

U-111687-SF

Avista Corp.
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Spokane, Washington 99220-3727
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Toll Free 800-727-9170



September 15, 2011

Mr. David Danner
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

RECEIVED
REGULATORY MANAGEMENT
2011 SEP 16 AM 9:43
STATE OF WASH
UTIL. AND TRAN
COMMISSION

Re: Planned Securities Issuance – up to 5,500,000 authorized but unissued shares of its Common Stock.

Pursuant to RCW 80.08.040, Avista Corporation ("Avista") intends up to issue up to 5,500,000 authorized but unissued shares of its Common Stock, from time to time, utilizing one or more potential methods to issue 4,500,000 shares through, but not limited to, periodic offering programs, direct sales or underwritten transactions, and 1,000,000 shares through the Applicant's Long-Term Incentive Plan in compliance with the requirements of Chapter 80.08 RCW. The terms of the financing are described in more detail in Section 2 of the application.

The Company requests to receive an Order of Approval from the Commission by October 13, 2011. When complete, please send one (1) executed copies of the Order of Approval to:

Diane C. Thoren
Treasurer
Avista Corporation
East 1411 Mission Avenue
Spokane WA 99202-2600

If any questions arise or additional information is needed, please do not hesitate to contact Damien Lysiak at 509-495-2097.

Sincerely,

Diane Thoren
Treasurer

Enclosures

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RECORDS MANAGEMENT

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
2011 SEP 16 AM 10:48

In the matter of the request of)
AVISTA CORPORATION)
for an order establishing compliance)
with Chapter 80.08 RCW)

Amended Application
STATE OF WASH.
UTIL. AND TRANSPORTATION
COMMISSION
Docket No.

Avista Corporation (hereinafter called "Applicant") hereby requests the Washington Utilities and Transportation Commission to enter a written order establishing that the proposed offering, issuance and sale by the Applicant of up to 5,500,000 authorized but unissued shares of its Common Stock, from time to time, utilizing one or more potential methods to issue 4,500,000 shares through, but not limited to, periodic offering programs, direct sales or underwritten transactions, and 1,000,000 shares through the Applicant's Long-Term Incentive Plan is in compliance with the requirements of Chapter 80.08 RCW. The requested authority is in addition to the authority previously granted by the Washington Utilities and Transportation Commission for the offering, issuance and sale of up Common Stock under Order No. 01, entered April 26, 2006, in Docket No. 060537, of which 376,390 shares remain authorized but unissued through the Company's periodic offering program, and under Order No. 01, entered December 28, 2005, in Docket No. 051895, of which 150,538 shares remain available for award pursuant to the Company's long-term incentive plan.


The following information is furnished in support of this application, in accordance with the requirements of RCW 80.08.040:

(1) A Description of the Purposes for Which the Issuance is Made, Including a Certification By an Officer Authorized To Do So That the Proceeds From Any Such Securities Are For One Or More of the Purposes Allowed By Chapter 80.08 RCW.

The Applicant will use the proceeds from the proposed offerings, issuance and sale of Common Stock for one or more of the following purposes: (a) The acquisition of property, or the construction, completion, extension, or improvement of its facilities, or (b) the improvement or maintenance of service, or (c) the issuance of stock dividends, or (d) the discharge or refunding of its obligations, or (e) the reimbursement of moneys actually expended from income or from the treasury of the Applicant to the extent permitted by RCW 80.08.030, or (f) for other purposes permitted by law.

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 15th day of September, 2011.

By: 
Diane C. Thoren
Treasurer

(2) A Description of the Proposed Issuance Including the Terms of Financing.

The Applicant proposed to issue up to 5,500,000 shares of authorized but unissued Common Stock of which the Company plans to sell 4,500,000 through periodic offering programs, direct sales or underwritten transactions and 1,000,000 through its Long Term Incentive Plan.

Periodic Offering Program:

The Applicant proposes that Common Stock issued could be sold under Periodic Offering Programs, where the price per share to be paid to the Applicant shall be at or based upon market prices prevailing at the time of sale; provided, however, that the price per share to be paid to the Applicant (before any commission to be paid to agents) shall not be less than an amount equal to the last sale price at which the Applicant's Common Stock was quoted or the record of composite quotations reported by The Wall

Street Journal (the "Reported Last Sale Price") on the business day immediately preceding the day such price is determined minus \$0.25; and provided, further, that such price per share (after any commission paid to agents) shall not be less than 100% of the book value per share of the Company's Common Stock as of the last day of the most recent calendar quarter.

Direct Sales:

In any direct sales, the Applicant proposes to issue the Common Stock from time to time in one or more direct sales specifically negotiated with purchasers interested in larger blocks of Common Stock.

Underwritten Transactions:

In any underwritten transaction, one or more underwriters will assist Applicant with the marketing and distribution of shares of Common Stock pursuant to an arrangement under which the shares would be sold in one or more methods of offering determined by such underwriter(s), all in accordance with the terms of an underwriting agreement. Such methods could include ordinary brokerage transactions, block transactions in accordance with the rules of the New York Stock Exchange, offerings off the floor of such exchange, any combination of such methods or any other method determined by such underwriter(s) with the approval of the appropriate Officers of the Applicant. The underwriter(s) selected by the Applicant will have experience in marketing securities similar to the Common Stock, are expected to be familiar with the Applicant and the Applicant's long-term financing goals. The underwriter(s) will assist the Applicant in evaluating market conditions and in formulating the terms and timing of any issuances.

Long-Term Incentive Plan:

The Applicant proposes to issue up to 1,000,000 shares of authorized but unissued Common Stock under its Long-Term Incentive Plan ("LTIP"). This is in addition to the authority previously granted by the Washington Utilities and Transportation Commission under Order No. 01, entered December 28, 2005, in Docket No. 051895, of which 150,538 shares remain available for awards pursuant to the Company's long-term incentive plan; however, if the Company does not issue the shares granted in 2009 through 2011, the Company would have 923,938 shares available.

The LTIP is administered by the Board of Directors of the Applicant or a committee or committees appointed by, and consisting of two or more members of the Board of Directors of the Applicant. To the extent consistent with applicable law, the Board of Directors may authorize one or more senior executive officers of the Applicant to grant awards to designated classes of eligible employees within the limits prescribed by the Board of Directors. Such shares were previously authorized by shareholders at the annual meeting dated May 13, 2010.

Such Awards issued under the LTIP may include, but are not limited to, Incentive Stock Options, Nonqualified Stock Options, Stock Appreciation Rights, Stock Awards, Performance Awards, Other Stock-Based Awards and Dividend Equivalent Rights. Awards may be granted singly, in combination or in tandem so that the settlement or payment of one automatically reduces or cancels the other. Awards may also be made in combination or in tandem with, as alternatives to, or as the payment form for, grants or rights under any other employee or compensation plan of the Company.

(3) Statement As To Why The Transaction Is In the Public Interest.

The requested authority allows the Applicant (i) to maintain and/or improve its debt to equity ratio over time by issuing additional Common Stock under periodic offering programs, direct sales or underwritten transactions, and (ii) retention of its employees and other eligible participants in the LTIP. The requested authority also allows the Applicant additional flexibility in managing its funds. Accordingly, Applicant believes the requested authority is consistent with the public interest and necessary or appropriate for or consistent with the proper performance by the Applicant of service as a public utility.

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(4) Text of a Draft Order Granting Applicant's Request for an Order.

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of)	DOCKET U-XXXXXX
)	
AVISTA CORPORATION dba AVISTA UTILITIES,)	ORDER 01
)	
Petitioner,)	
)	
For an Order Establishing Compliance with)	ORDER ESTABLISHING COMPLIANCE
the Provisions of RCW 80.08.040, with)	WITH RCW 80.08.040, RELATING TO
Respect to its Proposal to issue and sell up to)	SECURITIES ISSUANCE
5,500,000 shares of Common Stock.)	
.....)	

BACKGROUND

On September 14, 2011, the Applicant, filed an application with the Commission for an order establishing compliance under the provisions of Chapter 80.08.040 RCW. In its application, the Applicant's proposed offering, issuance and sale of Common Stock, from time to time, for purposes permitted by law, in forms necessary or convenient to its operations, in a total amount of up to and including 5,500,000 authorized but unissued share of Common Stock.

According to Avista's application and supporting documents, the proceeds of the financing are for one or more of the purposes allowed by RCW 80.08.030.

FINDINGS AND CONCLUSIONS

1. The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric and natural gas companies. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.*
2. The Applicant, Avista Corporation, a Washington corporation, is a public service company subject to the jurisdiction of this Commission under the provisions of Chapter 80.08 RCW.
3. The application Avista filed meets the requirements of *RCW 80.08* which concern the issuance of securities by public service companies.
3. The application in this Docket contains (a) a description of the purposes for which the proposed securities will be issued along with certification by an authorized officer that the proceeds from this

financing will be used for the purpose allowed by Chapter 80.08 RCW; (b) a description of the proposed issuance, including the terms of financing; and (c) a statement as to why the proposed transactions are in the public interest.

4. An order finding the application and the proposed offering, issuance and sale of Common Stock by the Applicant is in compliance with the requirements of Chapter 80.08 RCW should be entered.

ORDER

THE COMMISSION ORDERS:

1. The application filed by Avista Corporation, and the proposed offering, issuance and sale of Common Stock by Avista Corporation as described in the application is in compliance with the requirements of Chapter 80.08 RCW.
2. Avista Corporation is directed to file a Report of Securities Issued as required by WAC 480-110-565. Avista Corporation is also required to file verified copies of any agreement entered into in connection with any transaction pursuant to this Order. Finally, Avista Corporation shall file a verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this Order.

This Order shall in no way affect the authority of the Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters that may come before it. Nor shall anything in this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

DONE at Olympia, Washington, and effective this day of September 2011.

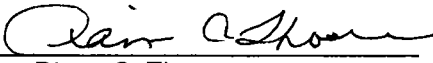
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

David Danner, Executive Secretary

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 request an order affirming compliance with such requirements as part of this planned securities transaction.

Done at Spokane, Washington this 15th day of September, 2011.

AVISTA CORPORATION

By: 

Diane C. Thoren
Treasurer