

**Avista Corp.**

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October 7, 2008

VIA ELECTRONIC FILING

David W. Danner, Executive Director and Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, WA 98504-7250

Re: Docket No. UE-080182

Dear Mr. Danner:

Avista Corporation requests that the Commission amend Order No. 01, granted on March 30, 2008, to increase the amount of securities authorized to be issued to \$550 million. Avista would also like to amend the parameters around the maximum interest rate and the tenor of the securities.

In Order No. 1, the Commission authorized the Applicant to issue up to \$350 million of securities with a maximum interest rate of 7% and with terms of 10-31 years. The Applicant now requests that the authorized amount be increased to \$550 million with a maximum coupon rate of 8.5% and terms of 5-31 years.

The Applicant has issued, of the \$350,000,000 previously authorized, \$250,000,000 of First Mortgage Bonds. The 5.95% Series due 2018 of First Mortgage bonds which closed on April 3, 2008, leaves \$100,000,000 in aggregate principal amount of debt securities authorized pursuant to the current authorization. The Applicant has a substantial amount of capital expenditures in the coming years and this additional authority will allow the Applicant to meet those needs. Also, under the current unpredictable and volatile market environment the added flexibility these amendments add would allow the Applicant to access the debt markets when the opportunity arises.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Diane C. Thoren".

Diane C. Thoren  
Assistant Treasurer