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September 11, 2013

State of Washington  
Washington Utilities and Transportation Commission  
1300 Evergreen Park Drive South  
Olympia WA 98504  
Attention: David W. Danner, Executive Director and Secretary

Docket No. UE - 111176

We are submitting the following information in compliance with the Commission's Order No. 01 under Docket No. UE-111176 for the authorization to issue up to \$450,000,000 of debt securities.

On August 14, 2013, Avista Corporation (Avista Corp. or the Company) entered into a term loan agreement with Union Bank, N.A., as administrative agent in the amount of \$90.0 million and bearing an annual interest rate of 0.84 percent. The term loan agreement has an expiration date of August 14, 2016. The term loan agreement is secured by \$90.0 million of non-transferable First Mortgage Bonds of the Company issued to Union Bank, N.A. Such First Mortgage Bonds would only become due and payable in the event, and then only to the extent, that the Company defaults on its obligations under the term loan agreement.

In connection with the pricing of the term loan, we cash settled interest rate swap contracts and received total proceeds of \$2.9 million, which will be amortized as a component of interest expense over the life of the debt.

The total net proceeds from the \$90 million term loan agreement will be used to refinance \$50 million in First Mortgage Bonds maturing in December 2013, to repay a portion of the borrowings outstanding under the Company's \$400 million line of credit and for general corporate purposes.

Table 1.

Item	Dollar Amount	Percent of Total
Gross Proceeds	\$90,000,000	100.0%
Arrangement Fees	(165,000)	(0.2)
Proceeds Payable to Applicant	89,835,000	99.8
Interest Rate Swaps	2,900,680	3.2
Other Issuance/Technical Services Expenses	(259,903) <sup>1</sup>	(0.3)
Net Proceeds	92,475,777	102.8%

Attached are the term loan agreement and the 55<sup>th</sup> supplemental indenture that was executed in connection to this issuance.

Please contact Damien Lysiak at (509) 495-2097 if you have any questions.

Sincerely,

Ryan L. Krasselt  
Assistant Treasurer, Director of Finance

<sup>1</sup> These include costs currently known to the Company. The Company is expecting additional fees related to filing fees and potentially additional legal expenses currently unbilled.