

Avista Corp.  
1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170



February 28, 2012

Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S. W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Attention: Mr. David Danner, Executive Director & Secretary

RE: **Compliance Filing** - Avista Corporation - Dockets UE-110876 & UG-110877 (consolidated)

In its Order No. 06 in the above referenced dockets, at paragraph 42, the Commission stated:

Accordingly, we order the Company to file with the Commission in this proceeding by February 29, 2012, the following information:

A description of current executive compensation, including but not limited to base salary, non-equity incentive pay, and incentive pay. This description should state what elements and amounts are included in rates for the Company and what elements and amounts are not recovered through rates.

A description of how levels of executive compensation are set. This description should include discussion of the basis for selecting ostensibly comparable utilities that were surveyed, state what those survey results showed, and explain how the results relate to Avista. Avista is also required to state whether executive compensation paid by any Pacific Northwest investor-owned (e.g., Puget Sound Energy, PacifiCorp, et cetera) or publicly-owned utilities (e.g., Seattle City Light, Tacoma Power, Public Utility District No. 1 of Snohomish County, and the Bonneville Power Administration) were considered and, if not, explain why not.

A discussion of Avista's perspective on whether and, if so, why, the existing levels of executive compensation are appropriate for recovery in utility rates.

Attached for filing with the Commission are the requested descriptions and a discussion of the Company's executive compensation in compliance with the Commission's Order No. 06, at paragraph 42, in the above referenced dockets.

The report and exhibits, has CONFIDENTIAL information, which is protected per Protective Order in WUTC Dockets UE-110876 and UG-110877 and by WAC 480-07-160.

Please direct any questions on this matter to Liz Andrews at 509.495.8601.

Sincerely,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood  
Vice President, State & Federal Regulation

Enclosures  
cc: Service list