

**Avista Corp.**  
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January 5, 2010

State of Washington  
Washington Utilities and Transportation Commission  
1300 Evergreen Park Drive South  
Olympia WA 98504

Attention: Ms. Carole Washburn, Secretary

Docket No. UE - 101722

We are submitting the following information in compliance with the Commission's Order No. 01 under Docket No. UE-101722 for the authorization to issue up to \$150,000,000 of debt securities.

On December 20, 2010, Avista Corporation (Avista Corp. or the Company) issued \$52.0 million of 3.89 percent First Mortgage Bonds due in 2020 and \$35.0 million of 5.55 percent First Mortgage Bonds due in 2040 pursuant to a bond purchase agreement with certain institutional investors in the private placement market. The new First Mortgage Bonds were issued under and in accordance with the Mortgage and Deed of Trust, dated as of June 1, 1939, from the Company to Citibank, N.A., trustee, as amended and supplemented by various supplemental indentures and other instruments.

The total net proceeds from the sale of the new bonds of \$86.6 million (net of placement agent fees and before Avista Corp.'s expenses) were used to redeem \$45.0 million of 6.125 percent First Mortgage Bonds due in December 2013 and \$30.0 million of 7.25 percent First Mortgage Bonds due in September 2013. These First Mortgage Bonds were redeemed on December 20, 2010 at par plus a make-whole redemption premium of \$10.7 million. In accordance with regulatory accounting practices, the make-whole redemption premium will be amortized over the life of the new debt issued.

On December 30, 2010, Avista Corporation (Avista Corp. or the Company) issued \$50.0 million of 1.68 percent First Mortgage Bonds (Bonds) due in 2013 pursuant to a bond purchase agreement with a certain institutional investor in the private placement market. The Bonds were issued under and in accordance with the Mortgage and Deed of Trust, dated as of June 1, 1939, from the Company to Citibank, N.A., trustee, as amended and supplemented by various supplemental indentures and other instruments.

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The net proceeds from the issuance of the Bonds of \$49.8 million (net of placement agent fees and before Avista Corp.'s expenses) were used to repay a portion of the borrowings outstanding under the Company's \$320.0 million committed line of credit.

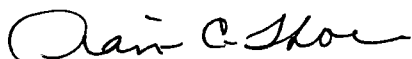
The costs<sup>1</sup> associated for these issuances are as follows:

Type of Expense	Amount
Legal	240,326
Miscellaneous	4,796
Title Endorsement	45,105
Underwriter Fees	635,000
Redemption Expenses	11,537,486
<b>Total</b>	<b>12,462,712</b>

See enclosed term sheets for more details on the transactions.

Please contact Damien Lysiak at (509) 495-2097 if you have any questions.

Sincerely,



Diane C. Thoren  
Treasurer

Enclosure

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<sup>1</sup> The Company expects that there will be additional cost associated with the filing of the 49<sup>th</sup> and 50<sup>th</sup> supplemental indentures. These costs are estimated to be around \$8,000 for each supplemental. Additionally there may be additional expenses that could be paid after this informational filing. These costs will be reflected in the cost of debt in next rate case.

## Avista Corp

### Pricing Term Sheet

*Note: The term sheet below is not complete and is qualified in its entirety by reference to the Bond Purchase Agreement which will be executed in connection with the proposed transaction*

Issuer:	Avista Corp
Security:	1.68% First Mortgage Bonds due 2013
Ratings* (Moody's/S&P/Fitch):	Baa1 / BBB+ / BBB+
Principal Amount:	\$50,000,000
Maturity:	December 30, 2013
Coupon:	1.68%
Interest Payment Dates:	June 30 and December 30, commencing June 30, 2011
Benchmark Treasury:	0.50% due November 15, 2013
Benchmark Treasury Yield:	0.68%
Spread to Benchmark Treasury:	+100 bps
Yield to Maturity:	1.68%
Price:	100%
Funding Date:	Scheduled for December 30, 2010
Redemption Provisions:	
Make-Whole Call:	Make whole call at T + 50 bps
Use of Proceeds:	Net proceeds from the sale of the Bonds will be used to refinance existing indebtedness and for other general corporate purposes

\* Note: A security rating is not a recommendation to buy, sell or hold securities, it may be revised or withdrawn at any time by the assigning rating organization and each rating presented should be evaluated independently of any other rating.

November 19, 2010



## \$87 million 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 "Securities").

The pricing details for the Securities are as follows:

<b>Offering Summary</b>		
	10 Year Bullet Maturity	30 Year Bullet Maturity
Benchmark US Treasury	2.625% due 11/20	4.250% due 11/40
Quoted Yield <sup>1</sup>	2.89	4.25
Credit Spread (bps)	100	130
Final Coupon	3.89%	5.55%
Final Maturity	December 20, 2020	December 20, 2040

<sup>1</sup> As shown on page PX1 of Bloomberg and on page 2 of this memo.

Participants in the offering are as follows:

<b>Investors</b>			
	10 Year Bullet Maturity	30 Year Bullet Maturity	Total
[REDACTED]	\$24,000,000	\$11,000,000	\$35,000,000
[REDACTED]	\$18,000,000	\$8,000,000	\$26,000,000
[REDACTED]		\$11,000,000	\$11,000,000
[REDACTED]	\$10,000,000		\$10,000,000
[REDACTED]		\$5,000,000	\$5,000,000
<b>TOTAL</b>	<b>\$52,000,000</b>	<b>\$35,000,000</b>	<b>\$87,000,000</b>

The transaction is expected to close on December 17, 2010 and fund on December 20, 2010. The interest payment dates will be June 1 and December 1 going forward, with the first interest payment date occurring on June 1, 2011.

Details on due diligence will be provided shortly.

Once again, on behalf of the Company, we thank you for your participation in this offering.

J.P. Morgan Securities LLC