

Avista Corp.

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January 29, 2008

VIA ELECTRONIC FILING

Carole Washburn
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

Re: Planned Securities Issuance – Up to \$350 million First Mortgage Bonds Pursuant to WAC 480-100-242 and WAC 480-09-242, No Commission Order Requested

Dear Ms. Washburn;


Pursuant to RCW 80.08.040, Avista Corporation ("Avista") intends to issue up to \$350 million of debt securities before the end of 2008. The securities will be issued as public offerings or on a private placement basis and are expected to have terms of 10-31 years with interest rates not to exceed 7.0%, all depending on and subject to then-existing market prices for similar transactions.

The following information is supplied in conformance with RCW 80.08.040:

- (1) Avista will utilize the proceeds of the proposed debt offering for lawful purposes as outlined in RCW 80.08.030. Specifically, Avista anticipates using the proceeds from the issuance of the securities to refinance debt maturities and to repay funds borrowed under its corporate credit facility. Avista has \$318 million of debt maturities throughout the year plus \$190 million of capital expenditures for 2008.

The undersigned certifies that she has read the foregoing information with respect to the proposed use of funds and knows the contents thereof and that the same are true to the best of her own knowledge or belief.

Done at Spokane, Washington this 29th day of January, 2008.

By: 
Diane C. Thoren
Assistant Treasurer

- (2) Avista proposes to offer, issue and sell secured fixed rate bonds in a total amount of up to and including \$350,000,000. The notes may be issued as public offerings or on a private placement basis. Avista will only enter into transactions where the fees, interest rates and expenses charged or incurred by Avista in connection with the transactions are competitive with then-existing market prices for similar transactions.

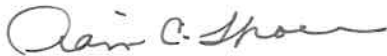
The issuance of debt securities under the requested authority is anticipated before the end of 2008 and is expected to be in the range of \$250-\$350 million with terms of 10-31 years and the interest rates not to exceed 7.0%, all depending on and subject to then-existing market prices for similar transactions. The actual amount issued and the maturities selected for the securities will be determined based on market conditions, investor demand and on Avista's current maturity schedule. At the time of issuance Avista will assess current market conditions to determine where the yield curve and spreads are most attractive, indicating strong investor demand. Based upon recent indications from investment banks, Avista could issue 10-year secured bonds at no more than 245 basis points over the current 10-year Treasury rate and no more than 265 basis points over the 30-year Treasury rate for a 30-year secured bond.

- (3) The issuance of the securities allows Avista to refinance its maturing debt and fund its capital expenditure program. The securities will allow the Company to better manage its debt and capital in an efficient and cost effective manner.

Avista, having provided herewith all information and statements required by RCW 80.08.030, WAC 480-100-242 (1)-(4) and WAC 480-90-242 (1)-(4), respectfully does not request an order affirming compliance with such requirements as part of this planned securities transaction.

If you have any question regarding this information please feel free to contact me at (509)-495-4331 or Paul Kimball at (509)-495-4584.

Sincerely,



Diane C. Thoren
Assistant Treasurer