

December 18, 2012

Public Utility Commission of Oregon
Administrative Hearings Division
550 Capitol St NE #215
PO Box 2148
Salem OR 97308-2148

Attention: Filing Center

UF 4269 Compliance Filings

Avista Corp. is submitting the following information in compliance with the Commission's Order No. under UF 4269 for the authorization to issue up to \$450,000,000 of Securities.

On November 30, 2012, Avista Corp. issued \$80.0 million of 4.23 percent First Mortgage Bonds due in 2047 under 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.

In connection with pricing of the First Mortgage Bonds, which took place prior to the issuance of these bonds, we cash settled interest rate swap contracts and paid a total of \$18.5 million, which will be amortized as a component of interest expense over the life of the debt. This results in an estimated effective rate on the bonds of 5.8 percent.

The bonds have not been, and will not be, registered under the Securities Act of 1933 or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The total net proceeds, detailed in Table 1 below, from the sale of the new bonds were used to repay a portion of the borrowings outstanding under the Company's \$400.0 million committed line of credit and for general corporate purposes.

Table 1.

Item	Dollar Amount
Gross Proceeds	\$80,000,000
Agents/Underwriters Compensation	(400,000)
Proceeds Payable to Applicant	79,600,000
Interest Rate Swaps	(18,546,870)
Other Issuance/Technical Services Expenses ¹	(263,000)
Net Proceeds	\$ 60,790,000

¹ These expenses are as of December 14, 2012 and may change as final invoices are received.

The following is additional detail regarding the "Other Issuance/Technical Services Expenses":

Type of Expense	Amount
Legal	179,000
Title Endorsement	73,000
Recording Fees	7,000
Miscellaneous	4,000
Total	263,000

The Company met the requirement to issue under Item 3-B of Order 11-334 as the all-in rate was less than 7.5 percent. The Company did not issue under condition 3-A of this order due to the all-in spread over the applicable treasury yield being greater than the amount allowed under condition 3-A of Order 11-334. All-in spreads exceeded condition 3-A due to the prevailing market conditions at the time of issuance that were outside of the Company's control.

The Company selected the private placement market for the following reasons:

- The offering size of this issuance
- The utilization of the delayed funding available in the private placement market. The delayed funding allowed the Company to lock in the coupon rate in May 2012, while delaying the actual receipt of the cash proceeds to November 30, 2012

The Company issued these long-term fixed rate FMBs based upon the current low interest rate environment relative to historical average interest rates.

Legal fees are reviewed on an annual basis. Legal fees incurred on this transaction are compared to legal fees incurred on prior transactions for reasonableness.

To accompany the information above and to comply with the Commission's order 11-334 the Company is attaching the following two Exhibits:

- Exhibit A: Finalized Fixed Coupon Rate
- Exhibit B: Pre-issuance pricing update based upon prevailing market conditions at the time of issuance.
- Exhibit C: Itemized invoices for all external legal costs
- Exhibit D: 54th Supplemental Indenture

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

Sincerely,



Ryan L. Krasselt
Assistant Treasurer, Director of Finance



e-FILING REPORT COVER SHEET

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

REPORT NAME: Compliance Report for Order No. 11 334

COMPANY NAME: Avista Corp

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)

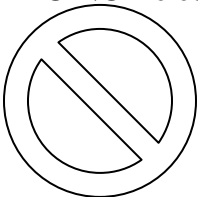
Report is required by: OAR Enter rule number
Statute Enter Statute
Order 11-334
Other Enter reason

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

If yes, enter docket number: UF 4269

List applicable Key Words for this report to facilitate electronic search:
Sale of Securities

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.

May 25, 2012



\$80,000,000 First Mortgage Bonds

Dear Investor:

On behalf of Avista Corporation ("Company" or "Avista"), J.P. Morgan Securities LLC ("J.P. Morgan") is pleased to confirm the following circles of the Company's First Mortgage Bonds (the "Bonds").

The pricing details for the Bonds are as follows:

Offering Summary	
Tranche	35-year
Benchmark	T 3.000% 5/42
Quoted Yield ¹	2.83%
Credit spread (bps)	140
Final Coupon	4.23%
Final Maturity	11/29/2047
Funding Date	11/30/2012

¹As shown on page PX1 of Bloomberg and on page 2 of this memo.

Participants in the offering are as follows:

Allocation Summary (\$ millions)	
Bullet Maturity	35-year
[REDACTED]	35.0
[REDACTED]	20.0
[REDACTED]	15.0
[REDACTED]	10.0
TOTAL	80.0

Additional information about an investor diligence call will be circulated in the next few days.

Please send the following information to J.P. Morgan (alexander.a.guzinski@jpmorgan.com).

- Diligence questions and topics
- Name and contact information of in-house counsel

The transaction is expected to fund on November 30, 2012. Interest payment dates will be February 1st and August 1st going forward with the first interest payment date occurring on February 1st, 2013.

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

J.P. Morgan Securities LLC

<HELP> for explanation.

Corp FIT

United States		1) Actions	2) Tools	3) Settings	Fixed Income Trading	
10:17						
4) Actives	9) Bills	6) Notes	7) TIPS	8) Strips	9) Spreads	10) Curves 10) WI
Bills			Bonds			
31) 06/21/12	0.070/0.065	0.066	--	49) 3 ¹ / ₈ N41	105-30 / 31	2.825 -0.039
32) 08/23/12	0.090/0.085	0.086	-0.005	50) 3 ¹ / ₈ 242	105-29 / 30	2.828 -0.039
33) 11/23/12	0.140/0.135	0.137	--	51) 3 542 30yr	103-10+ / 11+	2.833 -0.039
34) 05/02/13	0.190/0.185	0.188	--	TIPS		
Notes			Curve Trades			
35) 0 ¹ / ₄ 314	99-29 ³ / ₈ / 29 ⁵ / ₈	0.290	-0.008	52) 0 ¹ / ₈ 417	105-29 / 105-31	-1.063 -0.010
36) 0 ¹ / ₄ 414	99-29+ / 29 ³ / ₄	0.287	-0.008	53) 0 ¹ / ₈ 122	105-11+ / 105-14 ¹ / ₄	-0.428 -0.011
37) 0 ¹ / ₄ 514 2yr	99-29 ¹ / ₄ / 29+	0.289	-0.008	54) 0 ³ / ₄ 242	103-26 / 104-14+	0.586 -0.026
38) 0 ³ / ₈ 315	99-29 ¹ / ₄ / 29+	0.403	-0.014	Other Markets		
39) 0 ³ / ₈ 415	99-29 / 29 ¹ / ₄	0.405	-0.014	55) 2yr vs 5yr	46.748 / -47.300	-1.458
40) 0 ¹ / ₂ 515 3YR	99-17 / 17 ¹ / ₄	0.407	-0.013	56) 2yr vs 10yr	145.170 / -145.733	-2.477
41) 1 317	101-08 ¹ / ₄ / 08+	0.733	-0.023	57) 5yr vs 10yr	98.262 / -98.593	-1.019
42) 0 ⁷ / ₈ 417	100-19 ³ / ₄ / 20	0.745	-0.021	US Long(CBT)		
43) 0 ⁵ / ₈ 517 5yr	99-10+ / 10 ³ / ₄	0.761	-0.022	58) US Long(CBT)	10:07 d	147-23 + 0-07
44) 1 ¹ / ₄ 419	100-19 / 19+	1.158	-0.031	59) 10yr Fut (CBT)	10:07 d	133-21+ + 0-04
45) 1 ¹ / ₈ 519 7yr	99-19+ / 20	1.181	-0.029	60) 5yr Fut(CBT)	10:07 d	124-00 ³ / ₄ + 0-01 ¹ / ₄
46) 2 N21	102-24+ / 25	1.681	-0.034	61) Dow Jones Ind	10:17	12491.680 -37.988
47) 2 222	102-17 / 17+	1.714	-0.035	62) S&P 500 Ind	10:02 d	1322.570 +1.890
48) 1 ³ / ₄ 522 10yr	100-01 / 01+	1.745	-0.033	63) NYM WTI Crd	10:07 d	90.890 +0.230
				64) Gold	10:17	1566.150 +6.900

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 3204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2012 Bloomberg Finance L.P.
 SW 854862 EDT GMT-4:00 0509-1940-0 25-May-2012 10:17:27

RECENT ISSUANCES

May 29, 2012

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Recent utility issuances

Select recent private placements

Issuer	Country	Issue Date	Rating	Amount (mm)	Deal Details	Pricing (bps), coupon rate	Industry
 Liberty Utilities	Canada	May-12	BBB(High) (DBRS)	\$225mm	5b: \$50mm 10b: \$115mm 15b: \$60mm	275, 3.51% 275, 4.49% 315, 4.89%	Utility
 Central Maine Power	U.S.	May-12	A2/A-	\$350mm	10b: \$125mm 30b: \$225mm	130, 3.07% 160, 4.45%	Utility
 NorthWestern Energy	U.S.	May-12	A3/A-	\$150mm	30b: \$90mm 40b: \$60mm	110, 4.15% 125, 4.30%	Utility

Source: All available trade publications

12917-MAIN

Chapman and Cutler LLP

Wire Transfer Instructions:

Include Invoice/Matter Number
BMO Harris Bank N.A.
Chapman and Cutler LLP Special Account
Account Number 2089522
ABA Number 071000288
SWIFT Address: HATRUS44

AB

Please Return this Page with Payment to:

P.O. Box 71291
Chicago, Illinois 60694

Employer ID #: 36-2153731

Matter No.: 1987890
Date: June 13, 2012
Invoice #: 1526015

INVOICE REMITTANCE

Ms. Marian Durkin
Senior VP and General Counsel
Avista Corporation
1411 East Mission Avenue
Spokane, WA 99202

RE: Senior Notes of Avista Corporation

For professional fees and separately charged disbursement items as special counsel to Purchasers of \$80,00,000 First Mortgage Bonds, 4.23% Series due November 29, 2047 of Avista Corporation

Fees	\$ 35,000.00
Other Charges and Disbursements	\$ 174.58
TOTAL THIS INVOICE	\$ 35,174.58

Pay via ACH on 6/26/12 per Marian Durkin/gent. AB

Matter No.: 1987890
Date: June 13, 2012
Invoice #: 1526015

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OTHER CHARGES AND DISBURSEMENTS	\$ 174.58
TOTAL FEES, OTHER CHARGES AND DISBURSEMENTS	\$ 35,174.58 ✓

001.181860.22.22.dl
Legal for \$80 million FMB

Rain-Thomas
6-14-12

Marian Durkin ✓

Matter No.: 1987890
 Date: November 29, 2012
 Invoice #: 1548156

INVOICE

Ms. Marian Durkin
 Senior VP and General Counsel
 Avista Corporation
 1411 East Mission Avenue
 Spokane, WA 99202

RE: Avista Corporation - \$80mm First Mortgage Bonds due 2047

For professional fees and separately charged disbursement items through November 30, 2012, as special counsel to Purchasers of \$80,00,000 First Mortgage Bonds, 4.23% Series due November 29, 2047 of Avista Corporation

		FEES	\$ 14,500.00
		OTHER CHARGES AND DISBURSEMENTS	\$ 1,749.00
		TOTAL FEES, OTHER CHARGES AND DISBURSEMENTS	\$ 16,249.00
Date	Attorney	Services Rendered	Hours
6/01/12	Miller, Alyson C	Reviewed revisions to supplement and bond purchase agreement; reviewed opinions	.60
6/06/12	Miller, Alyson C	Drafted bpa; reviewed opinions	1.10
6/08/12	Miller, Alyson C	Email to investors; review schedule a;	.80
6/12/12	Mann, Neil R	Opinions	1.30
6/14/12	Miller, Alyson C	Call w/JPM; emails ton investors; reviewed comments to bpa	.30
6/18/12	Mann, Neil R	Opinion	1.40
6/19/12	Miller, Alyson C	Reviewed schedule a and signature blocks	.20
6/20/12	Mann, Neil R	Opinion questions	.60
6/21/12	Miller, Alyson C	Reviewed company's opinions; call with counsel; revised BPA	.60

Invoice #:

Date	Attorney	Services Rendered	Hours
6/26/12	Miller, Alyson C	Revised bpa; drafted c&c opinion	.70
6/27/12	Miller, Alyson C	Reviewed execution version; follow up with investors	.20
10/23/12	Miller, Alyson C	Drafted closing checklist	.30
10/29/12	Miller, Alyson C	Drafted closing checklist; email to counsel; reviewed closing deliveries	.70
11/06/12	Miller, Alyson C	Reviewed opinion; call with counsel re: tax requirements	.40
11/15/12	Miller, Alyson C	Order pons; circulate closing information; reviewed closing documents	1.10
11/16/12	Miller, Alyson C	Reviewed closing deliveries; forward deliveries to investors	.40
11/19/12	Miller, Alyson C	Reviewed opinions, reviewed closing deliveries; calls to purchasers regarding revision to supplement	2.00
11/20/12	Miller, Alyson C	Addressed investor question; reviewed closing deliveries; reviewed bonds	.90
11/21/12	Miller, Alyson C	Reviewed closing deliveries; address investor questions	.30

Date	Description	Amount
	Digital Copies - B&W	37.44
	Document Production	10.12
6/11/12	Phone call to New York City - NY (USA) (1-212-858-1029) at 04:59 for 5 minutes	1.12
6/14/12	Phone call to New York City - NY (USA) (1-212-834-5981) at 09:43 for 6 minutes	1.43
6/21/12	Phone call to New York City - NY (USA) (1-212-858-1029) at 09:59 for 22 minutes	5.40
6/21/12	Phone call to New York City - NY (USA) (1-212-858-1029) at 02:03 for 3 minutes	.73
6/27/12	Phone call to New York City - NY (USA) (1-212-858-1029) at 04:27 for 4 minutes	.78
11/26/12	Phone call to New York City - NY (USA) (1-212-858-1029) at 11:35 for 11 minutes	2.65
11/28/12	Phone call to New York City - NY (USA) (1-212-858-1029) at 01:14 for 5 minutes	1.07
11/27/12	Standard & Poor's Check # - 01 Outside Fees	175.00
	Secy/staff Overtime	13.75

Date: November 29, 2012

Ms. Marian Durkin
Senior VP and General Counsel
Avista Corporation
1411 East Mission Avenue
Spokane, WA 99202

RE: Avista Corporation - \$80mm First Mortgage Bonds due 2047

Dear Ms. Durkin:


We are enclosing our invoice for professional fees and separately charged disbursement items assuming a closing on November 30, 2012. The invoice is based on straight hourly charges of Alyson Miller and, to a lesser extent, me. We would expect to have a very modest supplemental invoice post-closing in connection with preparing closing binders for all parties. As you are aware, the satisfaction of this item is a condition precedent to closing. In this regard, we will simply rely on your email or verbal handshake that our invoice will be satisfied on Friday.

You will note our wire transfer information is included on the invoice itself.

If you have any questions with respect to any of this, please do not hesitate to call me directly at (312) 845-3754.

Very Truly Yours,

CHAPMAN AND CUTLER LLP

By: 
Neil R. Mann

Enclosures

Wire Transfer Instructions:**Include Invoice/Matter Number**

BMO Harris Bank N.A.
Chapman and Cutler LLP Special Account
Account Number 2089522
ABA Number 071000288
SWIFT Address: HATRUS44

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P.O. Box 71291
Chicago, Illinois 60694

Employer ID #: 36-2153731

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INVOICE REMITTANCE

Ms. Marian Durkin
Senior VP and General Counsel
Avista Corporation
1411 East Mission Avenue
Spokane, WA 99202

RE: Avista Corporation - \$80mm First Mortgage Bonds due 2047

For professional fees and separately charged disbursement items through November 30, 2012, as special counsel to Purchasers of \$80,00,000 First Mortgage Bonds, 4.23% Series due November 29, 2047 of Avista Corporation

Fees	\$ 14,500.00
Other Charges and Disbursements	\$ 1,749.00
TOTAL THIS INVOICE	\$ 16,249.00

10621-NY



Tax ID No. 94-1311126

Marian M. Durkin, Esq.
Senior Vice President and General Counsel
Avista Corporation
1411 East Mission Avenue
Spokane, WA 99202

June 8, 2012
Invoice No. 7766481
Client No. 057595
Matter No. 0000010
Tony Terrell
(212) 858-1000

For Professional Services Rendered And Disbursements Incurred Through May 31, 2012

Matter Name	Services	Disbursements	Balance Due
First Mortgage Bond Financing 201200158 -7.5% Discount	\$ 62,579.50 (4,693.46)	\$ 0.00	\$ 62,579.50 (4,693.46)
Total This Invoice:	\$ 57,886.04	\$ 0.00	\$ 57,886.04

Current charges only. Time and disbursements not yet recorded will be included in future invoices.

Pillsbury Winthrop Shaw Pittman LLP
1540 Broadway - New York, NY - 10036-4039
Due Upon Receipt
Remittance Address
P.O. Box 30769 . New York, NY 10087-0769

728216

First Mortgage Bond Financing

201200158

For Professional Services Rendered And Disbursements Incurred Through May 31, 2012

<u>Timekeeper</u>	<u>Date</u>	<u>Service</u>	<u>Hours</u>
A. M. Modzelesky	04/24/12	Review of Engagement letter with JPM and Key Bank.	0.40
A. M. Modzelesky	04/25/12	Distribution of engagement letter comments; review of private placement memorandum; telephone call with D. Lysiak.	2.80
T. Terrell	04/25/12	Miscellaneous conferences regarding BPA.	1.00
A. M. Modzelesky	04/26/12	Review of draft Bond Purchase Agreement and meeting with J. A. Terrell relating to same; review of Private Placement Memorandum.	3.50
T. Terrell	04/26/12	Miscellaneous conferences regarding BPA.	1.00
T. Terrell	04/29/12	Draft supplemental indenture.	2.00
A. M. Modzelesky	04/30/12	Review and distribution of comments to engagement letter; telephone call with D. Lysiak regarding same; coordination of opinion committee review and conversations with T. Eckland and D. Baxter relating to same; review and distribution of comments to Private Placement Memorandum and follow-up call with A. Guzinski regarding same; review of Bond Purchase Agreement and follow up call with A. Miller regarding same.	5.80
T. Terrell	04/30/12	Finalize draft of supplemental indenture; miscellaneous conferences with D. Lysiak; review PPM; conference A. Modzelesky and D. Lysiak; review changes to engagement letter; conference A. Modzelesky.	2.50
A. M. Modzelesky	05/01/12	Review of and distribution of comments to the Private Placement Memorandum; revisions to and distribution of Supplemental Indenture; distribution of comments to Bond Purchase Agreement and telephone call with A. Miller relating to same.	2.50
A. M. Modzelesky	05/02/12	Review of revised Bond Purchase Agreement and follow-up comment on same; review of revised Private Placement Memo and follow up comments on same.	1.20
T. Terrell	05/02/12	Conferences and e-conferences regarding AVA, CC, PW; revisions to BPA.	1.50
T. Terrell	05/07/12	Work on opinion; research; conferences T. Eckland regarding Opinion Committee.	4.00
T. Terrell	05/09/12	Draft/revise PW opinion.	3.00
M. C. Jones	05/11/12	Review draft Bond Purchase Agreement and comments on ERISA section; correspondence with A. Modzelesky regarding same; related legal research.	2.10
A. M. Modzelesky	05/11/12	Coordination with M. Jones regarding ERISA review; call with A. Miller; revisions to and distribution of opinion and	3.00

<u>Timekeeper</u>	<u>Date</u>	<u>Service</u>	<u>Hours</u>
T. Terrell	05/11/12	Durkin opinion. Work on PW and AVA opinions; e-conferences regarding BPA.	5.00
M. C. Jones	05/13/12	Research regarding amendments to QPAM exemption and impact on ERISA disclosures; correspondence with A. Modzelesky regarding same.	1.00
A. M. Modzelesky	05/13/12	E-mail with M. Jones regarding ERISA representations in Note Purchase Agreement.	0.50
A. M. Modzelesky	05/14/12	Coordination of review of Bond Purchase Agreement by ERISA specialist; review of Private Placement Memo.	1.20
A. M. Modzelesky	05/15/12	Coordination of and distribution of comments to Bond Purchase Agreement; review of Private Placement memo and call with D. Lysiak regarding same; call with D. Lysiak and follow-up with J.A. Terrell.	3.20
T. Terrell	05/15/12	Conference with Lysiak; revise cap table; work on opinion.	3.00
A. M. Modzelesky	05/16/12	Facilitation of response to Chapman due diligence request and organization and distribution of same to Chapman; facilitation of sign-off on Bond Purchase Agreement.	3.50
T. Terrell	05/16/12	Conference JPM regarding equity research; research and conferences PW regarding same; work on opinions.	3.00
A. M. Modzelesky	05/17/12	Review and distribution of Durkin opinion.	1.20
T. Terrell	05/17/12	Review PW opinion; create Durkin opinion from PW opinion.	2.00
A. M. Modzelesky	05/18/12	Question regarding property additions from A. Miller and follow-up with Company regarding same.	0.50
T. Terrell	05/18/12	Review, revise PW opinion.	1.50
T. Terrell	05/20/12	Review, revise Durkin opinion.	1.50
T. Terrell	05/21/12	Further revisions to PW and Durkin opinions, send out.	2.00
T. Terrell	05/22/12	Review investors' questions; miscellaneous conferences D. Lysiak; commence drafting questions under local mortgage law.	2.00
A. M. Modzelesky	05/23/12	Investor call with Met; review of Washington and Oregon public utilities commission approvals; telephone call with A. Miller and review of indenture relating to same.	3.80
T. Terrell	05/23/12	Attend call with Met; miscellaneous conferences regarding PPM, opinions, release provisions of Mortgage, description of Mortgage; draft questions for local mortgage law research.	4.50
T. Terrell	05/24/12	Review responses to questions; conferences D. Lysiak; conference M. Durkin regarding opinions, minor revisions, send to Chapman; conference D. Thoren, et al regarding Board and PUC authority.	4.00
T. Terrell	05/25/12	Conferences and e-conferences D. Lysiak regarding final terms; mark-up Supplemental Indenture.	1.30
A. M. Modzelesky	05/29/12	Revisions to 54th Supplemental Indenture and distribution of	1.50

Client No. 057595
 Matter No. 0000010
 Client Reference No. 201200158
 Tony Terrell

June 8, 2012
 Invoice No. 7766481

<u>Timekeeper</u>	<u>Date</u>	<u>Service</u>	<u>Hours</u>
T. Terrell	05/29/12	same; e-mail with A. Miller regarding opinions. Review revised draft of Supplemental Indenture; conference with A. Modzelesky.	1.00
A. M. Modzelesky	05/30/12	Revisions to Supplemental Indenture.	0.50
Total Hours:			84.00
Total Fees:			\$ 62,579.50
-7.5% Discount:			(4,693.46)
Total Fees Due:			\$ 57,886.04

Timekeeper Summary

<u>Timekeeper</u>	<u>Hours</u>
M. C. Jones	3.10
A. M. Modzelesky	35.10
T. Terrell	45.80
Total:	84.00

Total Due For Matter 0000010: \$ 57,886.04

Date 6.8.2012
 Prepared for Payment R. Corneil Main June
 Approved for Payment Alan Shaw
 Description Legal - FISA Mtg Bond Financing

Project	Task	Exp. Type	Org.	Amount	
				57,886.04	
Company	FERC	Svc.	Jur.	SI	Amount
001	181	860	2222	DL	57,886.04

001. / 81860.22.22.DL

S-2293 (07-06)



Tax ID No. 94-1311126

Marian M. Durkin, Esq.
Senior Vice President and General Counsel
Avista Corporation
1411 East Mission Avenue
Spokane, WA 99202

June 8, 2012
Invoice No. 7766481
Client No. 057595
Matter No. 0000010
Tony Terrell
(212) 858-1000

Remittance Advice

Enclose this Remittance Advice for Proper Credit

<u>Matter Number</u>	<u>Services</u>	<u>Disbursements</u>	<u>Balance Due</u>
0000010	\$ 62,579.50	\$ 0.00	\$ 62,579.50
-7.5% Discount	(4,693.46)		(4,693.46)
Total This Invoice:	\$ 57,886.04	\$ 0.00	\$ 57,886.04

Payable in U.S. Dollars upon receipt.

Payment Options:

For **payment by mail**, remit to: Pillsbury Winthrop Shaw Pittman LLP, P.O. Box 30769, New York, NY 10087-0769
For **Electronic Payments including Wire Transfer, ACH, and SWIFT Payments**, send to: JP Morgan Chase Bank
NA, NY, NY; ABA# 021000021 (S.W.I.F.T. Code CHASUS33), for credit to Pillsbury Winthrop Shaw Pittman LLP,
Account Number 301177087165.

[Additional remittance information may also be forwarded to accountsreceivable@pillsburylaw.com]

INVOICE

Invoice Information

Firm/Vendor: Pillsbury
Office: New York
Invoice Number: 7775613
Date of Invoice: 07/18/2012
Billing Period: 06/26/2012 - 06/30/2012
Date Posted: 07/26/2012
Invoice Description/Comment: General Mortgage Matters (Interna

Amount Approved

Approved Total **\$15,315.69**
Invoice Currency: **USD**
Date Approved: 08/06/2012
Final Approver: Marian Durkin
Approved Fees \$15,315.69
Approved Expenses \$0.00
Comments to AP:

Accounting Code Allocations

Cost Center GL Account Other AP Amount Percentage Comment

Vendor Address & Tax Information in Serengeti Tracker

Pillsbury
1540 Broadway
New York, New York 10036-4039

Tel: 212-858-1000
Fax: 212-858-1500

Remittance Address

Wire Address Information

Bank of America
315 Montgomery, 13th FL, San Francisco, CA 94105
ABA # 026009593
S.W.I.F.T. Code BOFAUS6S
For the account of Pillsbury Winthrop Shaw Pittman LLP
Account # 14993-05201, California 94105

Vendor Tax ID: 94-1311126

VAT ID: --
GST ID: --
HST ID: --

Amount Billed

Billed Total **\$15,315.69**
Invoice Currency: USD
Billed Fees **\$15,315.69**
Billed Expenses **\$0.00**

Approval History

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
Andrew Bryant	Posted	07/26/2012	\$15,315.69	
Rae An Cornell	Approved	07/27/2012	\$15,315.69	
Rae An Cornell	Invoice Reset	07/27/2012	\$15,315.69	Modified Invoice Approval Route for the matter from Pillsbury_Lysiak to Pillsbury_Krasselt.
Rae An Cornell	Invoice Reset	07/27/2012	\$15,315.69	Modified Invoice Approval Route for the matter from Pillsbury_Krasselt to Pillsbury_Lysiak.
Rae An Cornell	Approved	07/27/2012	\$15,315.69	
Damien Lysiak	Approved	07/30/2012	\$15,315.69	
Ryan Krasselt	Approved	08/03/2012	\$15,315.69	
Marian Durkin	Approved	08/06/2012	\$15,315.69	
Serengeti Administrator	AP Batch Run	08/13/2012	\$15,315.69	Batch ID: 001000007 (Sent to AP: 08/13/2012 12:00:55 PM)

Additional Financial Information

Office Vendor Number: 10621
Name of Invoice File in .Zip: Pillsbury Winthrop - 7775613.html
Comments to Firm:
AP Route: Default_AP

Matter Information

Matter Name (Short): General Mortgage Matters (Internal)
Company File No.: 201200159
Lead Company Person: Lysiak, Damien
Organizational Unit: Corporate
Practice Group: Legal
Law Firm Matter No.: 0000006
Country (in Matter): United States

GL Code: 001.181.860.ZZ.ZZ.DL
POET Code: Not required

Invoice Line Items:

<u>Date</u>	<u>Description</u>	<u>Narrative</u>	<u>Timekeeper</u>	<u>Units</u>	<u>Rate</u>	<u>Adjust</u>	<u>Taxes</u>	<u>TaxType/%</u>	<u>Amount</u>
06/30/2012	L190 - Other Case Assess., Dev. & Admin.	Aggregate bill adjustment - Law Firm - Fee							(\$1,241.81)
06/26/2012	-	Receive D. Lysiak draft engineer's certificate, examine property release file.	Terrell, J. Anthony	1	\$895.00				\$895.00
06/27/2012	-	Revise Further Engineer's Certificate to conform to certificate delivered on bond deals, research mortgage, conference D. Lysiak.	Terrell, J. Anthony	4	\$895.00				\$3,580.00
06/28/2012	-	Miscellaneous conferences D. Lysiak regarding releases vs. retirements, treatment under Mortgage, reflection on engineer's certificates, need for opinion when certifying property additions.	Terrell, J. Anthony	4	\$895.00				\$3,580.00
06/29/2012	-	Work on Release Application, conference D. Lysiak.	Terrell, J. Anthony	5	\$895.00				\$4,475.00
06/30/2012	-	Review/revise Release Application, work on Durkin opinion, draft Pillsbury opinion.	Terrell, J. Anthony	4.5	\$895.00				\$4,027.50

INVOICE

Invoice Information

Firm/Vendor: Pillsbury
Office: New York
Invoice Number: 7775704
Date of Invoice: 07/18/2012
Billing Period: 05/21/2012 - 06/29/2012
Date Posted: 07/26/2012
Invoice Description/Comment: First Mortgage Bond Financing

Amount Approved

Approved Total **\$17,175.65**
Invoice Currency: **USD**
Date Approved: 08/06/2012
Final Approver: Marian Durkin
Approved Fees \$17,127.76
Approved Expenses \$47.89
Comments to AP:

Accounting Code Allocations

Cost Center GL Account Other AP Amount Percentage Comment

Vendor Address & Tax Information in Serengeti Tracker

Pillsbury
1540 Broadway
New York, New York 10036-4039

Tel: 212-858-1000
Fax: 212-858-1500

Remittance Address

Wire Address Information

Bank of America
315 Montgomery, 13th FL, San Francisco, CA 94105
ABA # 026009593
S.W.I.F.T. Code BOFAUS6S
For the account of Pillsbury Winthrop Shaw Pittman LLP
Account # 14993-05201, California 94105

Vendor Tax ID: 94-1311126

VAT ID: --
GST ID: --
HST ID: --

Amount Billed

Billed Total **\$17,175.65**
Invoice Currency: USD
Billed Fees **\$17,127.76**
Billed Expenses **\$47.89**

Approval History

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
Andrew Bryant	Posted	07/26/2012	\$17,175.65	
Rae An Cornell	TK Rates Approved	07/27/2012		
Rae An Cornell	Approved	07/27/2012	\$17,175.65	On future billings please combine binding charges with copying charges. Thank you,
Damien Lysiak	Approved	07/30/2012	\$17,175.65	
Ryan Krasselt	Approved	08/03/2012	\$17,175.65	
Marian Durkin	Approved	08/06/2012	\$17,175.65	
Serengeti Administrator	AP Batch Run	08/13/2012	\$17,175.65	Batch ID: 001000007 (Sent to AP: 08/13/2012 12:00:55 PM)

Additional Financial Information

Office Vendor Number: 10621
Name of Invoice File in .Zip: Pillsbury Winthrop - 7775704.html
Comments to Firm: On future billings please combine binding charges with copying charges. Thank you,
AP Route: Default_AP

Matter Information

Matter Name (Short): First Mortgage Bond Financing
Company File No.: 201200158
Lead Company Person: Lysiak, Damien
Organizational Unit: Corporate
Practice Group: Legal
Law Firm Matter No.: 0000010
Country (in Matter): United States
GL Code: 001.181.860.ZZ.ZZ.DL
POET Code: Not required

Invoice Line Items:

<u>Date</u>	<u>Description</u>	<u>Narrative</u>	<u>Timekeeper</u>	<u>Units</u>	<u>Rate</u>	<u>Adjust</u>	<u>Taxes</u>	<u>TaxType/%</u>	<u>Amount</u>
06/29/2012	L190 - Other Case Assess., Dev. & Admin.	Aggregate bill adjustment - Law Firm - Fee							(\$1,388.74)
06/01/2012	-	Meeting with J.A.Terrell and distribution of Supplemental Indenture to investors' counsel for review.	Modzelesky, Amy	1	\$555.00				\$555.00
06/05/2012	-	Follow up with A. Miller and N. Mann regarding review of opinions.	Modzelesky, Amy	0.4	\$555.00				\$222.00
06/06/2012	-	Review due diligence questions, assemble deal documents.	Terrell, J. Anthony	1	\$895.00				\$895.00
06/07/2012	-	Prepare for and attend due diligence conference call with investors, conference Lysiak regarding BPA, etc.	Terrell, J. Anthony	1.5	\$895.00				\$1,342.50
06/07/2012	-	Investor due diligence call and typing responses for same, telephone call with D.Lysiak.	Modzelesky, Amy	2.2	\$555.00				\$1,221.00
06/08/2012	-	E-mail to A.Guzinski, review of revised draft BPA and follow up with D.Lysiak regarding same.	Modzelesky, Amy	1.2	\$555.00				\$666.00
06/08/2012	-	Conferences C. Hood regarding completion of BPA, status of opinions.	Terrell, J. Anthony	0.5	\$895.00				\$447.50
06/11/2012	-	E-mail to and telephone call with A.Miller.	Modzelesky, Amy	0.4	\$555.00				\$222.00
06/12/2012	-	E-mail to D.Lysiak and A.Miller.	Modzelesky, Amy	0.2	\$555.00				\$111.00
06/13/2012	-	E-mail exchange with D. Lysiak, review of opinion comments from A. Miller, meeting with J.A. Terrell regarding same and drafting response e-mail to A. Miller.	Modzelesky, Amy	1.4	\$555.00				\$777.00
06/13/2012	-	Receive, consider, research CC comments on opinion, conferences AMOD.	Terrell, J. Anthony	1.5	\$895.00				\$1,342.50
06/14/2012	-	Meeting with J.A Terrell regarding opinion comments from Chapman and drafting response to A. Miller relating to same, telephone call with D. Lysiak and follow up e-mail to A. Miller with mark-up of the Bond Purchase Agreement.	Modzelesky, Amy	2	\$555.00				\$1,110.00
06/14/2012	-	Conference CC regarding opinions, conference T. Eckland regarding same.	Terrell, J. Anthony	2	\$895.00				\$1,790.00
06/15/2012	-	E-mail to D. Lysiak regarding sign off on Bond Purchase Agreement.	Modzelesky, Amy	0.2	\$555.00				\$111.00
06/17/2012	-	Work on Avista opinions to reflect CC comments, but fixing opinion committee form.	Terrell, J. Anthony	1	\$895.00				\$895.00

06/18/2012	-	Get posted items to finalize Durkin opinion, new draft of opinion.	Terrell, J. Anthony	1.5	\$895.00	\$1,342.50
06/18/2012	-	Discuss opinion and UCC issues with J.A. Terrell, T. Eckland, research.	Whitney, Jonathan	1	\$1,025.00	\$1,025.00
06/19/2012	-	Conference with Opinion Committee regarding PW opinion, revise Durkin opinion per PW and send.	Terrell, J. Anthony	1.3	\$895.00	\$1,163.50
06/21/2012	-	Telephone call with A. Miller and follow up with D. Lysiak regarding same.	Modzelesky, Amy	0.6	\$555.00	\$333.00
06/25/2012	-	Miscellaneous conferences regarding execution and delivery of BPA, etc.	Terrell, J. Anthony	0.5	\$895.00	\$447.50
06/26/2012	-	Follow up with A. Miller and D. Lysiak regarding Bond Purchase Agreement, coordination of signature pages relating to same, review of final draft of same.	Modzelesky, Amy	2.2	\$555.00	\$1,221.00
06/28/2012	-	Coordination of executed Bond Purchase Agreement and follow-up with A. Miller regarding same.	Modzelesky, Amy	0.8	\$555.00	\$444.00
06/29/2012	-	Research regarding 8-K and drafting e-mail relating to same, review of draft 8-K.	Modzelesky, Amy	1.5	\$555.00	\$832.50
05/21/2012	E124 - Other	Document Binding 05/2012 Document Binding Charges, Job # 15, A. Modzelesky	Modzelesky, Amy	2	\$1.25	\$2.50
06/01/2012	E101 - Copying	Printing (iManage) 06/2012 Copying/Printing Charges	Modzelesky, Amy	48	\$0.15	\$7.20
06/01/2012	E101 - Copying	Printing (iManage) 06/2012 Copying/Printing Charges	Modzelesky, Amy	92	\$0.15	\$13.80
06/14/2012	E101 - Copying	Scanning - Convenience 06/2012 Scanning Charges	Modzelesky, Amy	10	\$0.15	\$1.50
06/15/2012	E101 - Copying	Scanning - Convenience 06/2012 Scanning Charges	Modzelesky, Amy	3	\$0.15	\$0.45
06/27/2012	E101 - Copying	Scanning - Convenience 06/2012 Scanning Charges	Modzelesky, Amy	1	\$0.15	\$0.15
06/28/2012	E101 - Copying	Scanning - Convenience 06/2012 Scanning Charges	Modzelesky, Amy	36	\$0.15	\$5.40
06/28/2012	E107 - Delivery Services/Messengers	Express Courier Service FedEx to Alyson Miller Chapman and Cutler LLP from Amy Modzelesky	Modzelesky, Amy	1	\$16.89	\$16.89

INVOICE

Invoice Information

Firm/Vendor: Pillsbury
Office: New York
Invoice Number: 7780081
Date of Invoice: 08/16/2012
Billing Period: 07/02/2012 - 07/23/2012
Date Posted: 08/09/2012
Invoice Description/Comment: General Mortgage Matters (Interna

Amount Approved

Approved Total **\$13,455.05**
Invoice Currency: **USD**
Date Approved: 08/14/2012
Final Approver: Marian Durkin
Approved Fees \$13,455.05
Approved Expenses \$0.00
Comments to AP:

Accounting Code Allocations

Cost Center GL Account Other AP Amount Percentage Comment

Vendor Address & Tax Information in Serengeti Tracker

Pillsbury
1540 Broadway
New York, New York 10036-4039

Tel: 212-858-1000
Fax: 212-858-1500

Remittance Address

Wire Address Information

Bank of America
315 Montgomery, 13th FL, San Francisco, CA 94105
ABA # 026009593
S.W.I.F.T. Code BOFAUS6S
For the account of Pillsbury Winthrop Shaw Pittman LLP
Account # 14993-05201, California 94105

Vendor Tax ID: 94-1311126

VAT ID: --
GST ID: --
HST ID: --

Amount Billed

Billed Total **\$13,455.05**
Invoice Currency: USD
Billed Fees **\$13,455.05**
Billed Expenses **\$0.00**

Approval History

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
Andrew Bryant	Posted	08/09/2012	\$13,455.05	
Rae An Cornell	Approved	08/09/2012	\$13,455.05	
Damien Lysiak	Approved	08/14/2012	\$13,455.05	
Ryan Krasselt	Approved	08/14/2012	\$13,455.05	
Marian Durkin	Approved	08/14/2012	\$13,455.05	
Serengeti Administrator	AP Batch Run	08/20/2012	\$13,455.05	Batch ID: 001000008 (Sent to AP: 08/20/2012 12:01:01 PM)

Additional Financial Information

Office Vendor Number: 10621
Name of Invoice File in .Zip: Pillsbury Winthrop - 7780081.html
Comments to Firm:
AP Route: Default_AP

Matter Information

Matter Name (Short): General Mortgage Matters (Internal)
Company File No.: 201200159
Lead Company Person: Lysiak, Damien
Organizational Unit: Corporate
Practice Group: Legal
Law Firm Matter No.: 0000006
Country (in Matter): United States
GL Code: 001.181.860.ZZ.ZZ.DL
POET Code: Not required

Invoice Line Items:

<u>Date</u>	<u>Description</u>	<u>Narrative</u>	<u>Timekeeper</u>	<u>Units</u>	<u>Rate</u>	<u>Adjust</u>	<u>Taxes</u>	<u>TaxType/%</u>	<u>Amount</u>
07/23/2012	L190 - Other Case Assess., Dev. & Admin.	Aggregate bill adjustment - Law Firm - Fee							(\$1,090.95)
07/02/2012	-	Finish mark-up of release application.	Terrell, J. Anthony	1	\$895.00				\$895.00
07/03/2012	-	Further work on opinions to Trustee and clean up release application, conference A. Modzelesky.	Terrell, J. Anthony	1	\$895.00				\$895.00
07/06/2012	-	Work on release documents.	Terrell, J. Anthony	2	\$895.00				\$1,790.00
07/09/2012	-	Continue work on opinions, send to T. Eckland and J. Whitney.	Terrell, J. Anthony	1.5	\$895.00				\$1,342.50
07/12/2012	-	Conference J. Whitney regarding mortgage opinions.	Terrell, J. Anthony	0.5	\$895.00				\$447.50
07/12/2012	-	Review mortgage opinion forms for T. Terrell as part of Opinion Committee review process, provide comments on same.	Whitney, Jonathan	1.5	\$1,025.00				\$1,537.50
07/12/2012	-	Review of application and release documents and revisions to same, meeting with J.A. Terrell relating to same.	Modzelesky, Amy	3.2	\$555.00				\$1,776.00
07/13/2012	-	E-conferences T. Eckland and J. Whitney regarding mortgage opinions, research, send to Opinion Committee Chair.	Terrell, J. Anthony	2	\$895.00				\$1,790.00
07/16/2012	-	Meeting with J.A. Terrell, revision to property release documents, distribution of revised drafts to working group list.	Modzelesky, Amy	2.5	\$555.00				\$1,387.50
07/16/2012	-	Look at property descriptions, conference D. Lysiak regarding same, conference A. Modzelesky release application.	Terrell, J. Anthony	1.5	\$895.00				\$1,342.50
07/17/2012	-	Conference D. Lysiak regarding release papers.	Terrell, J. Anthony	0.5	\$895.00				\$447.50
07/18/2012	-	Conference D. Lysiak regarding proeprty descriptions.	Terrell, J. Anthony	0.5	\$895.00				\$447.50
07/23/2012	-	Mortgage resolution regarding counsel.	Terrell, J. Anthony	0.5	\$895.00				\$447.50

INVOICE

Invoice Information

Firm/Vendor: Pillsbury
Office: New York
Invoice Number: 7794959
Date of Invoice: 10/24/2012
Billing Period: 09/17/2012 - 09/18/2012
Date Posted: 10/24/2012
Invoice Description/Comment: General Mortgage Matters (Interna

Amount Approved

Approved Total **\$1,448.78**
Invoice Currency: **USD**
Date Approved: 11/14/2012
Final Approver: Marian Durkin
Approved Fees \$1,448.78
Approved Expenses \$0.00
Comments to AP:

Accounting Code Allocations

Cost Center GL Account Other AP Amount Percentage Comment

Vendor Address & Tax Information in Serengeti Tracker

Pillsbury
1540 Broadway
New York, New York 10036-4039

Tel: 212-858-1000
Fax: 212-858-1500

Remittance Address

Wire Address Information

Bank of America
315 Montgomery, 13th FL, San Francisco, CA 94105
ABA # 026009593
S.W.I.F.T. Code BOFAUS6S
For the account of Pillsbury Winthrop Shaw Pittman LLP
Account # 14993-05201, California 94105

Vendor Tax ID: 94-1311126

VAT ID: --
GST ID: --
HST ID: --

Amount Billed

Billed Total \$1,448.78
Invoice Currency: USD
Billed Fees \$1,448.78
Billed Expenses \$0.00

Approval History

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
Rebecca Jackson	Posted	10/24/2012	\$1,448.78	
Rae An Cornell	Approved	10/24/2012	\$1,448.78	
Damien Lysiak	Approved	11/06/2012	\$1,448.78	
Ryan Krasselt	Approved	11/14/2012	\$1,448.78	
Marian Durkin	Approved	11/14/2012	\$1,448.78	
Serengeti Administrator	AP Batch Run	11/19/2012	\$1,448.78	Batch ID: 001000021 (Sent to AP: 11/19/2012 12:00:48 PM)

Additional Financial Information

Office Vendor Number: 10621
Name of Invoice File in .Zip: Pillsbury Winthrop - 7794959.html
Comments to Firm:
AP Route: Default_AP

Matter Information

Matter Name (Short): General Mortgage Matters (Internal)
Company File No.: 201200159
Lead Company Person: Lysiak, Damien
Organizational Unit: Corporate
Practice Group: Legal
Law Firm Matter No.: 0000006
Country (in Matter): United States
GL Code: 001.181.860.ZZ.ZZ.DL
POET Code: Not required

Invoice Line Items:

<u>Date</u>	<u>Description</u>	<u>Narrative</u>	<u>Timekeeper</u>	<u>Units</u>	<u>Rate</u>	<u>Adjust</u>	<u>Taxes</u>	<u>TaxType/%</u>	<u>Amount</u>
09/18/2012	-	Aggregate bill adjustment - Law Firm - Fee							(\$117.47)
09/17/2012	-	Collect release papers and send to AVA, conference M. Durkin, et al.	Terrell, J. Anthony	0.75	\$895.00				\$671.25
09/18/2012	-	Conference Lysiak, review bound volume, conference A. Modzelesky.	Terrell, J. Anthony	1	\$895.00				\$895.00

INVOICE

Invoice Information

Firm/Vendor: Pillsbury
Office: New York
Invoice Number: 7799389
Date of Invoice: 11/12/2012
Billing Period: 10/02/2012 - 10/26/2012
Date Posted: 11/12/2012
Invoice Description/Comment: General Mortgage Matters (Interna

Amount Approved

Approved Total \$10,777.64
Invoice Currency: USD
Date Approved: 11/14/2012
Final Approver: Marian Durkin
Approved Fees \$10,777.64
Approved Expenses \$0.00
Comments to AP:

Accounting Code Allocations

Cost Center GL Account Other AP Amount Percentage Comment

Vendor Address & Tax Information in Serengeti Tracker

Pillsbury
1540 Broadway
New York, New York 10036-4039

Tel: 212-858-1000
Fax: 212-858-1500

Remittance Address

Wire Address Information

Bank of America
315 Montgomery, 13th FL, San Francisco, CA 94105
ABA # 026009593
S.W.I.F.T. Code BOFAUS6S
For the account of Pillsbury Winthrop Shaw Pittman LLP
Account # 14993-05201, California 94105

Vendor Tax ID: 94-1311126

VAT ID: --
GST ID: --
HST ID: --

Amount Billed

Billed Total **\$10,777.64**
Invoice Currency: USD
Billed Fees **\$10,777.64**
Billed Expenses **\$0.00**

Approval History

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
Rebecca Jackson	Posted	11/12/2012	\$10,777.64	
Rae An Cornell	Approved	11/12/2012	\$10,777.64	
Damien Lysiak	Approved	11/13/2012	\$10,777.64	
Ryan Krasselt	Approved	11/14/2012	\$10,777.64	
Marian Durkin	Approved	11/14/2012	\$10,777.64	
Serengeti Administrator	AP Batch Run	11/19/2012	\$10,777.64	Batch ID: 001000021 (Sent to AP: 11/19/2012 12:00:48 PM)

Additional Financial Information

Office Vendor Number: 10621
Name of Invoice File in .Zip: Pillsbury Winthrop - 7799389.html
Comments to Firm:
AP Route: Default_AP

Matter Information

Matter Name (Short): General Mortgage Matters (Internal)
Company File No.: 201200159
Lead Company Person: Lysiak, Damien
Organizational Unit: Corporate
Practice Group: Legal
Law Firm Matter No.: 0000006
Country (in Matter): United States
GL Code: 001.181.860.ZZ.ZZ.DL
POET Code: Not required

Invoice Line Items:

<u>Date</u>	<u>Description</u>	<u>Narrative</u>	<u>Timekeeper</u>	<u>Units</u>	<u>Rate</u>	<u>Adjust</u>	<u>Taxes</u>	<u>TaxType/%</u>	<u>Amount</u>
10/26/2012	L190 - Other Case Assess., Dev. & Admin.	Aggregate bill adjustment - Law Firm - Fee							(\$873.86)
10/02/2012	-	Conference D. Lysiak regarding Mortgage Release, especially various descriptions of property.	Terrell, J. Anthony	0.6	\$895.00				\$537.00
10/05/2012	-	Conference D. Lysiak.	Terrell, J. Anthony	0.3	\$895.00				\$268.50
10/11/2012	-	Conference D. Lysiak regarding release, revise Durkin opinion for Colstrip.	Terrell, J. Anthony	1.5	\$895.00				\$1,342.50
10/12/2012	-	Modify Further Engineer's Certificate.	Terrell, J. Anthony	0.5	\$895.00				\$447.50
10/15/2012	-	Revisions to release of property documents for J. A. Terrell.	Modzelesky, Amy	1.8	\$555.00				\$999.00
10/15/2012	-	Conference D. Lysiak, revise Further Engineer's Certificate, revise opinions.	Terrell, J. Anthony	1.5	\$895.00				\$1,342.50
10/16/2012	-	Revisions to M. Durkin opinion relating to property release and distribution of same, revisions to further engineer's certificate and distribution of same.	Modzelesky, Amy	2.1	\$555.00				\$1,165.50
10/17/2012	-	Conferences D. Lysiak.	Terrell, J. Anthony	0.25	\$895.00				\$223.75
10/21/2012	-	Work on Release Application.	Terrell, J. Anthony	0.5	\$895.00				\$447.50
10/22/2012	-	Review schedules, go over entire release application with D. Lysiak, finalize opinions.	Terrell, J. Anthony	2.5	\$895.00				\$2,237.50
10/23/2012	-	Review Exhibit A, research vehicles, conference D. Lysiak regarding Property Additions.	Terrell, J. Anthony	1.25	\$895.00				\$1,118.75
10/24/2012	-	Conference D. Lysiak.	Terrell, J. Anthony	0.25	\$895.00				\$223.75
10/25/2012	-	Release application final, conference D. Lysiak regarding exhibit to Board Resolutions, etc., finalize opinions and send.	Terrell, J. Anthony	1.2	\$895.00				\$1,074.00
10/26/2012	-	Conference D. Lysiak regarding annual recording opinion.	Terrell, J. Anthony	0.25	\$895.00				\$223.75

INVOICE

Invoice Information

Firm/Vendor: Pillsbury
Office: New York
Invoice Number: 7799393
Date of Invoice: 11/12/2012
Billing Period: 09/05/2012 - 10/30/2012
Date Posted: 11/12/2012
Invoice Description/Comment: First Mortgage Bond Financing

Amount Approved

Approved Total **\$11,731.37**
Invoice Currency: **USD**
Date Approved: 11/14/2012
Final Approver: Marian Durkin
Approved Fees \$11,112.02
Approved Expenses \$619.35
Comments to AP:

Accounting Code Allocations

Cost Center GL Account Other AP Amount Percentage Comment

Vendor Address & Tax Information in Serengeti Tracker

Pillsbury
1540 Broadway
New York, New York 10036-4039

Tel: 212-858-1000
Fax: 212-858-1500

Remittance Address

Wire Address Information

Bank of America
315 Montgomery, 13th FL, San Francisco, CA 94105
ABA # 026009593
S.W.I.F.T. Code BOFAUS6S
For the account of Pillsbury Winthrop Shaw Pittman LLP
Account # 14993-05201, California 94105

Vendor Tax ID: 94-1311126

VAT ID: --
GST ID: --
HST ID: --

Amount Billed

Billed Total **\$11,731.37**
Invoice Currency: USD
Billed Fees **\$11,112.02**
Billed Expenses **\$619.35**

Approval History

<u>User</u>	<u>Action</u>	<u>Date</u>	<u>Amount</u>	<u>Comment</u>
Rebecca Jackson	Posted	11/12/2012	\$11,731.37	
Rae An Cornell	Approved	11/12/2012	\$11,731.37	
Damien Lysiak	Approved	11/13/2012	\$11,731.37	
Ryan Krasselt	Approved	11/14/2012	\$11,731.37	
Marian Durkin	Approved	11/14/2012	\$11,731.37	
Serengeti Administrator	AP Batch Run	11/19/2012	\$11,731.37	Batch ID: 001000021 (Sent to AP: 11/19/2012 12:00:48 PM)

Additional Financial Information

Office Vendor Number: 10621
Name of Invoice File in .Zip: Pillsbury Winthrop - 7799393.html
Comments to Firm:
AP Route: Default_AP

Matter Information

Matter Name (Short): First Mortgage Bond Financing
Company File No.: 201200158
Lead Company Person: Lysiak, Damien
Organizational Unit: Corporate
Practice Group: Legal
Law Firm Matter No.: 0000010
Country (in Matter): United States
GL Code: 001.181.860.ZZ.ZZ.DL
POET Code: Not required

Invoice Line Items:

<u>Date</u>	<u>Description</u>	<u>Narrative</u>	<u>Timekeeper</u>	<u>Units</u>	<u>Rate</u>	<u>Adjust</u>	<u>Taxes</u>	<u>TaxType/%</u>	<u>Amount</u>
10/30/2012	L190 - Other Case Assess., Dev. & Admin.	Aggregate bill adjustment - Law Firm - Fee							(\$900.98)
09/05/2012	-	Preparation of closing documents from December 2011 Private Placement and drafting cover letter to Wasmund.	Modzelesky, Amy	1.6	\$555.00				\$888.00
10/12/2012	-	Start work on Bond Application.	Terrell, J. Anthony	3.5	\$895.00				\$3,132.50
10/15/2012	-	Continue work on Bond Application - Net Earnings Certificate, conference with D. Lysiak, finish drafting opinions.	Terrell, J. Anthony	2.5	\$895.00				\$2,237.50
10/21/2012	-	Work on Bond Application.	Terrell, J. Anthony	1.5	\$895.00				\$1,342.50
10/22/2012	-	Revise Bond Application opinoins.	Terrell, J. Anthony	0.5	\$895.00				\$447.50
10/23/2012	-	Continue work on Bond Application, send out list of tasks.	Terrell, J. Anthony	1.5	\$895.00				\$1,342.50
10/24/2012	-	Bond Application.	Terrell, J. Anthony	1.25	\$895.00				\$1,118.75
10/24/2012	-	E-mail to A. Miller regarding closing list and review of same.	Modzelesky, Amy	1.5	\$555.00				\$832.50
10/25/2012	-	Conferece A. Modzelesky regarding tasks.	Terrell, J. Anthony	0.5	\$895.00				\$447.50
10/30/2012	-	E-conference T. Eckland regarding opinion to trustee.	Terrell, J. Anthony	0.25	\$895.00				\$223.75
09/28/2012	E102 - Outside Printing	Copy Service VENDOR: Custom & Wasmund Bindery was Custom Book, INVOICE#: 23745, DATE: 9/28/2012 - Job# 36Q, 3 Bound Volumes, Panels , Tabs and Duplication all 2-Sided, A. Modzelesky	Terrell, J. Anthony	1	\$581.00				\$581.00
10/02/2012	E107 - Delivery Services/Messengers	Express Courier Service FedEx to Damien Lysiak Avista Corporation from Amy Modzelesky	Terrell, J. Anthony	1	\$38.35				\$38.35

AVISTA CORPORATION

TO

CITIBANK, N.A.

*As Successor Trustee under
Mortgage and Deed of Trust,
dated as of June 1, 1939*

Fifty-fourth Supplemental Indenture

*Providing among other things for a series of bonds designated
"First Mortgage Bonds, 4.23% Series due 2047"
Due November 29, 2047*

Dated as of November 1, 2012

FIFTY-FOURTH SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of the 1st day of November, 2012, between AVISTA CORPORATION (formerly known as The Washington Water Power Company), a corporation of the State of Washington, whose post office address is 1411 East Mission Avenue, Spokane, Washington 99202 (the "Company"), and CITIBANK, N.A., formerly First National City Bank (successor by merger to First National City Trust Company, formerly City Bank Farmers Trust Company), a national banking association incorporated and existing under the laws of the United States of America, whose post office address is 388 Greenwich Street, 14th Floor, New York, New York 10013 (the "Trustee"), as Trustee under the Mortgage and Deed of Trust, dated as of June 1, 1939 (the "Original Mortgage"), executed and delivered by the Company to secure the payment of bonds issued or to be issued under and in accordance with the provisions thereof, this indenture (the "Fifty-fourth Supplemental Indenture") being supplemental to the Original Mortgage, as heretofore supplemented and amended.

WHEREAS pursuant to a written request of the Company made in accordance with Section 103 of the Original Mortgage, Francis M. Pitt (then Individual Trustee under the Mortgage, as supplemented) ceased to be a trustee thereunder on July 23, 1969, and all of his powers as Individual Trustee have devolved upon the Trustee and its successors alone; and

WHEREAS by the Original Mortgage the Company covenanted that it would execute and deliver such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Original Mortgage and to make subject to the lien of the Original Mortgage any property thereafter acquired intended to be subject to the lien thereof; and

WHEREAS the Company has heretofore executed and delivered, in addition to the Original Mortgage, the indentures supplemental thereto, and has issued the series of bonds, set forth in Exhibit A hereto (the Original Mortgage, as supplemented and amended by the First through Fifty-third Supplemental Indentures and, if the context shall so require, as to be supplemented by this Fifty-fourth Supplemental Indenture, being herein sometimes called the "Mortgage"); and

WHEREAS the Original Mortgage and the First through Fifty-second Supplemental Indentures have been appropriately filed or recorded in various official records in the States of Washington, Idaho, Montana and Oregon, as set forth in the First through Fifty-third Supplemental Indentures and the Instrument of Further Assurance, dated December 15, 2001, hereinafter referred to; and

WHEREAS the Fifty-third Supplemental Indenture, dated as of December 1, 2011, has been appropriately filed or recorded in the various official records in the States of Washington, Idaho, Montana and Oregon, as set forth in Exhibit B hereto; and

WHEREAS for the purpose of confirming or perfecting the lien of the Mortgage on certain of its properties, the Company has heretofore executed and delivered

a Short Form Mortgage and Security Agreement, in multiple counterparts dated as of various dates in 1992, and such instrument has been appropriately filed or recorded in the various official records in the States of Montana and Oregon; and

WHEREAS for the purpose of confirming or perfecting the lien of the Mortgage on certain of its properties, the Company has heretofore executed and delivered an Instrument of Further Assurance dated as of December 15, 2001, and such instrument has been appropriately filed or recorded in the various official records in the States of Washington, Idaho, Montana and Oregon; and

WHEREAS in addition to the property described in the Mortgage the Company has acquired certain other property, rights and interests in property; and

WHEREAS Section 120 of the Original Mortgage, as heretofore amended, provides that, without the consent of any holders of bonds, the Company and the Trustee, at any time and from time to time, may enter into indentures supplemental to the Original Mortgage for various purposes set forth therein, including, without limitation, to cure ambiguities or correct defective or inconsistent provisions or to make other changes therein that shall not adversely affect the interests of the holders of bonds of any series in any material respect or to establish the form or terms of bonds of any series as contemplated by Article II; and

WHEREAS Section 8 of the Original Mortgage, as heretofore amended, provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company or by Treasurer's Certificate, or shall be set forth in an indenture supplemental to the Original Mortgage; that the form of such series, as so established, shall specify the descriptive title of the bonds and various other terms thereof; and that such series may also contain such provisions not inconsistent with the provisions of the Mortgage as the Company may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS the Company now desires to create a new series of bonds; and

WHEREAS the execution and delivery by the Company of this Fifty-fourth Supplemental Indenture and the terms of the Bonds of the Fifty-fifth Series, hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate Resolutions of said Board of Directors, and all things necessary to make this Fifty-fourth Supplemental Indenture a valid, binding and legal instrument have been performed;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the Company, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, hereby confirms the estate, title and rights of the Trustee (including, without limitation, the lien of the Mortgage on

the property of the Company subjected thereto, whether now owned or hereafter acquired) held as security for the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage according to their tenor and effect and the performance of all the provisions of the Mortgage and of such bonds, and, without limiting the generality of the foregoing, hereby confirms the grant, bargain, sale, release, conveyance, assignment, transfer, mortgage, pledge, setting over and confirmation unto the Trustee, contained in the Mortgage, of all the following described properties of the Company, whether now owned or hereafter acquired, namely:

All of the property, real, personal and mixed, of every character and wheresoever situated (except any hereinafter or in the Mortgage expressly excepted) which the Company now owns or, subject to the provisions of Section 87 of the Original Mortgage, may hereafter acquire prior to the satisfaction and discharge of the Mortgage, as fully and completely as if herein or in the Mortgage specifically described, and including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in Mortgage) all lands, real estate, easements, servitudes, rights of way and leasehold and other interests in real estate; all rights to the use or appropriation of water, flowage rights, water storage rights, flooding rights, and other rights in respect of or relating to water; all plants for the generation of electricity, power houses, dams, dam sites, reservoirs, flumes, raceways, diversion works, head works, waterways, water works, water systems, gas plants, steam heat plants, hot water plants, ice or refrigeration plants, stations, substations, offices, buildings and other works and structures and the equipment thereof and all improvements, extensions and additions thereto; all generators, machinery, engines, turbines, boilers, dynamos, transformers, motors, electric machines, switchboards, regulators, meters, electrical and mechanical appliances, conduits, cables, pipes and mains; all lines and systems for the transmission and distribution of electric current, gas, steam heat or water for any purpose; all towers, mains, pipes, poles, pole lines, conduits, cables, wires, switch racks, insulators, compressors, pumps, fittings, valves and connections; all motor vehicles and automobiles; all tools, implements, apparatus, furniture, stores, supplies and equipment; all franchises (except the Company's franchise to be a corporation), licenses, permits, rights, powers and privileges; and (except as hereinafter or in the Mortgage expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature.

The property so conveyed or intended to be so conveyed under the Mortgage shall include, but shall not be limited to, the property set forth in Exhibit C hereto, the particular description of which is intended only to aid in the identification thereof and shall not be construed as limiting the force, effect and scope of the foregoing.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in anywise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Original Mortgage) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

THE COMPANY HEREBY CONFIRMS that, subject to the provisions of Section 87 of the Original Mortgage, all the property, rights, and franchises acquired by the Company after the date thereof (except any hereinbefore or hereinafter or in the Mortgage expressly excepted) are and shall be as fully embraced within the lien of the Mortgage as if such property, rights and franchises had been owned by the Company at the date of the Original Mortgage and had been specifically described therein.

PROVIDED THAT the following were not and were not intended to be then or now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed under the Mortgage and were, are and shall be expressly excepted from the lien and operation of the Mortgage namely: (1) cash, shares of stock and obligations (including bonds, notes and other securities) not hereafter specifically pledged, paid, deposited or delivered under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business or for consumption in the operation of any properties of the Company; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or covenanted so to be; (4) electric energy and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; and (5) any property heretofore released pursuant to any provisions of the Mortgage and not heretofore disposed of by the Company; provided, however, that the property and rights expressly excepted from the lien and operation of the Mortgage in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event that the Trustee or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XII of the Original Mortgage by reason of the occurrence of a Completed Default as defined in said Article XII.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company in the Mortgage as aforesaid, or intended so to be, unto the Trustee, and its successors, heirs and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as set forth in the Mortgage, this Fifty-fourth Supplemental Indenture being supplemental to the Mortgage.

AND IT IS HEREBY FURTHER CONFIRMED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage shall affect and apply to the property in the Mortgage described and conveyed, and to the estates, rights, obligations and duties of the Company and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors in the trust, in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Original Mortgage, and had been specifically and at length described in and conveyed to said Trustee by the Original Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustee and its successor or successors in such trust under the Mortgage, as follows:

ARTICLE I

Fifty-fifth Series of Bonds

SECTION 1. (I) There shall be a series of bonds designated "First Mortgage Bonds, 4.23% Series due 2047" (herein sometimes referred to as the "Bonds of the Fifty-fifth Series"), each of which shall also bear the descriptive title First Mortgage Bond and the form thereof is set forth on Exhibit D hereto. The Bonds of the Fifty-fifth Series shall be issued as fully registered Bonds in denominations of One Thousand Dollars and, at the option of the Company, any amount in excess thereof (the exercise of such option to be evidenced by the execution and delivery thereof) and shall be dated as in Section 10 of the Original Mortgage provided. The Bonds of the Fifty-fifth Series shall be limited in aggregate principal amount to \$80,000,000 (except for Bonds of such series authenticated and delivered upon transfer of or in exchange for, or in lieu of, other Bonds of such series).

(II) The Bonds of the Fifty-fifth Series shall mature, bear interest, be payable, be redeemable and be otherwise as set forth below:

(a) the principal of Bonds of the Fifty-fifth Series shall (unless theretofore paid) be payable on the Stated Maturity Date (as hereinafter defined);

(b) the Bonds of the Fifty-fifth Series shall bear interest at the rate of four and twenty-three one hundredths percentum (4.23%) per annum; interest on such Bonds shall accrue from and including November 30, 2012, except as otherwise provided in the form of bond attached hereto as Exhibit D; interest on such Bonds shall be payable on each Interest Payment Date and at Maturity (as each of such terms is hereinafter defined); and interest on such Bonds during any period for which payment is made shall be computed on the basis of a 360-day year consisting of twelve 30-days months;

(c) the principal of and premium, if any, and interest on each Bond of the Fifty-fifth Series payable at Maturity shall be payable upon presentation thereof at the office or agency of the Company in the Borough of

Manhattan, The City of New York, in such coin or currency as at the time of payment is legal tender for public and private debts. The interest on each Bond of the Fifty-fifth Series (other than interest payable at Maturity) shall be payable by check, in similar coin or currency, mailed to the registered owner thereof as of the close of business on the Record Date (as hereinafter defined) next preceding each Interest Payment Date; provided, however, that if such registered owner shall be a securities depository, such payment may be made by such other means in lieu of check as shall be agreed upon by the Company, the Trustee and such registered owner; and, provided, further, that, so long as the Bonds of the Fifty-fifth Series shall be held by an Institutional Investor (as hereinafter defined), payment of principal of and premium, if any, and interest on the Bonds of the Fifty-fifth Series shall be payable in the manner specified in the Bond Purchase Agreement (as hereinafter defined).

(d) The Bonds of the Fifty-fifth Series shall be redeemable in whole at any time, or in part from time to time, at the option of the Company at a redemption price equal to the greater of

(i) 100% of the principal amount of the Bonds being redeemed, and

(ii) the sum of the present values of the remaining scheduled payments of principal of and interest (not including any portion of any scheduled payment of interest which accrued prior to the redemption date) on the Bonds being redeemed discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Yield (as hereinafter defined) plus 50 basis points,

plus, in the case of either (i) or (ii) above, whichever is applicable, accrued interest on such Bonds to the date of redemption.

(e) (i) "Treasury Yield" means, with respect to any redemption of Bonds of the Fifty-fifth Series, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price. The Treasury Yield shall be calculated as of the third business day preceding the redemption date (the "Calculation Date").

(ii) "Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Bonds of the Fifty-fifth Series that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

(iii) "Comparable Treasury Price" means, (A) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the Calculation Date, as set forth in the H.15 Daily Update of the Federal Reserve Bank of New York or (B) if such release (or any successor release) is not published or does not contain such prices on such business day, the Reference Treasury Dealer Quotation for the Calculation Date.

(iv) "H.15(519)" means the weekly statistical release entitled "Statistical Release H.15 (519)", or any successor publication, published by the Board of Governors of the Federal Reserve System.

(v) "H.15 Daily Update" means the daily update of H.15(519) available through the worldwide website of the Board of Governors of the Federal Reserve System or any successor site or publication.

(vi) "Independent Investment Banker" means J.P. Morgan Securities LLC or KeyBanc Capital Markets Inc., as determined by the Company, or, if so determined by the Company, any other independent investment banking institution of national standing appointed by the Company and reasonably acceptable to the Trustee.

(vii) "Reference Treasury Dealer Quotation" means, with respect to the Reference Treasury Dealer, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount and quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the Calculation Date).

(viii) "Reference Treasury Dealer" means a primary U.S. Government securities dealer in New York City appointed by the Company and reasonably acceptable to the Trustee.

(f) If less than all of the outstanding Bonds of the Fifty-fifth Series are to be redeemed, the principal amount to be redeemed shall be prorated among all of the holders of such Bonds in the proportion that their respective holdings bear to the aggregate principal amount of such Bonds outstanding on the date of selection. The portion of any Bond to be redeemed shall be in the principal amount of \$1,000 or an integral multiple thereof and such rounding allocations as may be requisite for this purpose shall be made by the Trustee in its uncontrolled discretion. The Trustee shall promptly notify the Company in writing of the distinctive numbers of the Bond and the portions thereof so selected for redemption.

(g) Except as provided in this subsection (II) of Section 1, the Bonds of the Fifty-fifth Series shall not be redeemable prior to the Stated Maturity Date.

(III) (a) At the option of the registered owner, any Bonds of the Fifty-fifth Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall be exchangeable for a like aggregate principal amount of Bonds of the same series of other authorized denominations.

The Bonds of the Fifty-fifth Series shall be transferable, upon the surrender thereof for cancellation, together with a written instrument of transfer in form approved by the registrar duly executed by the registered owner or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York.

Upon any exchange or transfer of Bonds of the Fifty-fifth Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge, as provided in Section 12 of the Original Mortgage, but the Company hereby waives any right to make a charge in addition thereto or any exchange or transfer of Bonds of the Fifty-fifth Series; provided, however, that the Company shall not be required to make any transfer or exchange of any Bonds of the Fifty-fifth for a period of 10 days next preceding any selection of such Bonds for redemption, nor shall it be required to make transfers or exchange of any Bonds of the Fifty-fifth Series which shall have been selected for redemption in whole or in part.

The Bonds of the Fifty-fifth Series shall bear a legend as to restrictions on transfer substantially as set forth below:

The Bonds evidenced hereby have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered, sold, pledged or otherwise transferred in contravention of the Securities Act.

(IV) For all purposes of this Fifty-fourth Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires, the terms listed below, when used with respect to the Bonds of the Fifty-fifth Series, shall have the meanings specified below:

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated June 27, 2012, between the Company and the purchasers listed on Schedule A thereto.

"Business Day" means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in The City of New York, New York are generally authorized or required by law, regulation or executive order to remain closed.

"Institutional Investor" means (a) any original purchaser of a Bond of the Fifty-fifth Series, (b) any holder of a Bond of the Fifty-fifth Series holding (together with one or more of its affiliates) more than \$1,000,000 in aggregate principal amount of the Bonds of the Fifty-fifth Series, and (c) any bank, trust

company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

“Interest Payment Date” means February 1 and August 1 in each year, commencing February 1, 2013.

“Maturity” means the date on which the principal of the Bonds of the Fifty-fifth Series becomes due and payable, whether at the Stated Maturity Date, upon redemption or acceleration, or otherwise.

“Record Date”, with respect to any Interest Payment Date, means the close of business on the seventh Business Day preceding such Interest Payment Date.

“Stated Maturity Date” means November 29, 2047.

(V) Notwithstanding the provisions of Section 106 of the Original Mortgage, as amended, the Company shall not cause any Bonds of the Fifty-fifth Series, or any portion of the principal amount thereof, to be deemed to have been paid as provided in such Section and its obligations in respect thereof to be deemed to be satisfied and discharged prior to the Maturity thereof unless the Company shall deliver to the Trustee either:

(a) an instrument wherein the Company, notwithstanding the effect of Section 106 of the Original Mortgage, as amended, in respect of such Bonds, shall assume the obligation (which shall be absolute and unconditional) to irrevocably deposit with the Trustee such additional sums of money, if any, or additional government obligations (meeting the requirements of Section 106), if any, or any combination thereof, at such time or times, as shall be necessary, together with the money and/or government obligations theretofore so deposited, to pay when due the principal of and premium, if any, and interest due and to become due on such Bonds or portions thereof, all in accordance with and subject to the provisions of Section 106; provided, however, that such instrument may state that the obligation of the Company to make additional deposits as aforesaid shall be subject to the delivery to the Company by the Trustee of a notice asserting the deficiency accompanied by an opinion of an independent accountant showing the calculation thereof (which opinion shall be obtained at the expense of the Company); or

(b) an Opinion of Counsel to the effect that the holders of such Bonds, or portions of the principal amount thereof, will not recognize income, gain or loss for United States federal income tax purposes as a result of the satisfaction and discharge of the Company’s indebtedness in respect thereof and will be subject to United States federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected.

(VI) Anything in this Supplemental Indenture or the Bonds of the Fifty-fifth Series to the contrary notwithstanding, any payment of principal of or premium, if any, or interest on any Bond of the Fifty-fifth Series that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; provided, however, that if the Maturity date of any Bond is a date other than a Business Day, the payment otherwise due at Maturity shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

(VII) The Bonds of the Fifty-fifth Series shall have such further terms as are set forth in Exhibit D hereto. If there shall be a conflict between the terms of the form of bond and the provisions of the Mortgage, the provisions of the Mortgage shall control to the extent permitted by law.

ARTICLE II

Outstanding Bonds

Upon the delivery of this Fifty-fourth Supplemental Indenture, Bonds of the Fifty-fifth Series in an aggregate principal amount of \$80,000,000 are to be issued and will be Outstanding, in addition to \$1,663,700,000 aggregate principal amount of bonds of prior series Outstanding at the date of delivery of this Fifty-fourth Supplemental Indenture.

ARTICLE III

Miscellaneous Provisions

SECTION 1. The terms defined in the Original Mortgage shall, for all purposes of this Fifty-fourth Supplemental Indenture, have the meanings specified in the Original Mortgage.

SECTION 2. The Trustee hereby confirms its acceptance of the trusts in the Original Mortgage declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions in the Original Mortgage set forth, including the following:

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Fifty-fourth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. Each and every term and condition contained in Article XVI of the Original Mortgage, shall apply to and form part of this Fifty-fourth Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Fifty-fourth Supplemental Indenture.

SECTION 3. Whenever in this Fifty-fourth Supplemental Indenture either of the parties hereto is named or referred to, this shall, subject to the provisions of Articles XV and XVI of the Original Mortgage be deemed to include the successors and assigns of such party, and all the covenants and agreements in this Fifty-fourth Supplemental Indenture contained by or on behalf of the Company, or by or on behalf of the Trustee, or either of them, shall, subject as aforesaid, bind and inure to the respective benefits of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 4. Nothing in this Fifty-fourth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto, the holders of the Bonds Outstanding under the Mortgage, any right, remedy or claim under or by reason of this Fifty-fourth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Fifty-fourth Supplemental Indenture contained by or on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the Bonds Outstanding under the Mortgage.


SECTION 5. This Fifty-fourth Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 6. The titles of the several Articles of this Fifty-fourth Supplemental Indenture shall not be deemed to be any part thereof.

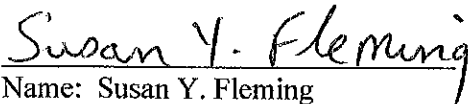
IN WITNESS WHEREOF, on the 30th day of November, 2012, AVISTA CORPORATION has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents, and its corporate seal to be attested by its Corporate Secretary or one of its Assistant Corporate Secretaries for and in its behalf, all in The City of Spokane, Washington, as of the day and year first above written; and on the 30th day of November, 2012, CITIBANK, N.A., has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents or one of its Senior Trust Officers or one of its Trust Officers and its corporate seal to be attested by one of its Vice Presidents or one of its Trust Officers, all in The City of New York, New York, as of the day and year first above written.

AVISTA CORPORATION

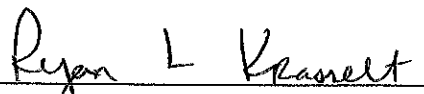


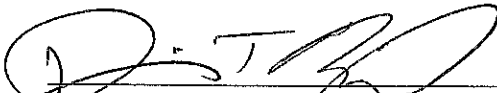
By: 
Name: Mark T. Thies
Title: Senior Vice President and
Chief Financial Officer

Attest:

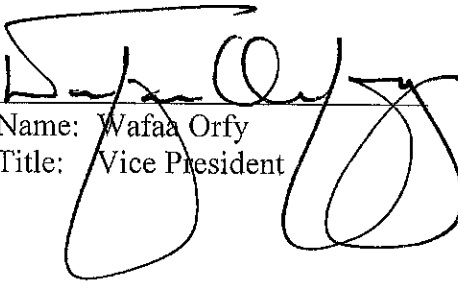

Name: Susan Y. Fleming
Title: Assistant Corporate Secretary

Executed, sealed and delivered
by AVISTA CORPORATION
in the presence of:

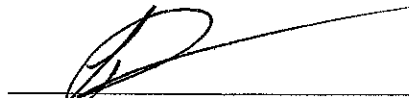

Name: Ryan L. Krasselt


Name: Damien T. Lysiak

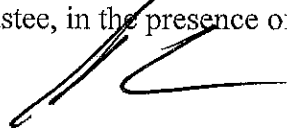
CITIBANK, N.A., AS TRUSTEE

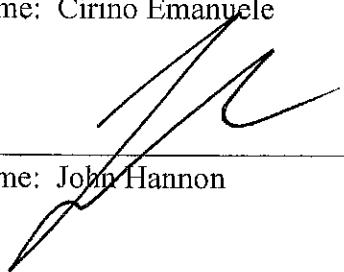
By 
Name: Wafaa Orfy
Title: Vice President

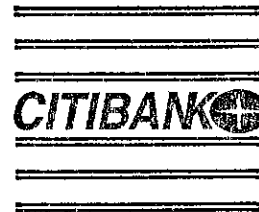
Attest:


Name: Louis Piscitelli
Title: Vice President

Executed, sealed and delivered
by CITIBANK, N.A.,
as trustee, in the presence of:


Name: Cirino Emanuele


Name: John Hannon



STATE OF WASHINGTON)
) ss.:
COUNTY OF SPOKANE)

On the 30th day of November, 2012, before me personally appeared Mark T. Thies, to me known to be a Vice President of AVISTA CORPORATION, one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation for the uses and purposes therein mentioned and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

On the 30th day of November, 2012, before me, a Notary Public in and for the State and County aforesaid, personally appeared Mark T. Thies, known to me to be a Vice President of AVISTA CORPORATION, one of the corporations that executed the within and foregoing instrument and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Rae An Cornell
Notary Public

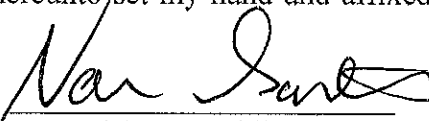
RAEAN CORNELL
Notary Public
State of Washington
Commission Expires January 29, 2014

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 30th day of November, 2012 before me personally appeared Wafaa Orfy, to me known to be a Vice President of CITIBANK, N.A., one of the corporations that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Corporation for the uses and purposes therein mentioned and on oath stated that she was authorized to execute said instrument and that the seal affixed is the corporate seal of said Corporation.

On the 30th day of November, 2012, before me, a Notary Public in and for the State and County aforesaid, personally appeared Wafaa Orfy, known to me to be a Vice President of CITIBANK, N.A., one of the corporations that executed the within and foregoing instrument and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Notary Public

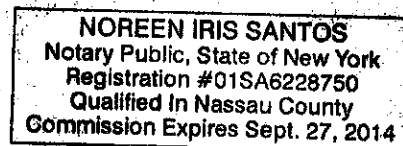


EXHIBIT A

**MORTGAGE, SUPPLEMENTAL INDENTURES
AND SERIES OF BONDS**

<u>MORTGAGE OR SUPPLEMENTAL INDENTURE</u>	<u>DATED AS OF</u>	<u>SERIES</u>		<u>PRINCIPAL AMOUNT ISSUED</u>	<u>PRINCIPAL AMOUNT OUTSTANDING</u>
		<u>NO.</u>	<u>DESIGNATION</u>		
Original	June 1, 1939	1	3-1/2% Series due 1964	\$22,000,000	None
First	October 1, 1952	2	3-3/4% Series due 1982	30,000,000	None
Second	May 1, 1953	3	3-7/8% Series due 1983	10,000,000	None
Third	December 1, 1955		None		
Fourth	March 15, 1957		None		
Fifth	July 1, 1957	4	4-7/8% Series due 1987	30,000,000	None
Sixth	January 1, 1958	5	4-1/8% Series due 1988	20,000,000	None
Seventh	August 1, 1958	6	4-3/8% Series due 1988	15,000,000	None
Eighth	January 1, 1959	7	4-3/4% Series due 1989	15,000,000	None
Ninth	January 1, 1960	8	5-3/8% Series due 1990	10,000,000	None
Tenth	April 1, 1964	9	4-5/8% Series due 1994	30,000,000	None
Eleventh	March 1, 1965	10	4-5/8% Series due 1995	10,000,000	None
Twelfth	May 1, 1966		None		
Thirteenth	August 1, 1966	11	6 % Series due 1996	20,000,000	None
Fourteenth	April 1, 1970	12	9-1/4% Series due 2000	20,000,000	None
Fifteenth	May 1, 1973	13	7-7/8% Series due 2003	20,000,000	None
Sixteenth	February 1, 1975	14	9-3/8% Series due 2005	25,000,000	None
Seventeenth	November 1, 1976	15	8-3/4% Series due 2006	30,000,000	None
Eighteenth	June 1, 1980		None		
Nineteenth	January 1, 1981	16	14-1/8% Series due 1991	40,000,000	None

<u>MORTGAGE OR SUPPLEMENTAL INDENTURE</u>	<u>DATED AS OF</u>	<u>SERIES</u>		<u>PRINCIPAL AMOUNT ISSUED</u>	<u>PRINCIPAL AMOUNT OUTSTANDING</u>
		<u>NO.</u>	<u>DESIGNATION</u>		
Twentieth	August 1, 1982	17	15-3/4% Series due 1990-1992	60,000,000	None
Twenty-First	September 1, 1983	18	13-1/2% Series due 2013	60,000,000	None
Twenty-Second	March 1, 1984	19	13-1/4% Series due 1994	60,000,000	None
Twenty-Third	December 1, 1986	20	9-1/4% Series due 2016	80,000,000	None
Twenty-Fourth	January 1, 1988	21	10-3/8% Series due 2018	50,000,000	None
Twenty-Fifth	October 1, 1989	22	7-1/8% Series due 2013	66,700,000	None
		23	7-2/5% Series due 2016	17,000,000	None
Twenty-Sixth	April 1, 1993	24	Secured Medium-Term Notes, Series A (\$250,000,000 authorized)	250,000,000	43,000,000
Twenty-Seventh	January 1, 1994	25	Secured Medium-Term Notes, Series B (\$250,000,000 authorized)	161,000,000	None
Twenty-Eighth	September 1, 2001	26	Collateral Series due 2002	220,000,000	None
Twenty-Ninth	December 1, 2001	27	7.75% Series due 2007	150,000,000	None
Thirtieth	May 1, 2002	28	Collateral Series due 2003	225,000,000	None
Thirty-first	May 1, 2003	29	Collateral Series due 2004	245,000,000	None
Thirty-second	September 1, 2003	30	6.125% Series due 2013	45,000,000	None
Thirty-third	May 1, 2004	31	Collateral Series due 2005	350,000,000	None
Thirty-fourth	November 1, 2004	32	5.45% Series due 2019	90,000,000	90,000,000
Twentieth	August 1, 1982	17	15-3/4% Series due 1990-1992	60,000,000	None
Twenty-First	September 1, 1983	18	13-1/2% Series due 2013	60,000,000	None
Twenty-Second	March 1, 1984	19	13-1/4% Series due 1994	60,000,000	None
Twenty-Third	December 1, 1986	20	9-1/4% Series due 2016	80,000,000	None

MORTGAGE OR SUPPLEMENTAL INDENTURE	DATED AS OF	SERIES		PRINCIPAL AMOUNT ISSUED	PRINCIPAL AMOUNT OUTSTANDING
		NO.	DESIGNATION		
Twenty-Fourth	January 1, 1988	21	10-3/8% Series due 2018	50,000,000	None
Twenty-Fifth	October 1, 1989	22	7-1/8% Series due 2013	66,700,000	None
		23	7-2/5% Series due 2016	17,000,000	None
Twenty-Sixth	April 1, 1993	24	Secured Medium-Term Notes, Series A (\$250,000,000 authorized)	250,000,000	43,000,000
Twenty-Seventh	January 1, 1994	25	Secured Medium-Term Notes, Series B (\$250,000,000 authorized)	161,000,000	None
Twenty-Eighth	September 1, 2001	26	Collateral Series due 2002	220,000,000	None
Twenty-Ninth	December 1, 2001	27	7.75% Series due 2007	150,000,000	None
Thirtieth	May 1, 2002	28	Collateral Series due 2003	225,000,000	None
Thirty-first	May 1, 2003	29	Collateral Series due 2004	245,000,000	None
Thirty-second	September 1, 2003	30	6.125% Series due 2013	45,000,000	None
Thirty-third	May 1, 2004	31	Collateral Series due 2005	350,000,000	None
Thirty-fourth	November 1, 2004	32	5.45% Series due 2019	90,000,000	90,000,000
Thirty-fifth	December 1, 2004	33	Collateral Series 2004A	88,850,000	25,000,000
Thirty-sixth	December 1, 2004	34	Collateral Series 2004B	66,700,000	None
		35	Collateral Series 2004C	17,000,000	None
Thirty-seventh	December 1, 2004	36	Collateral Series 2004D	350,000,000	None
Thirty-eighth	May 1, 2005	37	Collateral Series 2005B	66,700,000	None
		38	Collateral Series 2005C	17,000,000	None
Thirty-ninth	November 1, 2005	39	6.25% Series due 2035	100,000,000	100,000,000
				50,000,000	50,000,000
Fortieth	April 1, 2006	40	Collateral Series due 2011	320,000,000	None

MORTGAGE OR SUPPLEMENTAL INDENTURE	DATED AS OF	SERIES		PRINCIPAL AMOUNT ISSUED	PRINCIPAL AMOUNT OUTSTANDING
		NO.	DESIGNATION		
Forty-first	December 1, 2006	41	5.70% Series due 2037	150,000,000	150,000,000
Forty-second	April 1, 2008	42	5.95% Series due 2018	250,000,000	250,000,000
Forty-third	November 1, 2008	43	Collateral Series 2008A	200,000,000	None
Forty-fourth	December 1, 2008	44	7.25% Series due 2013	30,000,000	None
Forty-fifth	December 1, 2008	45	Collateral Series 2008B	17,000,000	None
Forty-sixth	September 1, 2009	46	5.125% Series due 2022	250,000,000	250,000,000
Forty-seventh	September 1, 2009	47	Collateral Series 2009A	75,000,000	None
Forty-eighth	December 1, 2010	48	Collateral Series 2010A	66,700,000	66,700,000
		49	Collateral Series 2010B	17,000,000	17,000,000
Forty-ninth	December 1, 2010	50	3.89% Series due 2020	52,000,000	52,000,000
		51	5.55% Series due 2040	35,000,000	35,000,000
Fiftieth	December 1, 2010	52	1.68% Series due 2013	50,000,000	50,000,000
Fifty-first	February 1, 2011	53	Collateral Series 2011A	400,000,000	400,000,000
Fifty-second	August 1, 2011		None		
Fifty-third	December 1, 2011	54	4.45% Series due 2041	85,000,000	85,000,000
TOTAL OUTSTANDING					<u>\$1,663,700,000</u>

**FILING AND RECORDING OF
FIFTY-THIRD SUPPLEMENTAL INDENTURE**

FILING IN STATE OFFICES			
<u>State</u>	<u>Office of</u>	<u>Date</u>	<u>Financing Statement Document Number</u>
Washington	Secretary of State	2/12/12	2012-044-0763-7
Idaho	Secretary of State	2/10/12	B 2012-1103421-3
Montana	Secretary of State	2/10/12	585647732
Oregon	Secretary of State	2/10/12	89119659

RECORDING IN COUNTY OFFICES						
<u>County</u>	<u>Office of</u>	<u>Real Estate Mortgage Records</u>				<u>Financing Statement Document Number</u>
		<u>Date</u>	<u>Document Number</u>	<u>Book</u>	<u>Page</u>	
<u>Washington</u>						
Adams	Auditor	2/9/12	300070	N/A	N/A	N/A
Asotin	Auditor	2/9/12	328326	N/A	N/A	N/A
Benton	Auditor	2/9/12	2012-003868	N/A	N/A	N/A
Douglas	Auditor	2/9/12	3157685	N/A	N/A	N/A
Ferry	Auditor	2/9/12	279591	N/A	N/A	N/A
Franklin	Auditor	2/10/12	1778410	N/A	N/A	N/A
Garfield	Auditor	2/10/12	20120051	N/A	N/A	N/A
Grant	Auditor	2/9/12	1296300	N/A	N/A	N/A
Klickitat	Auditor	2/10/12	1096634	N/A	N/A	N/A
Lewis	Auditor	2/10/12	3374367	N/A	N/A	N/A
Lincoln	Auditor	2/9/12	2012 0460165	105	2153	N/A
Pend Oreille	Auditor	2/13/12	20120310786	N/A	N/A	N/A
Skamania	Auditor	2/14/12	2012180037	N/A	N/A	N/A
Spokane	Auditor	2/9/12	6065710	N/A	N/A	N/A
Stevens	Auditor	2/9/12	2012 0001167	N/A	N/A	N/A
Thurston	Auditor	2/13/12	4250929	N/A	N/A	N/A
Whitman	Auditor	2/9/12	709144	N/A	N/A	N/A
<u>Idaho</u>						
Benewah	Recorder	2/9/12	261767	N/A	N/A	N/A
Bonner	Recorder	2/9/12	821862	N/A	N/A	N/A
Boundary	Recorder	2/9/12	253092	N/A	N/A	N/A
Clearwater	Recorder	2/9/12	218633	N/A	N/A	N/A
Idaho	Recorder	2/9/12	482726	N/A	N/A	N/A
Kootenai	Recorder	2/9/12	2345540000	N/A	N/A	N/A
Latah	Recorder	2/9/12	549348	N/A	N/A	N/A

<i>Idaho (cont.)</i>						
Lewis	Recorder	2/9/12	140132	N/A	N/A	N/A
Nez Perce	Recorder	2/9/12	798167	N/A	N/A	N/A
Shoshone	Recorder	2/9/12	466333	N/A	N/A	N/A
<i>Montana</i>						
Big Horn	Clerk & Recorder	2/12/12	345320	119	601	N/A
Broadwater	Clerk & Recorder	2/13/12	166750	141	249	N/A
Golden Valley	Clerk & Recorder	2/10/12	80960	M	15951	N/A
Meagher	Clerk & Recorder	2/10/12	139604	N/A	N/A	N/A
Mineral	Clerk & Recorder	2/13/12	108971	N/A	N/A	N/A
Rosebud	Clerk & Recorder	2/13/12	109664	135	490	N/A
Sanders	Clerk & Recorder	2/10/12	74297	N/A	N/A	N/A
Stillwater	Clerk & Recorder	2/10/12	350322	N/A	N/A	N/A
Treasure	Clerk & Recorder	2/10/12	81739	20	173	N/A
Wheatland	Clerk & Recorder	2/10/12	107176	M	23487	N/A
Yellowstone	Clerk & Recorder	2/10/12	3614069	N/A	N/A	N/A
<i>Oregon</i>						
Douglas	Recorder	2/10/12	2012-002792	N/A	N/A	N/A
Jackson	Recorder	2/24/12	2012-005497	N/A	N/A	N/A
Josephine	Recorder	2/10/12	2012-001485	N/A	N/A	N/A
Klamath	Recorder	2/24/12	01	N/A	N/A	N/A
Morrow	Recorder	2/23/12	2012-29626	N/A	N/A	N/A
Union	Recorder	2/23/12	20120495	N/A	N/A	N/A
Wallowa	Recorder	2/23/12	66809	N/A	N/A	N/A

PROPERTY ADDITIONS

First

THE ADDITIONAL ELECTRIC SUBSTATIONS AND SUBSTATION SITES OF THE COMPANY, in the State of Washington, including all buildings, structures, towers, poles, equipment, appliances and devices for transforming, converting and distributing electric energy, and the lands of the company on which the same are situated and all of the company's real estate and interests therein, machinery, equipment, appliances, devices, appurtenances and supplies, franchises, permits and other rights and other property forming a part of said substations or any of them, or used or enjoyed or capable of being used or enjoyed in connection with any thereof, including, but not limited to, the following situated in the State of Washington, to wit:

1. Whitman County, Washington: "Thornton Switching Station 230kV"; Property No. WA-38-032; Grantor: Palouse Wind, LLC; Parcel 2-1 of Thornton Switching Station Short Plat, being portion of SW/4 of Section 5, Township 19 North, Range 43 East, W.M.
2. Spokane County, Washington: "Deer Park 115kV Substation"; Property No. WA-32-081; Grantor: United States of America, Department of Energy for Bonneville Power Administration; Portion of Government Lot 4 in NW/4 of Section 3, Township 28 North, Range 42 East, W.M.
3. Spokane County, Washington: "Downtown East Substation"; Property No. WA-32-035; Grantor: City of Spokane; Portion of vacated Sheridan Street in SW/4 of Section 17, Township 25 North, Range 43 East, W.M.

Second

THE ADDITIONAL REGULATOR AND ODORIZER STATION SITES OF THE COMPANY, in the State of Washington, including all improvements, regulator and odorizer station equipment, general equipment, appliances and devices for distributing natural gas and the lands of the Company on which the same are situated and all of the Company's real estate and interests therein, machinery, equipment, appliances, devices, appurtenances and supplies, franchises, permits, and other rights and other property forming a part of said Stations or any of them, or used or enjoyed or capable of being used or enjoyed in connection with any thereof, including, but not limited to, the following situated in the State of Washington, to wit:

1. Spokane County, Washington: "Gas Regulator Station #29"; Property No. WA-32-224; Grantor: Washington State Department of Transportation; Portion of SW/4 SE/4, together with portion of vacated Market Street, in Section 10, Township 26 North, Range 43 East, W.M.

Third

THE ADDITIONAL ELECTRIC DISTRIBUTING SYSTEMS OF THE COMPANY, in the State of Idaho, including all towers, poles, pole lines, wires, cables, insulators and appurtenances, appliances and equipment and all of the Company's other property, real, personal, or mixed, forming a part of or used, occupied or enjoyed in connection with or in anywise appertaining to said distributing systems or any of them, together with all rights of way, easements, permits, privileges, municipal or other franchises, licenses, consents, and rights for or relating to the construction, maintenance or operation thereof through, over, under or upon any public streets or highways or other lands, public or private, including, but not limited to, the following in the State of Idaho, to wit:

1. Kootenai County, Idaho: "Coeur d'Alene Distribution"; Property No. ID-K-178; Grantor: City of Coeur d'Alene; Portion of vacated Hazel Avenue in E/2 SE/4 of Section 12, Township 50 North, Range 4 West, B.M.

Fourth

• **ADDITIONAL PROTECTION, MITIGATION AND ENHANCEMENT PROPERTY** of the Company, in the States of Idaho, Washington and Montana, real, personal, or mixed, acquired, constructed and/or installed in, on, under and/or proximate to the Company's Clark Fork hydroelectric development (including, without limitation, the Cabinet Gorge Hydroelectric Generating Station and the Noxon Rapids Hydroelectric generating Station) for the purpose of protecting and/or enhancing wildlife (including fish and aquatic life), botanical life and/or wetlands, and/or mitigating any harm or damage thereto, and all other property, real, personal or mixed, used or enjoyed or capable of being used or enjoyed in conjunction therewith, including, but not limited to, the following in the States of Idaho, Washington and Montana, to wit:

1. Kootenai County, Idaho: "Post Falls HED Mitigation"; Property No. ID-K-253; Grantor: Roy N. Schons & Daniel S. Treend; Portion of Government Lot 7, in Section 4, Township 50 North, Range 5 West, B.M.
2. Spokane County, Washington: "Long Lake HED Mitigation"; Property No. WA-32-257; Grantor: Douglas J.H. and Elizabeth Ricks; Tract 8 and 1/40 interest in Tract in SE/4 of Section 30, Township 27 North, Range 40 East, W.M.
3. Sanders County, Montana: "Cabinet Gorge Mitigation"; Property No. MT-35-251; Grantor: Dettwiler Farms, Inc.; SE/4 in Section 27, Township 27 North, Range 34 West, M.P.M.

Fifth

BUSINESS OFFICE/S AND OR REAL ESTATE, in the States of Idaho and Washington, to wit:

1. Benewah County, Idaho: "St. Maries Storage Yard"; Property No. ID-3B-002; Grantor: Nancy Lee Properties, LLC; Portion of Tracts 77 & 78, Meadowhurst, in NW/4 of Section 23, Township 46 North, Range 2 West, B.M.

4. Spokane County, WA: "Ross Court Properties"; Property No. WA-32-002;
Grantor: City of Spokane; Portion of vacated North Crescent Street from Perry Street to North Center Street in SW/4 of Section 9, Township 25 North, Range 43 East, W.M.

EXHIBIT D

(Form of Bond)

The Bonds evidenced hereby have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered, sold, pledged or otherwise transferred in contravention of the Securities Act.

PPN _____

AVISTA CORPORATION

First Mortgage Bond,
4.23% Series due 2047

REGISTERED

REGISTERED

NO. _____

\$ _____

AVISTA CORPORATION, a corporation of the State of Washington (hereinafter called the Company), for value received, hereby promises to pay to

, or registered assigns, on November 29, 2047

DOLLARS

- and to pay the registered owner hereof interest thereon semi-annually in arrears on February 1 and August 1 in each year (each such date being hereinafter called an "Interest Payment Date"), commencing February 1, 2013 and at Maturity (as hereinafter defined), at the rate of four and twenty-three one hundredths percentum (4.23%) per annum computed on the basis of a 360-day year consisting of twelve 30-day months, until the Company's obligation with respect to the payment of such principal shall have been discharged. This bond shall bear interest from November 30, 2012 or from the most recent Interest Payment Date on or prior to the date of this bond to which interest on the bonds of this series has been paid. The principal of and premium, if any, and interest on this bond payable at Maturity shall be payable upon presentation hereof at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such

coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. The interest on this bond (other than interest payable at Maturity) shall be paid by check, in the similar coin or currency, mailed to the registered owner hereof as of the close of business on the seventh Business Day preceding each Interest Payment Date (each such date being herein called a "Record Date"); provided, however, that if such registered owner shall be a securities depository, such payment shall be made by such other means in lieu of check as shall be agreed upon by the Company, the Trustee and such registered owner; and provided further that, so long as this Bond shall be held by an Institutional Investor (as defined in the Fifty-fourth Supplemental Indenture referred to below), payment of principal of and premium, if any, and interest on this Bond shall be payable in the manner specified in the Bond Purchase Agreement (as defined in such Fifty-fourth Supplemental Indenture). Interest payable at Maturity shall be paid to the person to whom principal shall be paid. As used herein, the term "Maturity" shall mean the date on which the principal of this bond becomes due and payable, whether at stated maturity, upon redemption or acceleration, or otherwise.

This bond is one of an issue of bonds of the Company issuable in series and is one of a series known as its First Mortgage Bonds, 4.23% Series due 2047, all bonds of all such series being issued and issuable under and equally secured (except insofar as any sinking or other fund, established in accordance with the provisions of the Mortgage hereinafter mentioned, may afford additional security for the bonds of any particular series) by a Mortgage and Deed of Trust, dated as of June 1, 1939 (the "Original Mortgage"), executed by the Company (formerly known as The Washington Water Power Company) to City Bank Farmers Trust Company and Ralph E. Morton, as Trustees (Citibank, N.A., successor Trustee to both said Trustees). The Original Mortgage has been amended and supplemented by various supplemental indentures, including the Fifty-fourth Supplemental Indenture, dated as of November 1, 2012 (the "Fifty-fourth Supplemental Indenture"), and, as so amended and supplemented, is herein called the "Mortgage". Reference is made to the Mortgage for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds and of the Trustee in respect thereof, the duties and immunities of the Trustee and the terms and conditions upon which the bonds are and are to be secured and the circumstances under which additional bonds may be issued. If there shall be a conflict between the terms of this bond and the provisions of the Mortgage, the provisions of the Mortgage shall control to the extent permitted by law. The holder of this bond, by its acceptance hereof, shall be deemed to have consented and agreed to all of the terms and provisions of the Mortgage and, further, in the event that such holder shall not be the sole beneficial owner of this bond, shall be deemed to have agreed to use all commercially reasonable efforts to cause all direct and indirect beneficial owners of this bond to have knowledge of the terms and provisions of the Mortgage and of this bond and to comply therewith, including particularly, but without limitation, any provisions or restrictions in the Mortgage regarding the transfer or exchange of such beneficial interests and any legend set forth on this bond.

The Mortgage may be modified or altered by affirmative vote of the holders of at least 60% in principal amount of the bonds outstanding under the Mortgage, considered as one class, or, if the rights of one or more, but less than all, series of bonds then outstanding are to be affected, then such modification or alteration may be effected with the affirmative vote only of 60% in principal amount of the bonds outstanding of the series so to be affected, considered as one class, and, furthermore, for limited purposes, the Mortgage may be modified or altered without any consent or other action of holders of any series of bonds. No modification or alteration shall, however, permit an extension of the Maturity of the principal of, or interest on, this bond or a reduction in such principal or the rate of interest hereon or any other modification in the terms of payment of such principal or interest or the creation of any lien equal or prior to the lien of the Mortgage or deprive the holder of a lien on the mortgaged and pledged property without the consent of the holder hereof.

The principal hereof may be declared or may become due prior to the stated maturity date on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a Completed Default as in the Mortgage provided.

As provided in the Mortgage and subject to certain limitations therein set forth, this bond or any portion of the principal amount hereof will be deemed to have been paid if there has been irrevocably deposited with the Trustee moneys or direct obligations of or obligations guaranteed by the United States of America, the principal of and interest on which when due, and without regard to any reinvestment thereof, will provide moneys which, together with moneys so deposited, will be sufficient to pay when due the principal of and premium, if any, and interest on this bond when due.

The Mortgage contains terms, provisions and conditions relating to the consolidation or merger of the Company with or into, and the conveyance or other transfer, or lease, of assets to, another corporation and to the assumption by such other corporation, in certain circumstances, of all of the obligations of the Company under the Mortgage and on the bonds secured thereby.

In the manner prescribed in the Mortgage, this bond is transferable by the registered owner hereof in person, or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this bond, together with a written instrument of transfer whenever required by the Company duly executed by the registered owner or by its duly authorized attorney, and, thereupon, a new fully registered bond of the same series for a like principal amount will be issued to the transferee in exchange herefor as provided in the Mortgage. The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment and for all other purposes.

In the manner prescribed in the Mortgage, any bonds of this series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough

of Manhattan, The City of New York, are exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

The bonds of this series shall be redeemable in whole at any time or in part from time to time, at the option of the Company, upon notice mailed as provided in Section 52 of the Mortgage, at the option of the Company at a redemption price equal to the greater of

and (a) 100% of the principal amount of the bonds being redeemed,

(b) the sum of the present values of the remaining scheduled payments of principal of and interest (not including any portion of any scheduled payment of interest which accrued prior to the redemption date) on the bonds being redeemed discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Yield (as hereinafter defined) plus 50 basis points,

plus, in the case of either (a) or (b) above, whichever is applicable, accrued interest on such Bonds to the date of redemption.

“Treasury Yield” means, with respect to any redemption of the bonds of this series, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price. The Treasury Yield shall be calculated as of the third business day preceding the redemption date (the “Calculation Date”).

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the bonds of this series that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the bonds.

“Comparable Treasury Price” means, (A) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the Calculation Date, as set forth in the H.15 Daily Update of the Federal Reserve Bank of New York or (B) if such release (or any successor release) is not published or does not contain such prices on such business day, the Reference Treasury Dealer Quotation for the Calculation Date.

“H.15(519)” means the weekly statistical release entitled “Statistical Release H.15 (519)”, or any successor publication, published by the Board of Governors of the Federal Reserve System.

“H.15 Daily Update” means the daily update of H.15(519) available through the worldwide website of the Board of Governors of the Federal Reserve System or any successor site or publication.

“Independent Investment Banker” means J.P. Morgan Securities LLC or KeyBanc Capital Markets, Inc., as determined by the Company, or, if so determined by the Company, any other independent investment banking institution of national standing appointed by the Company and reasonably acceptable to the Trustee.

“Reference Treasury Dealer Quotation” means, with respect to the Reference Treasury Dealer, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount and quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the Calculation Date).

“Reference Treasury Dealer” means a primary U.S. Government securities dealer in New York City appointed by the Company and reasonably acceptable to the Trustee.

Except as provided above, the bonds of this series are not redeemable prior to their stated maturity date.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on this bond against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers and directors being released by the holder or owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

This bond shall not become obligatory until Citibank, N.A., the Trustee under the Mortgage, or its successor thereunder, shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, AVISTA CORPORATION has caused this bond to be signed in its corporate name by its President or one of its Vice Presidents by his signature or a facsimile thereof, and its corporate seal to be impressed or imprinted hereon and attested by its Corporate Secretary or one of its Assistant Corporate Secretaries by his signature or a facsimile thereof.

Dated:

AVISTA CORPORATION

By: _____

Name:

Title:

ATTEST: _____

Name:

Title:

TRUSTEE'S CERTIFICATE

This bond is one of the bonds of the series herein designated, described or provided for in the within-mentioned Mortgage.

CITIBANK, N.A.

Trustee

By _____

Authorized Signatory

ASSIGNMENT FORM

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

[please insert social security or other identifying number of assignee]

[please print or typewrite name and address of assignee]

The within bond of AVISTA CORPORATION and does hereby irrevocably constitute and appoint _____, Attorney, to transfer said bond on the books of the within-mentioned Company, with full power of substitution in the premises.

Dated: _____

[signature of assignor]

Notice: The signature to this assignment must correspond with the name as written upon the face of the bond in every particular without alternation or enlargement or any change whatsoever.