AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/14/2015
CASE NO.:	UE-150204 & UG-150205	WITNESS:	Jennifer Smith
REQUESTER:	Public Counsel	RESPONDER:	Annette Brandon
TYPE:	Data Request	DEPT:	State and Federal Regulation
REQUEST NO.:	PC – 017	TELEPHONE:	(509) 495-4324
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REQUEST:

Avista's Response to Public Counsel Data Request 13C and Avista's Response to Staff DR 7, Attachment B.
Avista states in this response that the restricted stock portion of the Executive Officer Long Term Incentive Plan does not have performance triggers and pay-out is based on time-vesting. Please provide the section in the executive LTIP plan that confirms that the restricted stock portion of the LTIP is based on time-vesting alone and any other documentation that confirms that executives other than the CEO are awarded restricted stock based on time-vesting alone.

RESPONSE:

The LTIP Administrator (2 or more members of the Board of Directors) has the authority, in its sole discretion, to determine the type or types of Awards that are made under the plan, provided certain IRS requirements[1]. The Plan Administrator has determined the basis for Restricted Stock Units is time-based, vesting in three equal annual increments, provided the executive remains employed by the Company on the last day of each year of the three-year period.

Please see PC_DR_017 Attachment A for a copy of the 2015 Annual Proxy statement which further explains the Restricted Stock component of the Long Term Incentive Plan beginning on page 46.

[1] PC_DR_007 Attachment C page 10, Section 6.1 "Form and Grant of Awards".

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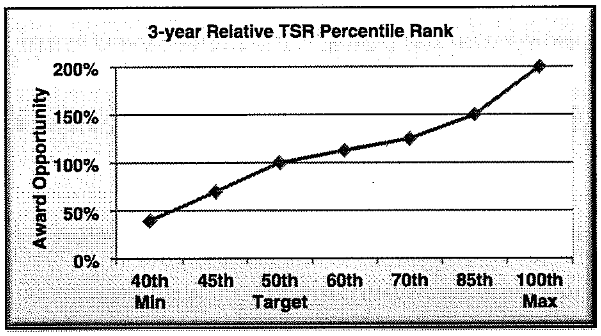
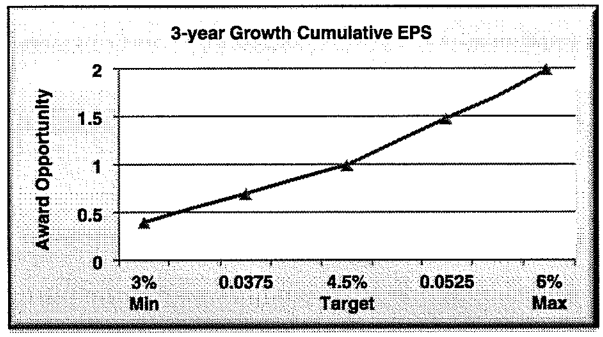
Notice of May 7, 2015 Annual Meeting of Shareholders and 2015 Proxy Statement

The following graphs represent the relationship between the Company's performance targets and the award opportunity.





2012-2014 Performance Shares Settlement

For performance shares granted in 2012 for the performance period ending December 31, 2014, the Compensation Committee held a special meeting on January 9, 2015 to review, certify, and settle the issuance of shares to executive officers. The Company's TSR was 57% during the three-year performance cycle, which placed the Company at the 43rd percentile among the S&P 400 Utilities Index. Based on these results, our CEO and our other NEOs earned 58% of the performance share awards granted in 2012. Accrued cash dividend equivalents were paid out on performance shares covered by the 2012 grant.

	Realized Value Received			
NEO	**Performance Share Awards**			**Total Realized Value**
	#	**Value**	**Dividend Equivalents**	
S. L. Morris	24,650	$874,582	$89,973	$964,555
M. T. Thies	6,960	$246,941	$25,404	$272,345
D. P. Vermillion	7,250	$257,230	$26,463	$283,693
M. M. Durkin	6,960	$246,941	$25,404	$272,345
K. S. Feltes	6,960	$246,941	$25,404	$272,345

Restricted Stock Units

The Company awards RSUs to improve retention and link compensation to the value of the Company common stock. For all NEOs and other executive officers other than our CEO, the vesting of RSUs is time-based, and the RSUs vest and shares are issued in three equal annual increments, provided the executive remains employed by the Company on the last day of each year of the three-year period. Dividend equivalents on time-based RSUs accrue and are paid in cash if and when the underlying RSUs vest. If the related RSUs are forfeited, the accrued cash dividends are also forfeited.

For our CEO, the RSUs vest and shares are issued in three equal annual increments provided our CEO remains employed by the Company on the last day of each year of the three-year period and the Company has attained the performance target. In order for any annual portion of our CEO's RSUs to vest, the Company's ROE for the year must exceed a hurdle rate equal to the Company's weighted average cost of debt. Dividend equivalents accrue on the unvested RSUs and, if the performance target is met, the dividend equivalents are paid in cash at the same time that the underlying RSUs vest and are issued in shares. If the Company does not achieve the minimum ROE performance target for the year, no shares or dividend equivalents are earned by our CEO.