

Avista Corp.  
1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170



April 15, 2011

Mr. David Danner  
Executive Director & Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P. O. Box 47250  
Olympia, Washington 98504-7250

**RE: Avista Corporation Affiliated Interest Filing (Avista Development, Inc.) pursuant to RCW 80.16.020.**

Dear Mr. Danner:

Pursuant to RCW 80.16.020 and WAC 480-90-245, please find enclosed an original and three copies of the "Quit Claim Deed" between Avista Corp. and Avista Development, Inc., an Affiliated Interest, for the purchase of undeveloped land by Avista Corp. from Avista Development, Inc. The Quit Claim Deed is attached hereto as Attachment A.

Avista Capital, Inc., is a wholly owned subsidiary of Avista Corp. and is the parent corporation of Avista Corporation's non-regulated subsidiary investments and operations. Avista Development, Inc. is a wholly owned subsidiary of Avista Capital, Inc. and was established to manage real estate investments. Therefore, Avista Corp's ownership interest in Avista Development, Inc. creates an affiliated interest. The Avista Capital Organization Chart is attached hereto as Attachment B.

Avista Corp. will purchase 10.01 acres of undeveloped land (Parcel Q) from Avista Development, Inc., for approximately \$40,000, which is the book value of the property, which is less than the 2010 tax assessed value of \$218,000. The property is located in the Spokane Valley at the northeast corner of Barker Road and Trent Avenue in a development referred to as Boulder Park. Avista Development, Inc. had subdivided the land into residential and industrial parcels. Water and natural gas lines were incorporated into the subdivision, as a large high pressure gas line adjoins the property. Several lots immediately adjacent to Parcel Q were previously acquired by Avista Corp., which are being used for an electrical substation, transmission and distribution line corridors, buffer area and a combustion turbine facility.

Parcel Q is the last remaining property held by Avista Development, Inc. in the subdivision. The parcel will be used in conjunction with these utility uses described above. The Company will record the cost of the land in FERC Account No. 105, Electric Plant Held for Future Use, until such time the property is used for utility operations. At that point, the cost of the land will be transferred to FERC Account No. 101, Electric Plant in Service.

Letter to Mr. David Danner

April 15, 2011

Page 2 of 2

The parcel will be transferred at the book value \$39,119.35 to Avista Corp., who will bear any additional costs associated with the transfer. The Quit Claim Deed will be executed and recorded with Spokane County to complete the transaction by June 30, 2011.

Please direct any questions regarding this filing to Liz Andrews at (509) 495-8601.

Sincerely,

A handwritten signature in black ink that reads "Kelly Norwood". The signature is written in a cursive, flowing style.

Kelly O. Norwood  
Vice President, State and Federal Regulation  
Enclosure

**ATTACHMENT A**

**WASHINGTON AFFILIATED INTEREST FILING**

**QUIT CLAIM DEED**

ATTACHMENT A

**AFTER RECORDING MAIL TO:**

Name: Avista Corporation  
R. E. Dept. MSC-25  
Address: P. O. Box 3727  
City/State/Zip: Spokane, WA 99220-3727

**QUIT CLAIM DEED**

Grantor: Avista Development, Inc.  
Grantee: Avista Corporation  
Short Legal Desc.: Lot "Q" , Survey Book 92, page 15c  
Assessor's Tax Parcel No. 55052.9026

The Grantor, AVISTA DEVELOPMENT, INC., a Washington corporation, whose address is P.O. Box 3727, Spokane, Washington, 99220, for mutual benefit, transfer from wholly owned subsidiary to parent corporation WAC 458-61A-211-2C, does hereby convey and quit claim to AVISTA CORPORATION, a Washington corporation whose address is P.O. Box 3727, Spokane, Washington, 99220, Grantee herein, its successors and assigns, certain real property situated in the City of Spokane Valley, County of Spokane, State of Washington, described as follows;

The following described real property situate in the Northwest quarter of Section 5, Township 25 North, Range 45 East, W.M., Spokane County, Washington:

Parcel "Q" of Survey recorded July 26, 2001 under recording No. 4613726, in Book 92 of Surveys, page 15C. Spokane County Treasurer's Tax Parcel No. 55052.9026

Subject to:

1. Road Agreement, easements, restrictions, reservations, covenants and conditions of record.

(Avista Corp. File No. \_\_\_\_\_)

ATTACHMENT A

IN WITNESS WHEREOF, said corporation has caused this instrument to be executed by its proper officer(s).

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

AVISTA DEVELOPMENT, Inc.

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
County of Spokane )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned, a Notary Public in and for the above named County and State, personally appeared \_\_\_\_\_, to me known to be the \_\_\_\_\_ of AVISTA DEVELOPMENT, Inc., the Corporation that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said Corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said Corporation.

GIVEN under my hand and official seal the day and year last written above.

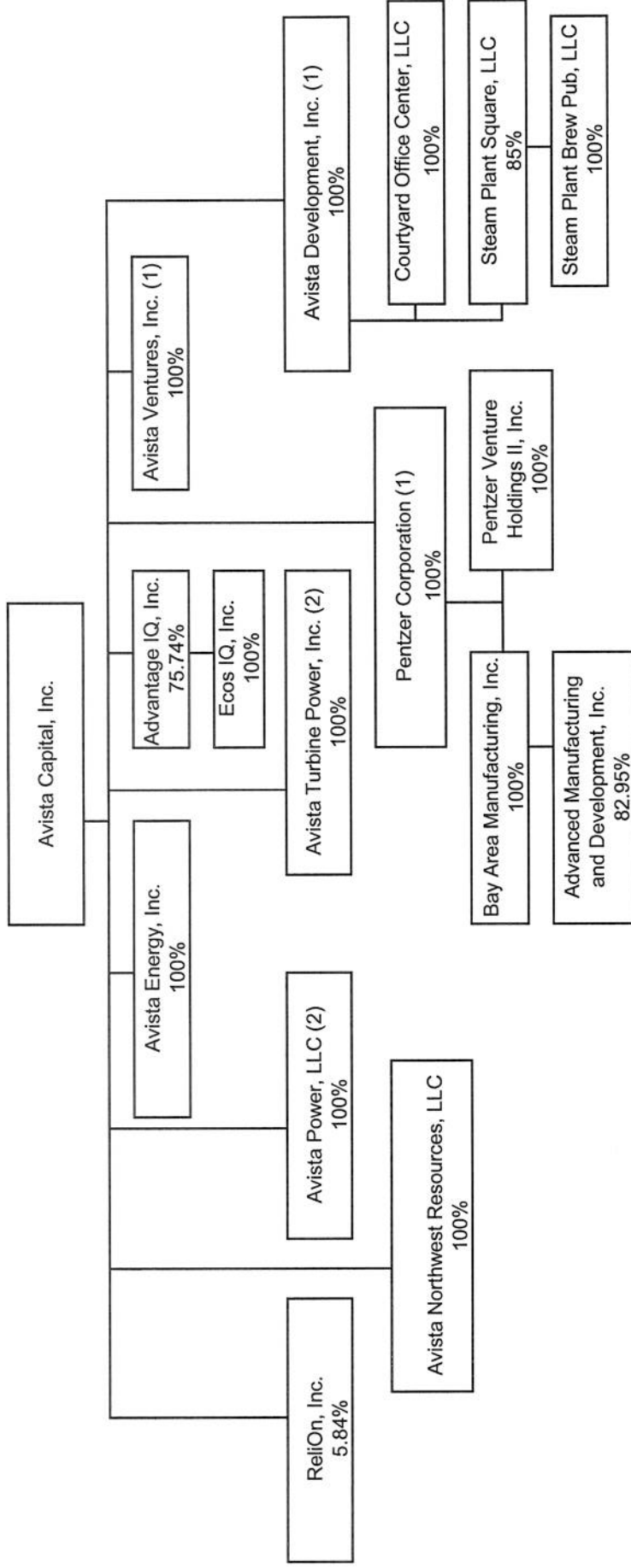
Signed \_\_\_\_\_  
printed \_\_\_\_\_  
Notary Public in and for the State  
of Washington, residing in Spokane.  
My Commission Expires: \_\_\_\_\_

**ATTACHMENT B**

**WASHINGTON AFFILIATED INTEREST FILING**

**AVISTA CAPITAL ORGANIZATION CHART**

**Avista Capital Organizational Structure  
December 31, 2010**



(1) No employees, passive income  
 (2) Ceased active development of additional projects

Note a) Inactive Subsidiaries under Avista Capital, not shown above, include: Coyote Springs 2, LLC