

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION**

In the Matter of the Application of Avista Corporation d/b/a Avista Utilities for an Order Approving a Corporate Reorganization To Create a Holding Company, AVA Formation Corp.	)	DOCKET NO. U-060273
	)	MOTION OF AVISTA CORPORATION TO TERMINATE DOCKET

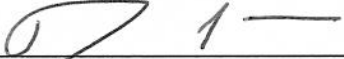
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1. By Order No. 03, in the above-captioned matter, the Commission approved the formation of a holding company structure by Avista Corporation (hereafter “Avista” or the “Company”), subject to certain commitments and contingencies, including receipt of all necessary regulatory approvals. As discussed below, Avista has determined that it does not intend to proceed with the proposed formation of a holding company.
  
2. By way of background, at the 2006 Annual Meeting of Shareholders, the shareholders of Avista approved a proposal to proceed with a statutory share exchange, which would have changed the Company’s organization to a holding company structure. Avista subsequently received approval from the Federal Energy Regulatory Commission, conditioned on approval by the state regulatory agencies. The Company had also received approval from this Commission and the Idaho Public Utilities Commission (IPUC), having reached agreement with staffs of those Commissions and other parties, as to the terms of various proposed financial and other conditions and commitments on the part of the Company and the proposed new holding company. The Company was unable, however, to reach agreement with interested parties in proceedings before the Public Utility Commission of Oregon (OPUC).

3. At the August 14, 2009 meeting of Avista's Board of Directors, the Board concluded that the conditions and commitments proposed in proceedings before the OPUC would present risks and uncertainties such that it would not be in the best interests of the Company or its customers to accept such conditions. Therefore, the Board determined that the consummation of the statutory share exchange contemplated in the Plan of Share Exchange should be abandoned.
4. Accordingly, Avista's decision to terminate the formation of a holding company renders further action in this proceeding moot and it respectfully requests the issuance of an order that terminates this docket, and rescinds the issuance of Order No. 03, as appropriate. Avista has contacted all parties of record and is authorized and represent that no party opposes this motion.

RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of August, 2009.

AVISTA CORPORATION

By:   
David J. Meyer  
Vice President and Chief Counsel

cc: Service List