

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

Amended Application

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 5,000,000 authorized but unissued shares of its Common Stock, from time to time, 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 to 2,000,000 shares of Common Stock under a periodic offering program in Order No. 01, entered December 28, 2005, in Docket No. UE-051895.

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

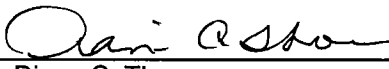
(1) A Description of the Purposes for Which the Issuance is Made, Including a Certification By an Officer Authorized To Do So That the Proceeds From Any Such Securities Are For One Or More of the Purposes Allowed By Chapter 80.08 RCW.

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 Applicant will utilize the proceeds of the proposed Common Stock offerings for lawful purposes as outlined in RCW 80.08.030.

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 7th day of April, 2006.

By: 
Diane C. Thoren
Assistant Treasurer

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

The Applicant proposes to offer, issue and sell up to 5,000,000 shares of authorized but unissued Common Stock, from time to time, utilizing one or more potential methods, including but not limited to, periodic offering programs, direct sales or underwritten transactions. Since the new shares of Common Stock are expected to be issued from time to time and such issuances and sales are dependent upon factors such as market conditions and investor demand, the Applicant is not now able to specify the price at which the Common Stock will be sold. The new shares will be offered to the public after a registration statement relating to the new shares is declared effective and any other applicable requirements satisfied.

Periodic Offering Programs

In any periodic offering programs, the Applicant proposes to issue the Common Stock from time to time through one or more agents. The agents 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 agents, all in accordance with the terms of sales agency

agreements. The agents 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 agents will assist the Applicant in evaluating market conditions and in formulating the terms and timing of the issuance.

The Applicant proposes that Common Stock issued and sold under a periodic offering program will be subject to the following pricing limitations: The price received by the Applicant, before agent commission, will not be less than \$0.25 below the last price at which the Applicant's Common Stock was reported in the record of composite quotations published in The Wall Street Journal on the trading day immediately preceding the day for the fixing of such price, and will also not be less than 100% of the book value per share of the Applicant's Common Stock as of the last day of the most recently ended 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 transactions, 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.

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

The requested authority allows the Applicant to reduce its debt to equity ratio over time by issuing additional Common Stock and thus will strengthen its balance sheet. The Applicant has an anticipated capital expenditure program in excess of \$450 million over the next three years. Additionally, debt and preferred stock in excess of \$550 million matures in that same timeframe. Issuing common equity will provide flexibility in meeting these obligations. 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.

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

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the matter of the request of)	Docket No. _____
AVISTA CORPORATION)	
for an order establishing compliance)	ORDER
<u>with Chapter 80.08 RCW</u>)	

On April 7, 2006, Avista Corporation ("Applicant") filed its application before the Washington Utilities and Transportation Commission in this matter for an order establishing that a proposed offering, issuance and sale by the Applicant of up to 5,000,000 authorized but unissued shares of its Common Stock, from time to time, is in compliance with the requirements of Chapter 80.08 RCW.

Background

On April 7, 2006, the Applicant, filed an application with the Commission under the provisions of Chapter 80.08 RCW for an order establishing compliance with the requirements of that statute in connection with 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 5,000,000 authorized but unissued share of Common Stock.

The Applicant has filed certain information with the Commission as required under RCW 80.08.040 and has requested the Commission to enter an order that the Applicant and the proposed offering, issuance and sale of Common Stock by the Applicant is in compliance with the requirements of Chapter 80.08 RCW.

FINDINGS

THE COMMISSION FINDS:

1. 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.
2. As to form, the application herein meets the requirements of Chapter 80.08 RCW and the rules and regulations of the Commission adopted pursuant thereto.
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 shall file, as soon as available:
 - a. The Report of Securities Issued required by WAC 480-146-230.
 - b. Verified copies of any agreement entered into in connection with any transaction pursuant to this order.
3. This order shall in no way affect the authority of this Commission over rates, service, accounts, valuations, estimates or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.

DONE at Olympia, Washington, and effective this _____ day of _____, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

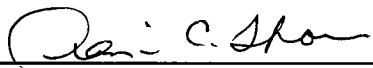
Carole J. Washburn
Secretary

Wherefore, the undersigned, an authorized agent of the Applicant, requests that the Washington Utilities and Transportation Commission issue its order affirming that the applicant has complied with the requirements of RCW 80.08.040.

The undersigned certifies, under penalties of perjury as provided in RCW 9A.72.085, that she has read the foregoing application 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 7th day of April, 2006.

AVISTA CORPORATION

By: 
Diane C. Thoren
Assistant Treasurer