketed to third party investors, at which time the mode of the interest rate will be determined.

2011 JAN 20 AM 9:40

The following accumulated expenses will be deferred and not duplicated at the time of remarketing:

Vendor	\$66.7 million series	\$17 million series	Type
Legal	225,273.81	57,416.11	Legal
Title			Title
Endorsement	21,959.71	5,596.93	Endorsement
Sponsorship Cost	100,006.35	25,488.87	Misc
Total	347,239.87	88,501.92	

See enclosed Loan Agreement and Trust Indentures for more details on the transactions.

Sincerely,



Diane C. Thoren
Treasurer

Enclosure