

\$60,000,000 First Mortgage Bonds due 2044 Traditional Private Placement

October 9, 2014

Dear Investor,

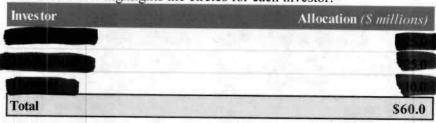
On behalf of Avista Corporation (the "Company"), KeyBanc Capital Markets Inc. ("KeyBanc") is pleased to confirm the following circles of the Company's \$60 million of First Mortgage Bonds (the "Bonds").

The following table provides terms of the offering:

Offering Summary	THE RESERVE THE PARTY OF THE PA		
Size	\$60,000,000		
Maturity	December 1, 2044		
Interest Pay Dates	June 1 and December 1, beginning June 1, 2015		
Treasury	T 3 3/8 05/15/44 3.06% + 105 bps		
Treasury Yield (1)			
Credit Spread			
Final Coupon	4.11%		
Price	Par		
Optional Prepayment	Make whole at T+50 bps anytme prior to 6/1/2044		
	Callable at par thereafter		

⁽¹⁾ Sourced from Bloomberg's PX1 screen shown on the following page

The table below highlights the circles for each investor:



KeyBanc Capital Markets

Transaction Details

Investors Counsel:

Neil R. Mann

Chapman & Cutler LLP

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Investor Due Diligence:

To Be Determined December 18, 2014

Targeted Closing & Funding: Dec

Please contact your KeyBanc representative if you have any additional questions or due diligence requests prior to closing. Thanks again for participating in this offering.

Regards,

KeyBanc Capital Markets Inc.

Ryan Pirnat (216) 689-3967 Gary Andrews (216) 689-3567 Eamon McDermott (216) 689-4822

Erica Elsasser (216) 689-4496

Inited States		1) Actions •	2 Tools • 3) S	ettings - Fixed Income Trading
2:46				A Comment
4) Actives	9 Bills	@ Notes	7) TIPS	Ø Strips 9 Spri
) Bills 1) 11/06/14 2) 01/08/15 3) 04/09/15	0.010/0.005 0.010/0.005 0.045/0.035 0.085/0.080	0.005 0.005 +0.005 0.035 0.081	6) Bends 49) 3 ³ ₈ 544 50) 3 ¹ ₈ 844 30YR 51) WI 30YR 7) TIPS	106-00 /01 3.064 -04- 101-03+/04 3.067 -04- 3.070/3.065 +0.005
4) 09/17/15 Notes	0.003/0.000	0.001		024/101-04 -0.123 - 034
15) 0 ¹ ₂ 716 16) 0 ¹ ₂ 816 17) 0 ¹ ₂ 916 2YR 18) 0 ⁷ ₈ 817 19) 1 917	100-07 ³ s / 07 ⁷ s 100-04 ³ 4 / 05 ¹ s 100-03 / 03 ¹ 4 100-01 / 01+ 100-11 / 11 ¹ 4	$0.363 + 00^{1}_{4}$ $0.415 + 00^{1}_{8}$ 0.448 $0.858 - 00^{2}_{4}$ $0.878 - 00^{3}_{4}$	53) 0 1 ₈ 724 97-3	20 ³ ₄ /97-24 ¹ ₄ 0.359 - 03 ¹ ₄ 18 ³ ₄ /110-25 ¹ ₄ 0.953 05 111.417/-111.979 +1.629 187.802/-188.378 +0.898
(0) 07 _s 017 3YR	99-284/28+	0.912 - 01	57) Syr vs 10yr	76,221/-76.562 -0.731
1) 15 719	100-11 /11+	1.547 - 02+	Other Markets	
2) 1% 819	100-09+ /10	1 558 - 03	58) US Long(CBT)	12:36 d +140-26
3) 1 ³ 4 919 5YR	100-273/28	2.00z - 02+	59) 10yr Fut (CBT) 60) 5Yr Fut(CBT)	12:35 d +126-15+ +0-03+ 12:35 d +119-13
4) 2 821 5) 2 ¹ a 921 7YR	99-31 /31+ 100-23+ /24	2.002 - 02+ 7.5 m - 02+	61) Dow Jones Ind	12:46 +16727.320
6) 23 224	103-28+ /29	2.283 - 02+	62) S&P 500 Ind	12:31 d +1934.660 -34.230
7) 2 ¹ > 524	101-19 /19+	2.312 - 03	63) NYM WTI Crd	12:36 d +85.740 -1570
18) 23 824 10YR	100-12 /12+	2.330 - 02+	64) Gold	12:46 +1224.415 +3.295

KeyBanc

Capital Markets