

**Avista Corp.**  
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Telephone 509-489-0500  
Toll Free 800-727-9170



May 19, 2010

Mr. David Danner  
Executive Director & Secretary  
Washington Utilities and Transportation Commission  
1300 Evergreen Park Drive South  
Olympia WA 98504-7250

2010 MAY 21 AM 8:17  
COMMUNICATIONS  
UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION  
WASHINGTON, DC 20535

Dear Mr. Danner:

Enclosed herewith please find the Annual Report of Securities Transactions for calendar year 2009 for Avista Corporation pursuant to WAC 480-100-262 and WAC 480-90-262.

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

Sincerely,

A handwritten signature in black ink, appearing to read "D. Lysiak", written over a horizontal line.

Damien Lysiak  
Treasury Analyst

Enclosure

2009 ANNUAL REPORT OF SECURITIES TRANSACTIONS  
TO THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

This report sets forth the information required by WAC 480-90/100-262 for the securities transactions of Avista Corporation ("Avista" or "Company") during calendar year 2009.

**Bank Loans**

Credit Agreement

On November 25, 2009, the Company entered into a committed line of credit agreement with JPMorgan Chase Bank, N.A. and UBS Securities LLC, as Co-Documentation Agents, Wells Fargo Securities, LLC, as Syndication Agent, Union Bank, N.A., as Administrative Agent, KeyBank National Association, and U.S. Bank National Association in the amount of \$75.0 million with an expiration date of April 5, 2011. The new \$75.0 million committed line of credit replaces a \$200.0 million committed line of credit that expired on November 24, 2009 and is in addition to the Company's current \$320.0 million committed line of credit that expires on April 5, 2011. Avista Corp. may elect to increase the committed line of credit by up to \$25.0 million under the same agreement. The committed line of credit is secured by \$75.0 million of non-transferable First Mortgage Bonds of the Company issued to the agent bank. 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 committed line of credit.

Use of Proceeds

At December 31, 2009 there was \$0.0 million outstanding under this credit agreement. The maximum balance outstanding during 2009 was \$0.0 million.

Level of Expenses

Fees and expenses paid in connection with the short term borrowing arrangement were as follows:

<u>Description</u>	<u>Amount</u>
Bank Arranger & Agency Fees	\$ 650,000
Legal Fees	202,058
Title Insurance	72,535
Other	<u>5,698</u>
Total	<u>\$930,291</u>

## Securities Transactions

### Issuance of \$250 million First Mortgage Bonds Due 2022

On September 15, 2009, the Company entered into an underwriting agreement covering the issue and sale by the Company of \$250.0 million of 5.125 percent First Mortgage Bonds due in 2022 under a registration statement (No. 333-139239) previously filed with the Securities and Exchange Commission and the Washington Utilities and Transportation Commission's order #080182.

### Use of Proceeds

The net proceeds from the sale of the Offered Bonds, together with other available funds, to retire variable rate short-term borrowings outstanding under our \$320 million credit facility, which matures in April 2011, replacing maturing debt, and for general corporate purposes.

### Level of Expenses

Fees and expenses paid in connection with the issuance of the 5.125% First Mortgage Bonds through December 31, 2009 were as follows:

<u>Description</u>	<u>Amount</u>
Underwriters Fee	\$ 1,687,500
Discount	575,000
Rating Agency	253,500
Legal Fees	225,306
Accountant's Fee	9,685
Other Fees	36,262
Title Insurance	<u>72,535</u>
Total	<u>\$2,859,788</u>

### **Issuances of Common Stock**

The Company has been issuing new shares of common stock for the Dividend Reinvestment Plan, the 401(K) plan and the Long-Term Incentive Plan. During 2009 a total of 341,730 shares of common stock were issued to the plans. The Company did not issue under its periodic offering program during 2009.

### **Use of Proceeds**

The total net proceeds of \$3.2 million under the plans were used as permitted by RCW 80.08.030.

### **Level of Expenses**

There are no direct fees or expenses paid in connection with the issuance of the Common Stock with regards to these plans through December 31, 2009.

### **Schedule of retired, refunded, repurchased, or otherwise removed**

The Company did not have any scheduled maturities in 2009, but the Company did redeem its Junior Subordinated Debt Securities issued to an affiliated trust AVA Capital III, at 100 percent of the principal amount (\$61.9 million) plus accrued interest. The Company's net redemption of \$60.0 million was funded by borrowings under its \$320.0 million committed line of credit agreement, that would later be termed out by the issuance of the 5.125% bonds issued in September 2009.

The company repurchased the \$17 million of outstanding Pollution Control Revenue Bonds and plan to reissue it along with the \$66.7 million in 2009. However, so long as Avista Corp. is the holder, the bonds will not be reflected as an asset or a liability on Avista Corp.'s Consolidated Balance Sheet.

### **Schedule of securities scheduled to mature in the calendar year of 2010**

During 2010, the Company has a total of \$35 million of securities scheduled to mature.