

September 20, 2017



### \$90,000,000 First Mortgage Bonds

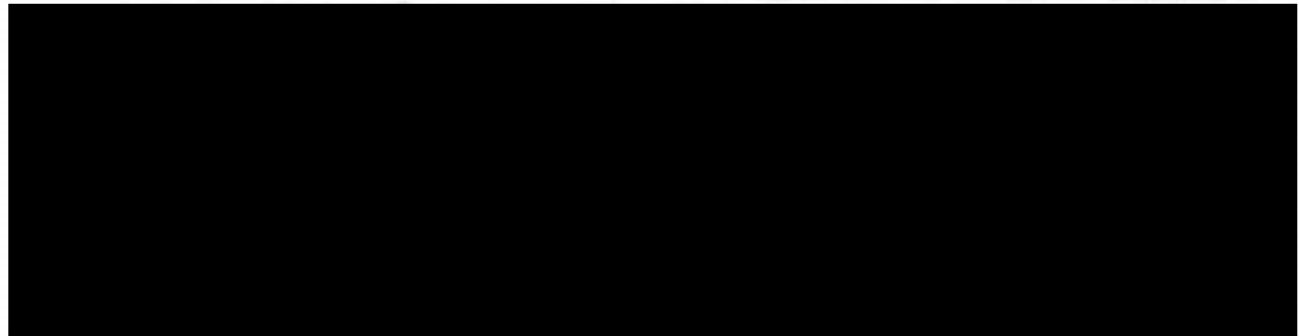
Dear Investor:

On behalf of Avista Corporation ("Avista" or the "Company"), J.P. Morgan Securities LLC ("J.P. Morgan") is pleased to confirm the following circles of the Company's First Mortgage Bonds (the "Bonds").

The pricing details for the Bonds are as follows:

Offering Summary	
Tranche	30 Year
Benchmark	2.750% due 8/15/2047
Quoted Yield <sup>1</sup>	2.81%
Credit spread (bps)	110
Final Coupon	3.91%
Final Maturity	December 1, 2047
Coupon Payment Dates	June 1 & December 1

<sup>1</sup> As shown on page PX1 (US) of Bloomberg and on page 2 of this confirm



#### Transaction details

The transaction will fund on December 14, 2017. The Bonds will have interest payments of June 1 and December 1, with the first payment occurring on June 1, 2018 and continuing semi-annually thereafter.

#### Documentation Changes:

The Bonds have been circled pursuant to the terms of the draft Bond Purchase Agreement and Supplemental Indenture which have been posted to Intralinks with the following contingencies:

1. Make-Whole calculation of remaining scheduled payments to run to maturity date rather than par call Date
2. Section 12.2(b) – revert back to prior language in the Bond Purchase Agreement dated August 23, 2016
3. Section 16.1 – revised to below language
  - o *Successors and Assigns*. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns; provided, however, that Section 7.1 (Financial

and Business Information), Section 7.3 (Visitation) and Section 8.2 (Home Office Payment) shall only insure to the benefit of subsequent holders of Bonds that are Institutional Investors.

J.P. Morgan will follow up with more information regarding the closing date and a due diligence call.

On behalf of the Company and J.P. Morgan, we appreciate your interest in the transaction and thank you for your participation in this offering.

Sincerely,

**J.P. Morgan Securities LLC**

Jamie Egbert (212) 834-3917

Sameer Kishore (212) 834-2309

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**Bloomberg Screenshot**

**30-Year US Treasury Rate**

GRAB						
United States						
11:31						
Actives Bills Notes TIPS Strips Sprds						
<b>Bills</b>						
31)	10/19/17	0.973/0.962	0.987/0.977	49) 3 247	103-25 / 26	2.810/2.809
32)	12/21/17	1.023/1.013	1.039/1.029	50) 3 547	103-26+ / 27+	2.809/2.807
33)	03/22/18	1.155/1.150	1.178/1.173	51) 2 3/4 847 30YR	98-24 / 24+	2.812/2.811
34)	09/13/18	1.255/1.250	1.284/1.279	<b>TIPS</b>		
<b>Notes</b>						
35)	1 1/4 619	99-24 3/4 / 24 3/8	1.388/1.382	52) 0 1/8 422	100-12 3/4 / 100-14 1/4	0.038/0.027
36)	1 1/8 719	99-30 3/4 / 31 1/8	1.396/1.390	53) 0 3/8 727	100-00 1/4 / 100-02	0.374/0.369
37)	1 1/4 819 2YR	99-23 / 23 3/4	1.397/1.393	54) 0 7/8 247	99-27 1/4 / 99-31	0.881/0.876
<b>Curve Trades</b>						
38)	1 1/2 720	99-30 3/4 / 31	1.514/1.511	55) 2yr vs 5yr	43.032/ -43.608	-0.063
39)	1 1/2 820	99-29+ / 29 3/4	1.527/1.525	56) 2yr vs 10yr	84.032/ -84.618	-0.113
40)	1 3/8 920 3YR	99-16 3/4 / 17	1.539/1.536	57) 5yr vs 10yr	40.834/ -41.177	-0.050
<b>Other Markets</b>						
41)	1 3/4 622	99-21 / 21 1/4	1.825/1.824	58) US Long(CBT)	11:21 d 154-04	--
42)	1 7/8 722	100-06 / 06 1/4	1.834/1.833	59) 10yr Fut (CBT)	11:21 d 126-00+	+0-01
43)	1 5/8 822 5YR	99-01 1/4 / 01+	1.829/1.828	60) 5Yr Fut(CBT)	11:21 d 117-30	+0-01 1/4
44)	2 1/8 724	100-13 / 13+	2.061/2.059	61) Dow Jones Ind	11:31 22387.172	+16.371
45)	1 7/8 824 7YR	98-24+ / 25	2.067/2.064	62) S&P 500 Ind	11:16 d 2505.670	-0.980
46)	2 1/4 227	100-04 / 04+	2.235/2.233	63) NYM WTI Crd	11:21 d 50.340	+0.860
47)	2 1/4 527	101-05+ / 06	2.239/2.237	64) Gold	11:31 1312.140	+1.040
48)	2 3/4 827 10YR	100-03 / 03+	2.239/2.238			

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