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PO Box 3727  
Spokane, WA 99220-3727

May 10, 2017

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

Dear Mr. King:

Enclosed herewith please find the Annual Report of Securities Transactions for calendar year 2016 for Avista Corporation pursuant to WAC 480-100-262 and WAC 480-90-262.

Please contact Jason Lang at (509) 495-2930 if you have any questions.

Sincerely,

A handwritten signature in blue ink, reading "Patrice K. Gorton". The signature is fluid and cursive, with the first name "Patrice" being the most prominent part.

Patrice K. Gorton  
Director of Finance and Assistant Treasurer

Enclosure initial

2016 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 2016.

**SECURITIES ISSUED:**

**Issuance of Short-Term Debt**

On April 18, 2014, the Company amended the \$400.0 million committed line of credit agreement with various banks. The committed line of credit was originally entered into on February 11, 2011 and amended on December 14, 2011. Amendments to the committed line of credit included an extension of the expiration date to April 18, 2019 from February 10, 2017. The amendment also provided the Company the option to request an extension of the committed line of credit for an additional one or two years beyond April 18, 2019.

On April 14, 2016, the Company requested that the expiration date be extended two years to April 18, 2021. All lenders to the committed line of credit agreed to extend the expiration date. The committed line of credit will expire on April 18, 2021. We incurred \$30,765 of legal fees associated with the extension of the expiration date of the committed line of credit.

In August 2016, the Company entered into a short-term loan agreement, with a variable interest rate, with a commercial bank in the amount of \$70 million with a maturity date of December 30, 2016. The proceeds were used to repay a portion of the \$90 million of first mortgage bonds that matured in August 2016. We repaid this term loan in its entirety in December 2016. We incurred \$95,745.98 of legal fees associated with this term loan and paid \$289,372 of interest expense associated with the term loan.

The following table is a summary of borrowings under the Company’s \$400 million credit facility and the \$70 million term-loan agreement for the 12 months ended 12/31/2016. The proceeds were used for daily working capital purposes, general corporate purposes, and other purposes allowed by RCW 80.08.040. There were direct fees or expenses paid in connection with the issuance of short-term debt during 2016, they were as follows:

	Weighted average borrowings outstanding	Weighted average rate	Interest Paid	Facility Fees
<b>2016 Short-term borrowings</b>	<b>\$161,875,956</b>	<b>1.36%</b>	<b>\$2,157,355</b>	<b>\$400,275</b>

**Issuance of Long-Term Debt**

In December 2016, the Company issued \$175.0 million of 3.54 percent First Mortgage Bonds due in 2051.

### Use of Proceeds

The total net proceeds, detailed in Table 1 below, from the sale of the new bonds were used to pay down short term borrowings, general corporate purposes, and other purposes allowed by RCW 80.08.030.

### Level of Expenses

	Dollar Amount	Percent of Total
<b>Gross Proceeds</b>	\$175,000,000	100.0%
<b>Arrangement Fees</b>	(770,000)	(0.4)
<b>Proceeds Payable to Applicant</b>	174,230,000	99.6
<b>Interest Rate Swaps</b>	(53,867,043)	(30.8)
<b>Other Issuance/Technical Services Expenses</b>	(369,249)	(0.2)
<b>Net Proceeds</b>	<b>119,993,707</b>	<b>68.6%</b>

Additional details and documentation related to the long-term debt issuance were previously filed on December 23, 2016.

### Issuances of Common Stock

#### **Periodic Offering Program (POP)**

In March 2016, we entered into four separate sales agency agreements under which the Company's sales agents may offer and sell up to 3.8 million new shares of the Company's common stock from time to time. Through the POP from January 1, 2016 through December 31, 2016 the Company issued \$1.6 million shares. There were \$1,018,346.36 of sales agent fees, accounting fees, filing fees, registration fees and legal expenses related to the POP in 2016. The following is the detail.

Shares	Price	Gross Proceeds	Sales Agent Fees	Legal, Accounting Net and Other Fees	Total Proceeds
1,645,000	\$40.88 <sup>1</sup>	\$66,285,403	\$662,854	\$355,492	\$65,267,057

<sup>1</sup> Average price of shares issued through the POP in 2016.

The total net proceeds of \$65.3 million under the plan were used to pay down short term borrowings, general corporate purposes, and other purposes allowed by RCW 80.08.030.

#### **Long Term Incentive Program ("LTIP") and Employee Stock Ownership Plan ("401(K) Plan")**

Through the LTIP and 401(K) Plan from January 1, 2016 through December 31, 2016 the Company awarded or issued shares. The following is the detail.

Shares	Price*	Proceeds*
230,283	\$7.34	\$1,689,510

\* The price and proceeds include shares awarded at a \$0.00 and other performance shares approved under the Company's LTIP.

There were \$11,245.89 of filing fees and accounting fees related to the LTIP in 2016.

The total net proceeds of \$1.7 million under the plan were used for general corporate purposes and other purposes allowed by RCW 80.08.030

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

During 2016, the Company had the following maturities:

Maturity Date	Principal Amount	Coupon Rate	Issued Date
8-14-2016	\$90,000,000	0.84%	8-14-2013
12-30-2016	\$70,000,000*	Variable	8-10-2016
<b>Total Maturities</b>	<b>\$160,000,000</b>		

\* The proceeds from the term loan were used to repay a portion of the \$90 million of first mortgage bonds that matured in August 2016

**Schedule of securities scheduled to mature in the calendar year of 2017**

The Company has no maturities scheduled in 2017.