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

AVISTA Corp.

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IDAHO PUBLIC UTILITIES COMMISSION

December 20, 2006

State of Idaho
Idaho Public Utilities Commission
Statehouse
Boise ID 83720

Attention: Jean D. Jewell, Secretary

Case No. AVU-U-06-02

We are submitting the following information in compliance with the Commission's Order No. 30150 under Case No. AVU-U-06-2 for the sale of $150,000,000 of secured debt securities, 5.70% due 2037.

Avista Corporation issued the $150,000,000 principal amount of secured debt securities 5.70% due July 1, 2037 on December 15, 2005. Underwriters for this issuance were Goldman, Sachs & Co., BNY Capital Markets, Inc., KeyBanc Capital Markets, A.G. Edwards and Banc of America Securities LLC. The 5.70% series was offered at a price of 99.852%. The underwriter's fee for the issue was 0.875% leaving a net price to the Company of 98.977% or total net proceeds of $148,465,500. See attached Final Term Sheet for more details on the transaction.

Please contact Paul Kimball at (509) 495-4584 if you have any questions.

Sincerely,

Diane C. Thoren
Assistant Treasurer

Enclosure

Schedule III

Filed Pursuant to Rule 433
Registration No. 333-139239

Final Term Sheet

Issuer:	Avista Corporation
Issue:	First Mortgage Bonds, 5.70% Series due 2037
Ratings:	Aaa/AAA/AAA
Insurer:	XL Capital Assurance
Offering Size:	$150,000,000
Coupon:	5.70%
Trade Date:	December 12, 2006
Settlement Date:	December 15, 2006 (T+3)
Stated Maturity:	July 1, 2037
Spread to Benchmark Treasury:	T+110
Yield to Maturity:	5.71%
Benchmark Treasury Yield:	4.61%
Benchmark Treasury:	4.50% due February 2, 2036
Initial Public Offering Price:	99.852%
Proceeds to Issuer (before expenses):	$148,465,500
Optional Redemption:	Make-Whole Call, 20bps spread over U.S. Treasuries
Interest Payment Dates:	Semi-annually in arrears on January 1 and July 1 of each year, commencing on July 1, 2007
Sole Bookrunner:	Goldman, Sachs & Co.
Senior Lead Managers:	BNY Capital Markets, Inc. KeyBanc Capital Markets, a Division of McDonald Investments Inc.
Co-Managers:	A.G. Edwards & Sons, Inc. Banc of America Securities LLC

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Goldman, Sachs & Co. toll-free at 1-866-471-2526.