



December 23, 2016

Steven V. King
 Executive Director and Secretary
 Washington Utilities and Transportation Commission
 1300 Evergreen Park Drive SW
 Olympia WA 98504-7250

WAC 480-100-262 & 480-90-262

We are submitting the following information in compliance with WAC 480-100-262 and 480-90-262 for the sale of securities not to exceed \$750,000,000².

On December 15, 2016, Avista Corp. issued \$175.0 million of 3.54 percent First Mortgage Bonds due in 2051 under a bond purchase agreement with certain institutional investors in the private placement market. The new First Mortgage Bonds were issued under and in accordance with the Mortgage and Deed of Trust, dated as of June 1, 1939, from the Company to Citibank, N.A., trustee, as amended and supplemented by various supplemental indentures and other instruments.

In connection with pricing of the First Mortgage Bonds, which took place prior to the issuance of these bonds, we cash settled seven interest rate swap contracts and paid a total of \$53.9 million, which will be amortized as a component of interest expense over the life of the debt.

The bonds have not been, and will not be, registered under the Securities Act of 1933 or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The total net proceeds from the sale of the new bonds were used to repay a portion of the borrowings outstanding under the Company's \$400.0 million committed line of credit and for general corporate purposes.

Table 1.

Item	Dollar Amount	Percent of Total
Gross Proceeds	\$175,000,000	100.0%
Arrangement Fees	(770,000)	(0.4)
Proceeds Payable to Applicant	174,230,000	99.6
Interest Rate Swaps	(53,867,043)	(30.8)
Other Issuance/Technical Services Expenses	(331,213)	(0.2)
Net Proceeds¹	120,031,744	68.6%

¹ The Company is expecting additional fees primarily related to filing fees and potentially additional legal expenses currently unbilled, which may reduce the Company's net proceeds.

² This filing is compliant with the Commission's Order No. 1 under docket UE-151822 and Order No. 2 under Docket No. U-111176.

Attached are the 59th supplemental indenture and the redacted version of the final term sheet. In accordance with WAC 480-07-160, the confidential version, printed on yellow, paper is provided in a separate sealed envelope marked CONFIDENTIAL, that was executed in connection to this issuance.

Please contact Jason Lang at (509) 495-2930 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Patrice K. Gorton". The signature is written in black ink and is positioned above the printed name and title.

Patrice K. Gorton
Director of Finance and Assistant Treasurer