

**Avista Corp.**

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May 25, 2011

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

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STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

Dear Mr. Danner:

Enclosed herewith please find the Annual Report of Securities Transactions for calendar year 2010 for Avista Corporation pursuant to WAC 480-100-262 and WAC 480-90-262.

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

Sincerely,

Diane C. Thoren  
Treasurer

Enclosure

2010 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 2010.

**SECURITIES ISSUED:**

**Issuance of Short-Term Debt**

The following table is a summary of borrowings under the Company’s \$320 million credit facility for the 12 months ended 12/31/2010. The proceeds were used for daily working capital purposes, general corporate purposes, and other purposes allowed by RCW 80.08.040. There were no direct fees or expenses paid in connection with the issuance of short-term debt in 2010.

**Short-Term Debt Securities  
Issuances & Maturity Activity  
12 Months Ended 12/31/2010**

<b>Month</b>	<b>Total Issuances</b>	<b>Total Maturities</b>	<b>Weighted Average Interest Rate</b>	<b>Ending Monthly Balance</b>
Dec-09				87,000,000
Jan-10	59,000,000	59,000,000	0.575%	87,000,000
Feb-10	35,000,000	51,000,000	0.612%	71,000,000
Mar-10	46,000,000	47,000,000	0.524%	70,000,000
Apr-10	46,000,000	46,000,000	0.598%	70,000,000
May-10	25,000,000	30,000,000	0.588%	65,000,000
Jun-10	65,000,000	45,000,000	0.655%	85,000,000
Jul-10	31,000,000	30,000,000	0.676%	86,000,000
Aug-10	27,000,000	43,000,000	0.623%	70,000,000
Sep-10	38,000,000	33,000,000	0.591%	75,000,000
Oct-10	41,000,000	6,000,000	0.565%	110,000,000
Nov-10	39,000,000	34,000,000	0.571%	115,000,000
Dec-10	149,000,000	154,000,000	0.617%	110,000,000

## Issuance of Long-Term Debt

In December 2010, we issued \$52.0 million of 3.89 percent First Mortgage Bonds due in 2020 and \$35.0 million of 5.55 percent First Mortgage Bonds due in 2040.

Also in December 2010, we issued \$50.0 million of 1.68 percent First Mortgage Bonds due in 2013. The net proceeds from the issuance of the Bonds of \$49.8 million (net of placement agent fees and before our expenses) were used to repay a portion of the borrowings outstanding under our committed line of credit.

## Use of Proceeds

The total net proceeds from the sale of the of 3.89 percent First Mortgage Bonds due in 2020 and 5.55 percent First Mortgage Bonds due in 2040 of \$86.6 million (net of placement agent fees and before our expenses) were used to redeem \$45.0 million of 6.125 percent First Mortgage Bonds due in December 2013 and \$30.0 million of 7.25 percent First Mortgage Bonds due in September 2013. These First Mortgage Bonds were redeemed at par plus a make-whole redemption premium of \$10.7 million. In accordance with regulatory accounting practices, the make-whole redemption premium will be amortized over the life of the new debt issued.

The net proceeds of the 1.68 percent First Mortgage Bonds due in 2013 of \$49.8 million (net of placement agent fees and before our expenses), together with other available funds were used to pay down short-term borrowings outstanding under our \$320 million credit facility, which was replaced in February 2011.

## Level of Expenses

Type of Expense	Amount
Legal	\$240,326
Miscellaneous	4,796
Title Endorsement	45,105
Underwriter Fees	635,000
Redemption Premium	11,537,486
<b>Total<sup>1</sup></b>	<b>\$12,462,712</b>

<sup>1</sup> All expenses are being amortized over the life of the new debt securities.

### Issuances of Common Stock

During 2010, the Company issued a total of 230,266 new shares of common stock through the Dividend Reinvestment Plan, the 401(K) plan and the Long-Term incentive plan. The total net proceeds of \$3,463,929 under the plans were used for capital expenditures. 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, 2010.

The Company also issued shares through its periodic offering program amounting to 2,054,110 shares were issued under during 2010. The total net proceeds under the periodic program were \$43,174,162.

### Use of Proceeds

The total net proceeds of \$46.2 million under the plans were used pay down short term borrowings, general corporate purposes, and other purposes allowed 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 the Dividend Reinvestment Plan, the 401(K) plan and the Long-Term incentive plan through December 31, 2010.

Fees and expenses paid in connection with the issuance of the 2,054,110 shares of common stock through December 31, 2010 were as follows:

<b>Description</b>	<b>Amount</b>
Underwriters Fee	\$431,640
Legal Fees	144,447
Accountant's Fee	25,655
Misc	6,094
<b>Total</b>	<b>\$607,836</b>

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

<b>Long-term Debt Securities</b>			
<b>Matured Debt Schedule</b>			
<b>12 months ended 12/31/2010</b>			
<b>Long-term Debt Maturities</b>			
<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Coupon Rate</b>	<b>Issued Date</b>
07-12-2010	\$5,000,000	6.670%	07-12-1993
07-01-2010	5,000,000	6.900%	06-09-1995
10-26-2010	25,000,000	8.020%	10-26-1999
<b>Total Maturities</b>	<b>\$35,000,000</b>		

In December 2010, \$66.7 million and \$17 million of the City of Forsyth, Montana Pollution Control Revenue Refunding Bonds (Avista Corporation Colstrip Project) due 2032 and 2034 respectively, which had been held by Avista Corp. since 2008 and 2009, were refunded by new bond issues (Series 2010A and Series 2010B). The new bonds were not offered to the public and were purchased by Avista Corp. due to market conditions. The Company expects that at a later date, subject to market conditions, these bonds will be remarketed to unaffiliated investors.

In addition to the Pollution Control Bonds \$45.0 million of 6.125 percent First Mortgage Bonds due in December 2013 and \$30.0 million of 7.25 percent First Mortgage Bonds due in September 2013 were redeemed on December 20, 2010 at par plus a make-whole redemption premium of \$10.7 million. In accordance with regulatory accounting practices, the make-whole redemption premium will be amortized over the life of the new debt issued.

**Schedule of securities scheduled to mature in the calendar year of 2011**

During 2011, the Company has no long-term debt securities scheduled to mature.