e-FILING REPORT COVER SHEET

Send completed Cover Sheet and the Report in an email addressed to:
PUC.FilingCenter@state.or.us

REPORT NAME: 2015 Annual Budget of Expenditures and Construction Budget

COMPANY NAME: Avista Corporation

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? ☐No ☒Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: ☐RE (Electric) ☒RG (Gas) ☐RW (Water) ☐RO (Other)

Report is required by: ☒OAR 860-027-0005 and 860-027-0015
☐Statute Enter statute number
☐Order Enter PUC Order No
☐Other Enter reason

Is this report associated with a specific docket/case? ☒No ☐Yes

If yes, enter docket number: Enter Docket number

List applicable Key Words for this report to facilitate electronic search:
Annual budget of expenditures, Construction Budget

DO NOT electronically file with the PUC Filing Center:

- Annual Fee Statement form and payment remittance or
- OUS or RSPF Surcharge form or surcharge remittance or
- Any other Telecommunications Reporting or
- Any daily safety or safety incident reports or
- Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.

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

AVISTA Corp.

March 26, 2015

Public Utility Commission of Oregon
Administrative Regulatory Operations
3930 Fairview Industrial Dr SE
Salem, OR 97302-1166

RE: Annual Compliance with OAR 860-027-0005 and 860-027-0015

Avista Corporation d/b/a/ Avista Utilities, hereby submits for electronic filing its annual budget reports in compliance with OAR 860-027-0005 and 860-027-0015.

Provided are the 2015 annual budget reports with the exception of the report "Annual salary and other compensation of officers and retired executives". Due to its confidential nature it is being mailed in an envelope marked confidential in accordance with OAR 860-001-0070.

If you have any questions regarding this report please contact me at (509) 495-4584.

Sincerely,

Paul Kimball
Regulatory Analyst
Avista Utilities

Enclosure

cc (Email):

PUBLIC UTILITY COMMISSION OF OREGON
PO BOX 1088, SALEM, OR 97308-1088
PUC.FilingCenter@state.or.us

GAS UTILITY NEW CONSTRUCTION BUDGET FOR 2015

GENERAL INSTRUCTIONS

1. Each energy utility operating within the State of Oregon and having gross operating revenues of $50,000 or more per year is required to file a New Construction Budget annually on or before December 31st and report information on new construction, extensions, and new additions to property of the utility in accordance with Oregon Administrative Rule 860-027-0015.
2. The New Construction Budget report should be completed and filed with the Public Utility Commission of Oregon Filing Center. Complete the e-Filing Report Cover Sheet found at http://egov.oregon.gov/PUC/eFiling/eReports/efiling_report_cover_sheet.docx. Email both the report and cover sheet to PUC.FilingCenter@state.or.us no later than December 31st of the year preceding that for which the budget is made.

For major projects (total project cost greater than $300,000) a narrative supplying the following information is required:

PROJECT NARRATIVE

1. Project Description: Include a brief technical specification of the project, ownership, if jointly owned, operating date, stage of construction, and other relevant information.
2. Need for the Project: Attach all prepared information documenting the need for the project, including the specific need the project is intended to fill. Economic comparisons with alternatives are to be provided. All the underlying assumptions of the economic analyses are to be specified.
3. Contingencies: Provide a listing of existing or potential future problems which might impact the final cost or successful completion and operation of the project, such as licensing problems, labor difficulties, litigation, etc.
4. Reconciliation with Prior Budget: Each successive year's budget can be expected to reflect differing estimates of project costs as the project progresses. For each major project, prepare a reconciliation with the prior budget's estimates and provide specific reasons for the changes.

In addition, please attach copies of prepared documentation or plans describing transmission, distribution, and general plant projects located in Oregon exceeding $100,000 in total cost and for which construction will commence in the budget year. Information submitted should contain a brief project description, location, and total budgeted cost.

FULL NAME OF GAS UTILITY			
Avista Corporation			
ADDRESS: PO BOX OR STREET NUMBER	CITY	STATE	ZIP CODE
PO Box 3727	Spokane	WA	99202-3727

CERTIFICATION: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

SIGNATURE	TITLE	DATE
[signature]	Pres Avista Util - Sr VP Corp	3/26/15

Schedule B: Gas Utility New Construction Budget (System)	COMPANY: Avista Corporation	BUDGET YEAR: 2015

INSTRUCTIONS

1. Report percent ownership, scheduled operating dates, and expenditures required to complete project for major production, transmission, and general plant projects.
2. Major projects are defined as those projects having a total estimated cost to completion exceeding $300,000.
3. Under "Distribution," report specific line item expenditures for the budget year only. All expenditures for distribution following the budget year should be aggregated for the year and only total distribution expenditures reported for the period.
4. Non-major project expenditures within each category should be aggregated and only the totals reported.
5. Report all expenditures in thousands of dollars.

DESCRIPTION (Total Utility GAS and ELECTRIC)	PERCENT OWNERSHIP %	SCHEDULED OPERATING DATE (MO/YR)	EXPENDITURES (B.Y. = BUDGET YEAR; B.Y.+1 = THE FIRST YEAR AFTER THE BUDGET YEAR, ETC) PRIOR TO B.Y.	2015 B.Y.	2016 B.Y. + 1	2017 B.Y. + 2	2018 B.Y. + 3	2019 B.Y. + 4	REQUIRED TO COMPLETE	TOTAL
Major Production and Storage Projects:										
Non-Major Production and Storage Projects										
Total Production and Storage Projects				74,151	60,483	68,208	50,529	42,045		$295,416
Major Transmission Projects:										
Non-Major Transmission Projects										
Total Transmission Projects				48,188	46,632	41,503	39,113	34,331		$209,767
Distribution (See Instruction 3):										
Mains										
Measuring & Reg. Sta. Equipment										
Compressor Station Equipment										
Services										
Meters and Regulators										
Meter Installations										
Other (Land, Equipment, Structures)										
Total Distribution				157,992	180,804	181,691	188,581	202,507		$911,574
Major General Plant Projects:										
Non-Major General Plant Projects										
Total General Plant Projects				90,084	62,080	58,598	71,778	71,117		$353,657
Total New Construction Budget				$370,414	$350,000	$350,000	$350,000	$350,000		$1,770,414

Schedule C: Gas Utility New Construction Budget (Oregon)

COMPANY	BUDGET YEAR:
Avista Corporation	2015

INSTRUCTIONS

1. Report percent ownership, scheduled operating dates, and expenditures required to complete project for major production, transmission, and general plant projects.
2. Major projects are defined as those projects having a total estimated cost to completion exceeding $300,000.
3. Under "Distribution," report specific line item expenditures for the budget year only. All expenditures for distribution following the budget year should be aggregated for the year and only total distribution expenditures reported for the period.
4. Non-major project expenditures within each category should be aggregated and only the totals reported.
5. Report all expenditures in thousands of dollars

DESCRIPTION	PERCENT OWNERSHIP %	SCHEDULED OPERATING DATE (MO/YR)	EXPENDITURES (B.Y. = BUDGET YEAR; B.Y.+1 = THE FIRST YEAR AFTER THE BUDGET YEAR, ETC) PRIOR TO B.Y.	2015 B.Y.	2016 B.Y. + 1	2017 B.Y. + 2	2018 B.Y. + 3	2019 B.Y. + 4	REQUIRED TO COMPLETE	TOTAL
Major Production and Storage Projects:										
Non-Major Production and Storage Projects				131	113	108	117	105		
Total Production and Storage Projects				131	113	108	117	105		$574
Major Transmission Projects:										
Non-Major Transmission Projects										
Total Transmission Projects										
Distribution (See Instruction 3):										
Mains				9,814						
Measuring & Reg. Sta. Equipment										
Compressor Station Equipment										
Services				8,863						
Meters and Regulators				1,609						
Meter Installations										
Other (Land, Equipment, Structures)										
Total Distribution				20,287	20,661	20,764	20,795	21,171		$103,677
Major General Plant Projects:										
East Medford Reinforcement				5,000						
Elgin Line HP Reinforcement					1,750	1,750				
Bonanza Gate Stn Move				600						
Non-Major General Plant Projects				32	31	32	28	31		
Total General Plant Projects				5,632	1,781	1,782	28	31		$9,255
Total New Construction Budget				$26,049	$22,555	$22,654	$20,940	$21,307		$113,506

Avista Utilities Oregon Large Project Summary – 2015 Capital Plan

ER 3203 - E. Medford Reinforcement

Project Description: This final phase of the multi-year project will complete the 12" steel gas pipeline loop across the east side of Medford, OR. The length of the remaining segment is approximately 3.2 miles.

Need for the Project: Avista's Gas Integrated Resource Plan requires increased gas deliveries from the TransCanada Pipeline source at the Phoenix Road Gate Station in SE Medford. Existing distribution piping at this station is unable to receive the needed increased gas volumes. This new gas line encircling Medford to the east and tying into an existing gas line in White City will improve delivery capacity and provide a much needed reinforcement in the East Medford area which is forecasting higher growth.

Budget Reconciliation: This phase of the project has not previously been in the planning window.

Budget Year	2015	2016	2017	2018	2019
($000)	5,000				

ER 3209 – Elgin Line HP Reinforcement

Project Description: Install 16,800' of 6" stl gas main to reinforce the supply line to Elgin, OR. This last phase will connect the existing 6" main at Gekeler and Pierce to the 4" main on Hwy 82. Additionally, this project will add reliability to the area by providing two sources to the supply system in La Grande and Elgin.

Need for the Project: Currently, the Elgin line is fed from the 12th St regulator station. This station also feeds the entire town of La Grande, and this line is tapped in numerous places before it ends in Elgin. The proposed reinforcement would provide improved pressure East of Island City, providing a better feed for this line and the ability to reliably serve firm gas customers on design day conditions.

Budget Year	2015	2016	2017	2018	2019
($000)		1,750	1,750		

ER 3306 – Bonanza Gate Stn Upgrade

Project Description: Relocate the metering and odorizing equipment at the Bonanza Meter Station. This is a joint effort between TransCanada and Avista to eliminate an odorizer by relocating this station approximately 1000' to the south.

Need for the Project: This project will set up with the flexibility to lower the operating pressure of the Klamath Falls Lateral to lower than 20% if it were deemed advantageous. This pressure reduction would transition this line out of Transmission. It will cost Avista capacity on the lateral to do so, but that benefit may be offset if forced to do extraneous inspections due to Transmission Integrity Management Plan (TIMP).

Budget Year	2015	2016	2017	2018	2019
($000)	600				

PUBLIC UTILITY COMMISSION OF OREGON
3930 FAIRVIEW INDUSTRIAL DR SE, SALEM, OR
PO BOX 1088, SALEM, OR 97308-1088
PUC.FilingCenter@state.or.us

BUDGET OF EXPENDITURES REPORT FOR THE YEAR 2015

GENERAL INSTRUCTIONS

1. A Budget of Expenditures Report must be submitted by all utilities operating within the State of Oregon in accordance with Oregon Revised Statute 757.105.
2. The Budget of Expenditures Report should be completed and filed with the Public Utility Commission of Oregon Filing Center. Complete the e-Filing Report Cover Sheet found at: http://www.puc.state.or.us/pages/eFiling/eReports/index.aspx. Email both the report and cover sheet to PUC.FilingCenter@state.or.us by November 1st of the year preceding that for which the report is made.
3. Each section should be completed fully and accurately. Where the words "None" or "Not Applicable" truly and completely state the fact, they should be given as the answer.
4. Any additional statements or explanatory remarks should be included in the email as an attachment in Microsoft Word document format or text-searchable PDF.
5. Expenditures should be referenced by the applicable account number of the Uniform System of Accounts, adopted by the Commission, and to which the utility is subject.
6. All entries should be typewritten or made with permanent ink.
7. Report all amounts in whole dollars only, omit cents.

FULL NAME OF UTILITY				
Avista Corporation				
ADDRESS OF PRINCIPAL OFFICE		CITY	STATE	ZIP CODE
East 1411 Mission Avenue		Spokane	WA	99202
ADDRESS OF PRINCIPAL OFFICE IN OREGON (IF OTHER THAN ABOVE)		CITY	STATE	ZIP CODE
580 Business Park Drive		Medford	OR	97504
STATE OF INCORPORATION	DATE OF INCORPORATION	TYPE OF ORGANIZATION IF NOT INCORPORATED		DATE ORGANIZED
Washington	March 15, 1889	N/A		N/A

STATE THE CLASSES OF UTILITY AND OTHER SERVICES FURNISHED BY THE UTILITY IN EACH STATE IN WHICH THE UTILITY OPERATES

Washington: Electric, Natural Gas
Idaho: Electric, Natural Gas
Oregon: Natural Gas

DIRECTORS AT DATE OF BUDGET

NAME OF DIRECTOR	CITY AND STATE OF RESIDENCE	LENGTH OF TERM	TERM EXPIRES
Erik J. Anderson	Kirkland, WA	1 Year	2015
Kristianne Blake	Spokane, WA	1 Year	2015
Donald C. Burke	Langhorne, PA	1 Year	2015
John F. Kelly	Winter Park, FL	1 Year	2015
Rebecca A. Klein	Austin, TX	1 Year	2015
Scott L. Morris	Spokane, WA	1 Year	2015
Marc F. Racicot	Bigfork, MT	1 Year	2015
Heidi B. Stanley	Spokane, WA	1 Year	2015
R. John Taylor	Lewiston, ID	1 Year	2015
Janet D. Widmann	Lafayette, CA	1 Year	2015

CONFIDENTIAL

Annual Salary and Other Compensation of Officers and Retired Executives

Next 5 Pages

DONATIONS AND MEMBERSHIPS

INSTRUCTIONS: List all donations and membership expenditures proposed to be made by the utility during the coming year and the accounts to be charged. Give the name of each organization to whom a payment is to be made except that items less than $1000 may be consolidated by category stating the number of organizations included. Group expenditures under headings such as:

1. Contributions to and memberships in charitable organizations
2. Organizations of the utility industry
3. Technical and professional organizations
4. Commercial and trade organizations
5. All other organizations and kinds of donations and contributions

List by type and group the accounts charged. Report whole dollars only. Provide a total for each group.

NAME OF ORGANIZATION, CITY AND STATE		ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
2015 Estimated Donations				
Charitable Organizations				
IMNAHA CHRISTIAN FELLOWSHIP		426	1,000	1,000
Organizations (1) less than $1000 ea		402	100	100
Organizations (1) less than $1000 ea		417	109	109
Organizations (24) less than $1000 ea		426	9,000	9,000
	Subtotal		10,209	10,209
Other Donations/Contributions				
GRANTS PASS & JOSEPHINE COUNTY		426	1,000	1,000
SOREDI			3,500	3,500
ASHLAND INDEPENDENT FILM FESTIVAL			1,000	1,000
CRATERIAN PERFORMANCES			2,500	2,500
COMMUNITY HEALTH CENTER			1,000	1,000
ACCESS			1,000	1,000
UMPQUA SYMPHONY ASSOCIATION			1,000	1,000
UNION COUNTY EXTENSION			2,274	2,274
MUSIC ON THE HALF SHELL			1,500	1,500
SOUTHERN OREGON CHINESE			1,000	1,000
ASHLAND CHAMBER OF COMMERCE CONFERENCE			1,000	1,000
CITY OF TALENT			1,000	1,000
ROSS RAGLUND THEATER			1,000	1,000
Organizations (1) less than $1000 ea		416	750	750
Organizations (1) less than $1000 ea		417	500	500
Organizations (36) less than $1000 ea		426	16,019	16,019
Organizations (1) less than $1000 ea		880	500	500
Organizations (2) less than $1000 ea		930	999	999
	Subtotal		37,542	37,542
	TOTAL		**47,751**	**47,751**
2015 Estimated Dues				
Utility Organizations:				
Western Energy Institute		930	30,000	2,611
	Subtotal		30,000	2,611
Technical/Professional Organizations:				
Northwest Gas Assn.		930	63,192	5,499
American Gas Assn			208,025	18,102
	Subtotal		271,217	23,601
Other Organizations:				
SOREDI		426	2,500	2,500
THE PARTNERSHIP			2,500	2,500
OREGON ECONOMIC DEVELOPMENT ASSOC			1,250	1,250
KCEDA			1,250	1,250
OREGON ECONOMIC DEVELOPMENT ASSOC		930	2,250	2,250
KCEDA			1,250	1,250
Organizations (1) less than $1000 each		417	290	290
Organizations (15) less than $1000 each		426	3,159	3,159
Organizations (1) less than $1000 each		874	300	300
Organizations (1) less than $1000 each		880	385	385
Organizations (1) less than $1000 each		908	260	260
Organizations (1) less than $1000 each		921	371	371
Organizations (17) less than $1000 each		930	5,428	3,602
	Subtotal		21,193	19,367
	TOTAL		**322,410**	**45,579**

EXPENDITURES FOR PENSIONS OR A TRUST TO PROVIDE PENSIONS

INSTRUCTIONS: List all proposed payments to persons or trusts to provide pensions for employees and officers. Show all administrative and actuarial costs for formal pension plan. Give a brief description of the plan and show charges for current service costs, past service costs, and future service costs. Report whole dollars only.

PENSION FUND PAYMENTS MADE TO	ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
2015 Pension, Pension Administration and Actuarial Costs: An audited copy of the Trustee's Financial Statements for the Plan Year ended 12/31/13 is attached. Contributions to the plan for 2015 have not yet been determined. All administrative and actuarial costs will be paid directly from the pension fund. The details of administrative and actuarial costs for 2015 are not yet available.			

THE RETIREMENT PLAN FOR EMPLOYEES
OF AVISTA CORPORATION

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2013 AND 2012

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

CliftonLarsonAllen

CliftonLarsonAllen LLP
www.CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Compensation and Organization Committee
The Retirement Plan for Employees of Avista Corporation
Spokane, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of The Retirement Plan for Employees of Avista Corporation (the Plan), which comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits (modified cash basis) for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Compensation and Organization Committee
The Retirement Plan for Employees of Avista Corporation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2013 and 2012, and the changes in financial status for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements were prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified in respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2013 and schedule of reportable transactions for the year ended December 31, 2013 are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Spokane, Washington
October 15, 2014

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS (MODIFIED CASH BASIS)
DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
INVESTMENTS (at Fair Value)		
Mutual Funds	$ 349,163,594	$ 327,383,639
Partnership / Closely Held Interests	56,058,600	18,129,113
Collective Trust	75,520,493	60,623,774
NET ASSETS AVAILABLE FOR BENEFITS	$ 480,742,687	$ 406,136,526

See accompanying Notes to Financial Statements.

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
ADDITIONS TO (DEDUCTIONS FROM) NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO:		
INVESTMENT INCOME		
Interest and Dividends	$ 10,507,210	$ 10,935,955
Net Appreciation in Fair Value of Investments	41,646,223	43,716,420
Total Investment Income	52,153,433	54,652,375
COMPANY CONTRIBUTIONS	44,262,460	44,000,000
BENEFITS PAID TO PARTICIPANTS	(21,324,065)	(20,560,841)
ADMINISTRATIVE FEES	(485,667)	(439,042)
NET INCREASE	74,606,161	77,652,492
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of Year	406,136,526	328,484,034
End of Year	$ 480,742,687	$ 406,136,526

See accompanying Notes to Financial Statements.

NOTE 1 DESCRIPTION OF PLAN

The following description of The Retirement Plan for Employees of Avista Corporation (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit plan established by Avista Corporation (the Company) for the benefit of the employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and all statutory revisions thereto. The Plan was originally effective March 1, 1948, and has most recently been amended effective January 1, 2014. Employees become participants in the Plan after completing one year of continuous service in which at least 1,000 hours of service are credited. The Plan excludes leased employees, nonresident aliens, and employees covered by a collective bargaining agreement.

Effective January 1, 2014, the Plan was amended to exclude non-collectively bargained employees hired on or after that date. As of same date, the Plan was also amended to modify the lump sum distribution calculations and clarify eligible compensation and crediting methods. Effective April 1, 2014, the Plan was amended to exclude certain collectively bargained employees.

Pension Benefits

The Plan provides for normal annual retirement benefits equal to 1.5 percent or 1.2 percent of the Member's Final Average Earnings (as defined) multiplied by the participant's years of Benefit Service (as defined). Earnings taken into consideration in the calculation of benefits are limited to amounts allowed by federal statute. Early retirement options, subject to Plan provisions, are available as early as age 55. Benefits are paid under several options specified in the Plan. Employees become fully vested after attaining five years of service with the Company.

Effective January 1, 2006, the annual retirement benefits formula changed to 1.2 percent of the Member's Final Average Earnings (as defined) for non-bargained newly-hired employees and rehired employees. Also, included in this change are the newly-hired and rehired employees of Local 659. Effective January 1, 2011, Local 77 agreed to this formula for newly-hired and rehired employees.

Death and Disability Benefits

The Plan provides a death benefit if a member has completed at least five years of vesting service and if there is an eligible spouse or eligible child (children). A disability (as defined) retirement benefit is available to a member who has five or more years of vesting service and becomes disabled.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting records of the Plan are maintained on a modified cash basis wherein certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Fair Value Measurements

Financial Accounting Standards Board *Accounting Standards Codification* 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at December 31, 2013 and 2012.

Use of Estimates

The preparation of financial statements requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition

The Plan's investments are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Collective trust funds – Investments in collective trust funds are presented at estimated fair value, which is determined based on the unit value of the fund. Unit value is determined by an independent trustee, which sponsors the fund, by dividing the fund's net assets by its units outstanding at the valuation date (net asset value or NAV).

Closely held investments and partnership interests – The fair value of the closely held investments and partnership interests is based upon the allocated share of the fair value of the underlying assets as well as the allocated share of the undistributed profits and losses, including realized and unrealized gains and losses.

Real estate investments – Included in the "Collective trust funds" and "Closely held investments and partnership interests" categories above are various real estate holdings. The market-related value of Plan assets invested in real estate was determined by the investment manager based on three basic approaches:

- Current cost of reproducing a property less deterioration and functional economic obsolescence,
- Capitalization of the property's net earnings power, and
- Value indicated by recent sales of comparable properties in the market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Administrative Costs

Certain administrative functions are performed by officers or employees of the Company (benefit plan administrative committee) appointed by the Company's board of directors (compensation and organization committee). No such officer or employee receives compensation from the Plan. Substantially all administrative expenses (consisting of actuarial, audit, and trust administration fees) are ordinarily borne by the Plan.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to:

a) retired or terminated employees or their beneficiaries
b) present employees or their beneficiaries.

Benefits payable under all circumstances – retirement, death, and termination of employment – are included to the extent they are deemed attributable to employee service rendered to the valuation date (Note 7).

Reclassifications

Certain amounts in the 2012 financial statements have been reclassified to conform with the 2013 presentation. These reclassifications do not affect net assets available for benefits as previously reported.

Subsequent Events

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through October 15, 2014, the date the financial statements were available to be issued.

NOTE 3 FUNDING POLICY

The Company's funding policy is to contribute at least the minimum amounts that are required to be funded under ERISA, but not more than the maximum amounts that are currently deductible for income tax purposes. Under the projected unit credit cost method, which was used to value all benefits (including ancillary benefits), the Plan's benefit obligations to participants for past services are computed on a present value basis using actual service as of the valuation date and projected future compensation. All contributions to the Plan, which are made by the Company only, are determined based on recommendations by an independent actuary. The Company contributions for the years ended December 31, 2013 and 2012, met the minimum funding requirements of ERISA.

NOTE 4 FAIR VALUE OF INVESTMENTS

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2013			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Fixed Income Securities	$ 86,480,482	$ 310,223	$ -	$ 86,790,705
U.S. Equity Securities	152,830,989	-	-	152,830,989
International Equity Securities	85,942,436	-	-	85,942,436
Absolute Return [1]	23,599,464	-	-	23,599,464
Total Mutual Funds	348,853,371	310,223	-	349,163,594
Partnership / Closely Held Interests:				
Absolute Return [1]	-	34,155,703	-	34,155,703
Private Equity [3]	-	409,311	-	409,311
Real Estate	-	3,162,764	-	3,162,764
Commodities	-	18,330,822	-	18,330,822
Total Partnership Interests	-	56,058,600	-	56,058,600
Collective Trusts:				
Real Estate	-	19,648,705	-	19,648,705
Fixed Income Securities	-	55,871,788	-	55,871,788
Total Collective Trusts	-	75,520,493	-	75,520,493
Total Investments at Fair Value	$348,853,371	$131,889,316	$ -	$480,742,687

NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)

	2012			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Fixed Income Securities	$ 83,349,477	$ -	$ -	$ 83,349,477
U.S. Equity Securities	135,436,458	-	-	135,436,458
International Equity Securities	79,447,744	-	-	79,447,744
Absolute Return [1]	20,892,332	-	-	20,892,332
Commodities [2]	8,257,628	-	-	8,257,628
Total Mutual Funds	327,383,639	-	-	327,383,639
Partnership / Closely Held Interests:				
Absolute Return [1]	-	17,765,173	-	17,765,173
Private Equity [3]	-	363,940	-	363,940
Total Partnership Interests	-	18,129,113	-	18,129,113
Collective Trusts:				
Real Estate	-	17,516,617	-	17,516,617
Fixed Income Securities	-	43,107,157	-	43,107,157
Total Collective Trusts	-	60,623,774	-	60,623,774
Total Investments at Fair Value	$327,383,639	$ 78,752,887	$ -	$406,136,526

(1) This category invests in multiple strategies to diversify risk and reduce volatility. The strategies include: (a) event driven, relative value, convertible, and fixed income arbitrage, (b) distressed investments, (c) long/short equity and fixed income, and (d) market neutral strategies.

(2) The fund primarily invests in derivatives linked to commodity indices to gain exposure to the commodity markets. The fund manager fully collateralizes these positions with debt securities.

(3) This category includes several private equity funds that invest primarily in U.S. companies.

NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)

The following tables set forth additional disclosures for the fair value measurement of investments in certain entities that calculate NAV per share (or its equivalent) as of December 31:

	2013			
Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Partnership / Closely Held Interests:				
Euclid Partners SR LTD Partnership	$ 409,311	$ -	Daily	Daily
BPIF Non-Taxable LP	9,558,989	-	Semi-annual	95 days
Oaktree RE Opp Fund VI LP	3,162,764	-	Daily	Daily
AQR Delta XN Offshore LP	14,682,388	-	Monthly	75 days
Schroder Commodity Port	18,330,822	-	Monthly	30 days
Aetos Capital Growth Port	9,914,326	-	Quarterly	60 Days
Collective Trusts:				
JPMCB Strategic Property Fund	10,799,533	-	Quarterly	45 Days
Prudential U.S. Long Duration Corp. Bond	55,871,788	-	Daily	Daily
UBS Trumbull Property Fund	8,849,172	-	Quarterly	60 Days

	2012			
Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Partnership / Closely Held Interests:				
Euclid Partners SR LTD Partnership	$ 344,172	$ -	Daily	Daily
BPIF Non-Taxable LP	8,773,932	-	Semi-annual	95 days
Ticonderoga Partners III	14,694	-	Daily	Daily
Ticonderoga e-Serivces	5,074	-	Daily	Daily
Aetos Capital Growth Port	8,991,241	-	Quarterly	60 Days
Collective Trusts:				
JPMCB Strategic Property Fund	9,408,250	-	Quarterly	45 Days
Prudential U.S. Long Duration Corp. Bond	43,107,157	-	Daily	Daily
UBS Trumbull Property Fund	8,108,367	-	Quarterly	60 Days

NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)

Partnership / Closely Held Interests

Absolute Return:

BPIF Non-Taxable LP uses nontraditional investment strategies focusing on market inefficiencies and valuation discrepancies. The fair value is determined based upon quoted market prices for marketable securities and estimated fair value for nonmarketable securities. Generally, a limited partner may, on each June 30 and December 31, request a withdrawal of all or part of its capital account, with a minimum of 95 days notice. Gates may be put in place if a certain percentage of assets are being requested for redemption by investors.

The closely held investment included in the table above is the Aetos Capital Growth Portfolio, LLC (the Portfolio). The Portfolio is designed to provide U.S. and offshore investors a consistent absolute return with lower volatility versus traditional markets. The Portfolio incorporates a fundamentally based investment process with a disciplined approach to strategy allocation, manager selection, and portfolio monitoring. The fair value is determined based upon quoted market prices for marketable securities and estimated fair value for nonmarketable securities. The Portfolio allows for quarterly redemption with a minimum of 60 days written notice. Up to 10 percent of the Plan's assets could be held until the Portfolio's yearly audit is complete. The Portfolio may suspend redemptions at any time.

The AQR Delta SN Offshore Fund, LP's stated investment objective is to seek to efficiently capture a diversified set of classic hedge fund strategies and deliver them to investors in a transparent and liquid vehicle with little or no correlation to traditional asset classes. Using a bottom-up, clearly defined investment process, the fund seeks to provide exposure to more than sixty "hedge fund risk premiums" across nine broad strategy groups with a dynamic and disciplined investment process that aims to provide risk-balanced exposure to the underlying strategies. The result is a high risk-adjusted expected return stream with low correlation to traditional asset classes. The Fund also allows for redemptions on the 15^{th} of every month and, with 75 calendar days notice, may make a full withdrawal from the fund.

Private Equity:

The partnerships in this investment category typically invest in nonmarketable fixed income and equity securities. The general partners determine the fair value of the investments based upon the sales price of recent transactions in similar securities, restrictions on transfer, recent trading volume, the current financial position of the issuer, significant recent events affecting the issuer, and any other factors affecting value.

NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)

Partnership / Closely Held Interests (Continued)

Real Estate:

The primary objective of the Oaktree Real Estate Opportunities Fund VI, LP is to achieve superior risk-adjusted returns without subjecting principal to undue risk of loss primarily through investments in real estate and real estate-related debt, companies, securities, and other assets on a global basis, with an emphasis on investments in the United States.

Commodities:

The Schroder Commodity Portfolio seeks long-term total return through investments in commodity-related instruments around the world. Full or partial withdrawals may be made at the end of each month, with at least 30 days written notice.

Collective Trusts

Fixed Income Securities:

Prudential U.S. Long Duration Corporate Bond Fund invests in marketable fixed income securities. The investment's fair value is determined based on quoted market prices of the underlying assets, quoted prices for similar securities, interest rates, prepayment, credit risk, etc.

Real Estate:

JPMCB Strategic Property Fund and UBS Trumbull Property Fund invest in office, retail, residential, and industrial real estate. The properties are externally appraised on an annual basis by independent appraisers. Additional appraisals may be performed as warranted by specific asset or market conditions. Property valuations are reviewed quarterly and adjusted as necessary. Loans are reflected at fair value.

NOTE 5 INVESTMENTS

The Plan's investments are held in bank-administered trust funds and managed by investment management firms. The finance committee of the Company's board of directors has established a formal investment policy that includes selecting professional investment advisors to manage investments, diversifying the investment portfolio between domestic and foreign investments and fixed-income and equity securities, and utilizing both short-term and long-term investments to help realize a consistent return.

The following presents investments that represent 5 percent or more of the Plan's net assets as of December 31:

	2013		2012	
	Cost	Current Value	Cost	Current Value
Mutual Funds:				
PIMCO Long-Term Credit	$66,834,115	$62,192,845	$62,871,034	$62,192,845
Vanguard Institutional Index Fund	68,309,457	98,449,012	75,091,099	85,104,701
AQR International Equity Fund LP	30,928,790	33,839,616	31,617,208	30,577,321
Vanguard Developed Markets Index Fund	24,202,873	33,567,648	25,568,116	30,186,528
PIMCO All Asset Fund	*	*	19,756,685	20,892,332
Vanguard Small-Cap Index Fund	16,253,660	26,437,959	17,665,123	21,301,722
Collective Trust:				
Prudential U.S. Long-Term Corp. Bond	54,447,640	55,871,788	37,099,220	43,107,157

* Represents less than 5% in year presented

During 2013 and 2012, the Plan's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated (depreciated) as follows:

	2013	2012
Mutual Funds	$ 40,944,154	$ 36,070,701
Partnership / Closely Held Interests	2,145,356	933,384
Collective Trust Funds	(1,443,287)	6,712,335
Total Appreciation	$ 41,646,223	$ 43,716,420

NOTE 6 PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Annuity benefits former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

2. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. governmental agency) up to the applicable limitations (discussed subsequently).

3. All other vested benefits (that is, vested benefits not insured by the PBGC).

4. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial level of benefits guaranteed by the PBGC.

NOTE 7 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

An independent actuary, Towers Watson, determines the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

NOTE 7 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

The following is a summary of actuarial present value of accumulated plan benefits as of December 31:

	2013	2012
Actuarial Present Value of Accumulated Plan Benefits:		
Vested Benefits:		
Participants Currently Receiving Payments	$ 204,061,102	$ 201,187,006
Other Participants	145,850,127	101,401,333
Total Vested Benefits	349,911,229	302,588,339
Nonvested Benefits	32,502,236	68,289,833
Total Actuarial Present Value of Accumulated Plan Benefits	$ 382,413,465	$ 370,878,172

The changes in the actuarial present value of accumulated plan benefits are summarized as follows for the years ended December 31:

	2013	2012
Actuarial Present Value of Accumulated Plan Benefits - Beginning of Year	$ 370,878,172	$ 335,066,543
Increase (Decrease) During the Year Attributable to:		
Change in Actuarial Assumptions	(5,085,141)	15,423,586
Actuary (Gains) Losses	(223,656)	5,821,706
Benefits Accumulated	12,404,104	11,590,059
Change in Discount Period	24,592,936	23,383,483
Benefits Paid	(21,324,065)	(20,407,205)
Plan Amendments	1,171,115	-
Actuarial Present Value of Accumulated Plan Benefits - End of Year	$ 382,413,465	$ 370,878,172

Significant assumptions underlying the actuarial computations relating to accumulated Plan benefits as of December 31, 2013 and 2012, are as follows:

Discount Rate:	2013:	6.60%
	2012:	6.60%
Salary Increase:	2013:	4.92% weighted average
	2012:	4.99% weighted average
Mortality Basis:		RP-2000 Combined Healthy Mortality for males and females, with mortality improvements projected to 2014 using Scale AA.

NOTE 7 ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS (CONTINUED)

Termination Rates: Rates at various ages:

Attained Age	Rate
Less than 25	13.0%
25-29	3.5
30-34	3.5
35-39	1.5
40-44	3
45-49	1.5
50-54	1.5
55-59	3
60-64	6
65 and Over	-

Retirement Rates:

Age	Rate
55	7%
56	5
57	8
58-60	11
61	18
62	30
63	25
64	20
65	40
66	50
67-68	25
69	75
70	100

Disability Rates: Rates of disability incidence are based on experience from 1976 to 1980 under group long-term disability insurance plans as reported under the transactions of the Society of Actuaries.

Spouse Benefit: It is assumed 85 percent of all male participants and 70 percent of all female participants are married. Wives are assumed to be three years younger than husbands.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

NOTE 8 PLAN TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated October 22, 2012, that the Plan and related trust are designed in accordance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

NOTE 9 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 10 PARTY-IN-INTEREST TRANSACTIONS

The Plan pays certain investment managers' fees and custodial fees, which are netted against investment income. Fees paid by the Plan for these services were $528,648 and $290,796 for the years ended December 31, 2013 and 2012, respectively. These fees are considered party-in-interest transactions.

NOTE 11 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31:

	2013	2012
Net Assets Available for Benefits per the Financial Statements	$ 480,742,687	$ 406,136,526
Company Contributions Receivable	32,000,000	44,000,000
Net Assets Available for Benefits per Form 5500	$ 512,742,687	$ 450,136,526

The following is a reconciliation of net increase in net assets available for benefits per the financial statements to net increase per Form 5500 for the year ended December 31, 2013:

Net Increase Per the Financial Statements	$ 74,606,161
Prior Year Contributions Receivable	(44,000,000)
Current Year Contributions Receivable	32,000,000
Net Increase Per Form 5500	$ 62,606,161

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
E.I.N. 91-04262470 PLAN NO. 001
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2013

(a)	(b) Identity of Issue	(c) Description of Investment	(d) Cost	(e) Current Value
		Mutual Funds		
	AQR Funds	AQR International Equity Fund LP	$ 30,928,790	$ 33,839,616
	Dodge & Cox	Dodge & Cox Stock Fund	8,099,333	13,978,399
	T. Rowe Price	T. Rowe Price Institutional Large Cap Growth Fund	7,237,546	13,965,619
	Lazard	Lazard Emerging Markets	17,761,582	18,535,172
	Vanguard	Vanguard Developed Markets Index Fund	24,202,873	33,567,648
	Vanguard	Vanguard Institutional Index Fund	68,309,457	98,449,012
	Vanguard	Vanguard Small Cap Index	16,253,660	26,437,959
	PIMCO	PIMCO Extended Duration Fund	14,926,797	10,426,700
	PIMCO	PIMCO Long-Term Credit	66,834,115	62,192,845
	Vanguard	Vanguard Long-Term Govt Bond Index	14,147,298	13,860,937
	Fidelity	Daily Income Money Market Portfolio	310,223	310,223
	PIMCO	PIMCO All Asset	23,426,700	23,599,464
		Total Mutual Funds	292,438,374	349,163,594
		Partnership / Closely Held Interests		
	Aetos Alternatives Management LLC	Aetos Capital Growth Portfolio LLC	7,703,726	9,914,326
	Private Equity Partnership	Euclid Partners SR LTD Partnership	858,983	409,311
	Private Equity Partnership	BPIF Non-Taxable LP	8,000,000	9,558,989
	Private Equity Partnership	Oaktree RE Opportunities Fund VI LP	3,162,764	3,162,764
	Private Equity Partnership	AQR Delta XN Offshore LP	14,000,000	14,682,388
	Private Equity Partnership	Schroder Commodity Portfolio	18,330,822	18,330,822
		Total Partnership Interests	52,056,295	56,058,600
		Collective Trusts		
	UBS	UBS Trumbull Property Fund	7,900,173	8,849,172
	JP Morgan	JPMCB Strategic Property Fund	8,593,928	10,799,533
	Prudential	Prudential U.S. Long Duration Corp. Bond	54,447,640	55,871,788
		Total Collective Trusts	70,941,741	75,520,493
	Total		$415,436,410	$480,742,687

THE RETIREMENT PLAN FOR EMPLOYEES OF AVISTA CORPORATION
E.I.N. 91-04262470 PLAN NO. 001
SCHEDULE H, LINE 4j—SCHEDULE OF REPORTABLE TRANSACTIONS
YEAR ENDED DECEMBER 31, 2013

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price	(d) Selling Price	(g) Cost	(h) Current Value	(i) Net Gain (Loss)
Category (i) - A Single Transaction Exceeds 5% of Plan Assets						
Daily Income Mmkt Port Fid	1 purchase	$ 34,549,578	$ -	$ -	$ 34,549,578	$ -
Daily Income Mmkt Port Fid	1 sale	-	32,700,000	32,700,000	32,700,000	-
Category (iii) - A Series of Transactions in Excess of 5% of Plan Assets						
Daily Income Mmkt Port Fid	31 purchases	$ 68,663,373	$ -	$ -	$ 68,663,673	$ -
Daily Income Mmkt Port Fid	27 sales	-	68,437,232	68,437,232	68,437,232	-
Highmark Diversified MMKT Fund	36 purchases	29,407,851	-	-	29,407,851	-
Highmark Diversified MMKT Fund	37 sales	-	29,323,771	29,323,771	29,323,771	-
Vanguard Institutional Index Fund	6 purchases	6,979,542	-	-	6,979,542	-
Vanguard Institutional Index Fund	33 sales	-	18,107,669	13,761,185	18,107,669	4,346,488

Columns (e) and (f) are omitted as they are not applicable.

There were no category (ii) or (iv) transactions during the year ended December 31, 2013.

POLITICAL ADVERTISING

INSTRUCTIONS: List all proposed payments for advertising the purpose of which is to aid or defeat any measure before the people or to promote or prevent the enactment of any national, state, district, or municipal legislation. Give the specific purpose of such advertising, when and where to be placed, and the account or accounts to be charged. Report who dollars only.

None

POLITICAL CONTRIBUTIONS

INSTRUCTIONS: List all proposed payments or contributions to persons and organizations for the purpose of aiding or defeating any measure before the people or to promote or prevent the enactment of any national, state, district, or municipal legislation. The purpose of all contributions or payments should be clearly explained. Report whole dollars only.

2015 Budgeted contract lobbyist fees/expenses:

- $479,500 (Oregon's portion $57,000)

2015 Budgeted political contributions

- $270,000 (Oregon's portion $40,000)

EXPENDITURES AND MAJOR CONTRACTS FOR THE PURCHASE OR SALE OF EQUIPMENT

INSTRUCTIONS: List all proposed expenditures and major contracts for the purchase or sale of equipment. Give the name and address of the person or organization with whom it is proposed to have such dealings and the account or accounts charged. Describe fully the equipment to be purchased or sold. Do not report estimates of routine construction projects. Limit the report to major contracts and expenditures. Report whole dollars only.

NAME AND ADDRESS OF PERSON OR ORGANIZATION, DESCRIPTION OF EQUIPMENT	ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
None			

EXPENDITURES TO ANY PERSON OR ORGANIZATION HAVING AN AFFILIATED INTEREST FOR SERVICES, ETC.

INSTRUCTIONS: Report all proposed expenditures to any person or organization having an affiliated interest for service. Advice, auditing, association, sponsoring, engineering, managing, operating, financial, legal or other services. See Oregon Revised Statutes 757.015 and 759.010 for definition of "Affiliated Interest." Give reference if such proposed expenditures have in the past been approved by the Commission. Describe the services to be received and the account or accounts to be charged. Report whole dollars only.

NAME AND ADDRESS OF PERSON OR ORGANIZATION. DESCRIPTION OF SERVICES	ACCOUNT NUMBER	TOTAL AMOUNT	AMOUNT ASSIGNED TO OREGON
None			

CERTIFICATION

The foregoing report must be certified by an Officer of the reporting company.

I certify that this Budget of Expenditures Report has been prepared under my direction, that I have carefully examined the report and declare it to be a complete and correct estimate of company expenditures for the coming year, to the best of my knowledge, information, and belief.

SIGNATURE OF OFFICER	DATE 3/26/15
NAME OF OFFICER Dennis P. Vermillion	DATE