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October 2, 2009

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

Attention: Mr. David W. Danner, Secretary

Re: Avista Corporation (the Applicant) request authorization from the Washington Utilities and Transportation Commission (the Commission) to modify the fees and borrowing spreads contained in Docket UE-081842.

STATE OF WASH
UTILITY AND TRANSPORTATION COMMISSION
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Docket No. 081842

In November 2008, the Applicant entered into a 364-day debt arrangement in the principal amount of \$200,000,000 under authority granted under Order 02 under Commission Docket No. 081842, authorizing the Applicant to enter into various debt arrangements of up to \$250,000,000 with terms of not more than 3 years. The Applicant proposes to roll over or replace the November 2008 debt arrangement at or prior to its scheduled maturity in November 2009. Due to changes in the credit market since November 2008, the Applicant requests that the application under Docket No. 081842 be amended by updating item (2) to reflect current market spreads and fees as follows:

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

Current estimated fees and borrowing spreads, based on the Company's current secured debt rating are as follows:

Borrowing Spread:	
LIBOR Margin	237.5-325 basis points
Base Rate Margin*	237.5-325 basis points
Facility Fees	37.5-75 basis points
Upfront Fees	50-75 basis points

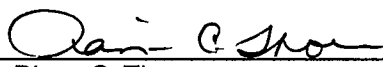
These estimated fees and borrowing spreads are based upon current market information; however, the estimates are subject to adjust based upon changes in markets conditions.

* Base Rate on any day means the higher of (a) the Prime Rate in effect on that day, (b) the Federal Funds Rate in effect on that day as announced by the Federal Reserve Bank of New York, plus 237.5-325 bps, (c) 30 day LIBOR Rate + 237.5-325 bps.

In addition, the terms are expected to include first mortgage bonds to be issued to secure the Applicants obligation.

Done at Spokane, Washington this 2nd day of October, 2009.

AVISTA CORPORATION

By: 
Diane C. Thoren
Treasurer