
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 15, 2018

AVISTA CORPORATION

(Exact name of registrant as specified in its charter)

Washington
(State of other jurisdiction of
incorporation)

1-3701
(Commission
file number)

91-0462470
(I.R.S. Employer
Identification No.)

1411 East Mission Avenue, Spokane, Washington
(Address of principal executive offices)

99202-2600
(Zip Code)

Registrant's telephone number, including area code:
Web site: <http://www.avistacorp.com>

509-489-0500

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 8 – Other Events

Item 8.01 Other Events.

On May 15, 2018, Avista Corporation (the “Company”) entered into an underwriting agreement with the underwriters named therein (the “Underwriting Agreement”) for the sale of \$375,000,000 aggregate principal amount of its First Mortgage Bonds, 4.35% Series due 2048 (the “Bonds”). The sale of the Bonds is expected to close on May 22, 2018 subject to the satisfaction of customary closing conditions, as further described in the Underwriting Agreement. The Bonds were registered under the Securities Act of 1933, as amended, by means of the Company’s automatic shelf Registration Statement on Form S-3 (No. 333-209714).

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 1(a)(1) [Underwriting Agreement, dated May 15, 2018, between the Company and the underwriters named therein](#)
- 4(a)(62) [Sixty-first Supplemental Indenture to the Mortgage dated as of May 1, 2018.](#)
- 5(a)(1) [Opinion and Consent of Marian M. Durkin, Esq.](#)
- 5(a)(2) [Opinion and Consent of Pillsbury Winthrop Shaw Pittman LLP.](#)
- 25(a)(1) [Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of Citibank, N.A., as Trustee under the Mortgage.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AVISTA CORPORATION

(Registrant)

Date: May 21, 2018

/s/ Marian M. Durkin

Marian M. Durkin

Senior Vice President, General Counsel,
Corporate Secretary and Chief Compliance Officer

AVISTA CORPORATION

(a Washington corporation)

**First Mortgage Bonds,
4.35% Series due 2048**

UNDERWRITING AGREEMENT

Dated: May 15, 2018

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EXHIBITS

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AVISTA CORPORATION

(a Washington corporation)

First Mortgage Bonds,
4.35% Series due 2048

UNDERWRITING AGREEMENT

May 15, 2018

BNY MELLON CAPITAL MARKETS, LLC
101 Barclay Street, 3W
New York, New York 10286

J.P. MORGAN SECURITIES LLC
383 Madison Avenue
New York, New York 10179

MUFG SECURITIES AMERICAS INC.
1221 Avenue of the Americas, 6th Floor
New York, New York 10020

WELLS FARGO SECURITIES, LLC
550 South Tryon Street, 5th Floor
Charlotte, North Carolina 28202

As Representatives of the several Underwriters

Ladies and Gentlemen:

Avista Corporation, a Washington corporation (the “**Company**”), confirms its agreement (the “**Agreement**”) with each of the Underwriters named in Schedule A hereto (collectively, the “**Underwriters**”, which term shall also include any underwriter substituted as hereinafter provided in Section 11 hereof), for which BNY Mellon Capital Markets, LLC, J.P. Morgan Securities LLC, MUFG Securities Americas Inc. and Wells Fargo Securities, LLC are acting as representatives (in such capacity, the “**Representatives**”), with respect to the issuance and sale by the Company and the purchase by the Underwriters, acting severally and not jointly, of the respective principal amounts set forth in Schedule A hereto of \$375,000,000 in aggregate principal amount of the Company’s First Mortgage Bonds, 4.35% Series due 2048 (the “**Securities**”).

The Securities are to be issued under the Mortgage and Deed of Trust, dated as of June 1, 1939, from the Company to Citibank N.A., trustee (the “**Trustee**”), as amended and supplemented by various supplemental indentures and other instruments including the Sixty-first Supplemental Indenture, dated as of May 1, 2018 (such Sixty-first Supplemental Indenture and such Mortgage and Deed of Trust, as so amended and supplemented, being hereinafter called, respectively, the “**Supplemental Indenture**” and the “**Mortgage**”).

The Company understands that the Underwriters propose to make a public offering of the Securities promptly after this Agreement has been executed and delivered. The terms of the public offering of the Securities are as set forth in the Disclosure Package.

On February 25, 2016, the Company filed with the Securities and Exchange Commission (the “**Commission**”) a registration statement on Form S-3 (No. 333-209714), for the registration of securities, including the Securities, under the Securities Act of 1933, as amended (the “**1933 Act**”), and the offer and sale thereof from time to time in accordance with Rule 415 of the rules and regulations of the Commission under the 1933 Act (the “**1933 Act Regulations**”), and for the qualification of the Mortgage under the Trust Indenture Act of 1939, as amended (the “**1939 Act**”).

SECTION 1. Certain Definitions

When used in this Agreement, the following terms have the meanings specified below:

“**Agreement**” has the meaning set forth in the foregoing preamble.

“**Agreements and Instruments**” has the meaning set forth in Section 2(a)(xiii).

“**Applicable Time**” means 2:30 p.m. (New York City time) on May 15, 2018.

“**Base Prospectus**” means the base prospectus relating to the Securities filed as part of the Registration Statement, in the form in which it has been most recently filed with the Commission prior to the date of this Agreement.

“**Closing Time**” means the time and date set forth in Section 3(b).

“**Commission**” has the meaning set forth in the preamble to this Agreement.

“**Company**” has the meaning set forth in the preamble to this Agreement.

“**Designated Subsidiary**” means each of Avista Capital, Inc., Alaska Energy and Resources Company and Alaska Electric Light and Power Company.

“**Disclosure Package**” means, collectively, (i) the Pricing Prospectus, (ii) the Term Sheet and (iii) any other Issuer Free Writing Prospectus listed on Schedule B hereto.

“**EDGAR**” has the meaning set forth below in this Section 1.

“**Effective Time**” means the date and time of the effectiveness of the Registration Statement for purposes of paragraph (f)(2) of Rule 430B, as applied to the Underwriters.

“**Internal Controls**” has the meaning set forth in Section 2(a)(xxi)(A)(III).

“**Issuer Free Writing Prospectus**” means any “issuer free writing prospectus” (as defined by Rule 433 of the 1933 Act Regulations (“**Rule 433**”)) with respect to the Securities (including, but not limited to, the Term Sheet and any other document listed on **Schedule B** hereto).

“**Liens**” has the meaning set forth in Section 2(a)(viii).

“**Material Adverse Change**” has the meaning set forth in Section 2(a)(v).

“**Material Adverse Effect**” has the meaning set forth in Section 2(a)(vi).

“**Mortgage**” has the meaning set forth in the preamble to this Agreement.

“**Preliminary Prospectus**” means the Base Prospectus as supplemented by a preliminary prospectus supplement provided by the Company to the Underwriters for use in connection with the offering of the Securities, as filed with the Commission pursuant to Rule 424(b).

“**Pricing Prospectus**” means the Preliminary Prospectus as amended or supplemented and otherwise in the form most recently provided to the Underwriters for use in connection with the offering of the Securities prior to the Applicable Time.

“**Prospectus**” means, as of any particular time, the Base Prospectus, as supplemented by the final prospectus supplement relating to the offer and sale of the Securities, as filed with the Commission pursuant to Rule 424(b).

“**PUC Orders**” has the meaning set forth in Section 2(a)(xvi).

“**Registration Statement**” means, as of any particular time, the Company’s registration statement on Form S-3 (No. 333-209714), including (a) any amendments thereto at such time, (b) the exhibits and schedules thereto at such time and (c) any prospectus filed with the Commission pursuant to Rule 424(b) that, in accordance with Rule 430B, is deemed to be a part thereof.

“**Regulation S-T**” means Regulation S-T of the Commission.

“**Repayment Event**” has the meaning set forth in Section 2(a)(xiv).

“**Representatives**” has the meaning set forth in the preamble to this Agreement.

“**Rule 405**” means Rule 405 of the 1933 Act Regulations.

“**Rule 424(b)**” means Rule 424(b) of the 1933 Act Regulations.

“**Rule 430B**” means Rule 430B of the 1933 Act Regulations.

“**Rule 433**” means Rule 433 of the 1933 Act Regulations.

“**Securities**” has the meaning set forth in the preamble to this Agreement.

“**Supplemental Indenture**” has the meaning set forth in the preamble to this Agreement.

“**Term Sheet**” means the term sheet prepared and filed pursuant to Section 4(a).

“**Trustee**” has the meaning set forth in the preamble to this Agreement.

“**Underwriters**” has the meaning set forth in the preamble to this Agreement.

“**1933 Act**” has the meaning set forth in the preamble to this Agreement.

“**1933 Act Regulations**” has meaning set forth in the preamble to this Agreement.

“**1934 Act**” means the Securities Exchange Act of 1934, as amended.

“**1934 Act Regulations**” means the rules and regulations of the Commission under the 1934 Act.

“**1939 Act**” has the meaning set forth in the preamble to this Agreement.

“**1939 Act Regulations**” means the rules and regulations of the Commission under the 1939 Act.

The foregoing definitions are subject to the following qualifications:

(a) all references in this Agreement to the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus or to any of the financial statements, schedules or other information that is “contained”, “included” or “stated” (or other words of like import) therein shall be deemed to include the information contained in documents filed with the Commission under the 1934 Act that (i) are incorporated, or deemed incorporated, therein by reference pursuant to Item 12 of Form S-3 under the 1933 Act, to the extent such information has not been superseded or modified in accordance with Rule 412 of the 1933 Act Regulations (as qualified by Rule 430B(g) of the 1933 Act Regulations) and (ii) are filed with the Commission (A) in the case of references to the “**Registration Statement**”, at or prior to the Effective Time, (B) in the case of references to any “**Preliminary Prospectus**”, at or prior to the date thereof, (C) in the case of references to the “**Pricing Prospectus**”, at or prior to the Applicable Time and (D) in the case of references to the “**Prospectus**”, at or prior to the date thereof.

(b) all references in this Agreement to an amendment to the Registration Statement shall be deemed to include any document filed under the 1934 Act subsequent to the date thereof that is deemed incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act;

(c) all references in this Agreement to an amendment or supplement to any Preliminary Prospectus or to the Prospectus shall be deemed to include any document filed under the 1934 Act subsequent to the date thereof that is deemed incorporated by reference therein pursuant to Item 12 of Form S-3 under the 1933 Act; and

(d) all references in this Agreement to the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system (“**EDGAR**”).

SECTION 2. Representations and Warranties.

(a) *Representations and Warranties of the Company.*

The Company represents and warrants to each Underwriter at and as of the date of this Agreement, at and as of the Applicable Time and at and as of the Closing Time as follows:

(i) Compliance with Securities Law Requirements.

(A) Well-Known Seasoned Issuer Status. At the time the Registration Statement was filed with the Commission, at all relevant determination dates, and at the date hereof, the Company was and is a “well-known seasoned issuer” (as defined in Rule 405).

(B) Eligibility to Use Form S-3. At the time the Registration Statement was filed with the Commission and at the time of the most recent amendment, if any, to the Registration Statement for purposes of complying with Section 10(a)(3) of the 1933 Act, the Company met the requirements for use of Form S-3 under the 1933 Act.

(C) Status and Content of the Registration Statement. The Registration Statement became effective automatically upon the filing thereof with the Commission under the 1933 Act. No stop order suspending the effectiveness of the Registration Statement has been issued under the 1933 Act and no proceedings for that purpose have been instituted by the Commission or are pending or, to the knowledge of the Company, have been threatened or are contemplated by the Commission, and any request on the part of the Commission for additional information with respect to the Registration Statement has been complied with. At the time the Registration Statement became effective, and at the Effective Time, the Registration Statement complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the 1939 Act and the 1939 Act Regulations. At and as of the Effective Time, the Registration Statement did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(D) Status and Content of Each Preliminary Prospectus. Each Preliminary Prospectus, at and as of its date and at and as of the time it was filed with the Commission, complied in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations, and did not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Each Preliminary Prospectus delivered to the Underwriters in connection with the offering of the Securities was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR (except that the registration fee table has been deleted from the cover thereof), except to the extent permitted by Regulation S-T. No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission.

(E) Issuer Free Writing Prospectuses. At the earliest time after the filing of the Registration Statement that the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Securities, the Company was not an “ineligible issuer” as defined in Rule 405. Each Issuer Free Writing Prospectus, at the time it was filed with the Commission pursuant to Rule 433 or, if it was not required to be so filed, at the time of each use thereof (1) did not include any information that conflicts with (x) information contained in the Registration Statement, including any prospectus or prospectus supplement that is part of the Registration Statement, and not superseded or modified, or (y) information contained in the Company’s periodic and current reports filed with the Commission pursuant to Section 13 or 15(d) of the 1934 Act that are incorporated or deemed incorporated by reference in the Registration Statement, and not superseded or modified, and (2) complied in all other respects with the requirements of Rule 164 and Rule 433 (without reliance on subsections (b), (c) and (d) of Rule 164 of the 1933 Act Regulations). No order preventing or suspending the use of any Issuer Free Writing Prospectus has been issued by the Commission.

(F) Content of the Disclosure Package. The Disclosure Package, at and as of the Applicable Time, did not, and at and as of the Closing Time, will not, contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(G) Status and Content of the Prospectus. The Prospectus, at and as of its date, at and as of the time it is filed with the Commission and at and as of the Closing Time, will conform in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and, at and as of such respective dates and times, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Prospectus delivered to the Underwriters in connection with the offering of the Securities, and any amendment or supplement thereto, will be identical to the copies thereof filed electronically with the Commission pursuant to EDGAR (except that the registration fee table will be deleted from the cover thereof), except to the extent permitted by Regulation S-T.

(H) Description and Filing of Contracts and Documents. All contracts or documents that are required to be described in the Registration Statement, the Pricing Prospectus or the Prospectus or to be filed as exhibits to the Registration Statement have been so described and filed as required.

The representations and warranties of the Company in this subsection (a)(i) shall not apply to any of the information referred to on Schedule D.

(ii) Incorporated Documents. The documents incorporated or deemed incorporated by reference in the Registration Statement, the Pricing Prospectus, and the Prospectus, at and as of the time they were or hereafter are filed with the Commission, complied or will comply, as applicable, in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations and, when filed did not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(iii) Independent Accountants. The accountants who audited the financial statements and financial statement schedules included in the Registration Statement, the Disclosure Package and the Prospectus are independent registered public accountants within the meaning of Regulation S-X of the Commission.

(iv) Financial Statements. The financial statements, together with the respective schedules and notes relating thereto, included in the Registration Statement, the Disclosure Package and the Prospectus, present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the results of operations and cash flows of the Company and its consolidated subsidiaries for the periods specified; such financial statements have been prepared in conformity with United States generally accepted accounting principles applied on a consistent basis throughout the periods involved, except as otherwise stated therein. The selected financial data and the summary financial information included in the Registration Statement, the Disclosure Package and the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included in the Registration Statement. The financial statements and other financial data included in the Registration Statement, the Disclosure Package and the Prospectus comply in all material respects with the requirements of paragraph (e) of Item 10 of Regulation S-K. The interactive data in eXtensible Business Reporting Language filed as exhibits to the documents incorporated by reference or deemed to be incorporated by reference into the Registration Statement, the Pricing Prospectus and the Prospectus fairly present the information called for in all material respects and has been prepared in accordance with the Commission's rules and guidelines applicable thereto. Except as disclosed in the Registration Statement, the Disclosure Package and the Prospectus, neither the Company nor any of its subsidiaries has any off-balance sheet arrangements of the character contemplated by Item 303 of Regulation S-K or otherwise by Section 13G of the 1934 Act, or has any other contingent obligation or liability, which, in any case, is material, or is reasonably likely to be material, to the Company and its consolidated subsidiaries considered as one enterprise.

(v) No Material Adverse Change. Since the date of the latest audited balance sheet included in the Registration Statement, the Disclosure Package and the Prospectus and except as disclosed therein, there has been no material adverse change, or any development that could reasonably be expected to result in a material adverse

change, in the condition (financial or otherwise), business, properties or results of operations of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (any such change or development, a “**Material Adverse Change**”).

(vi) Good Standing of the Company and Designated Subsidiaries. Each of the Company and each of the Designated Subsidiaries has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority to own or lease and operate its properties and to conduct its business as described in the Registration Statement, the Disclosure Package and the Prospectus, and the Company has the corporate power and authority to enter into and perform its obligations under this Agreement; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure so to qualify or to be in good standing would not have a material adverse effect on the condition (financial or otherwise), business, properties or results of operations of the Company and its subsidiaries considered as one enterprise, whether or not arising in the ordinary course of business (any such effect, a “**Material Adverse Effect**”).

(vii) No Significant Subsidiaries. The Company has no “significant subsidiaries” as defined in Rule 1-02 of Regulation S-X.

(viii) Capitalization. The authorized, issued and outstanding capital stock of the Company is as set forth in the Registration Statement, the Disclosure Package and the Prospectus. All of the issued and outstanding shares of Common Stock of the Company have been duly authorized and validly issued and are fully paid and non-assessable. All of the issued and outstanding shares of capital stock of each Designated Subsidiary have been duly authorized and validly issued, are fully paid and non-assessable and are owned, directly or indirectly, by the Company, free and clear of any security interest, mortgage or other lien or encumbrance (each being hereinafter called a “**Lien**”).

(ix) Authorization of this Agreement. This Agreement has been duly authorized, executed and delivered by the Company.

(x) Authorization of the Mortgage. The Mortgage has been duly authorized, and, at the Closing Time, will have been duly executed and delivered, by the Company and will constitute a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors’ rights and to general principles of equity. At the Closing Time, the Mortgage will have been duly qualified under the 1939 Act.

(xi) Authorization of the Securities. The Securities have been duly authorized by the Company and, at the Closing Time, will have been duly executed by the Company; and, when the Securities have been (A) authenticated and delivered by the Trustee and (B) issued and delivered by the Company against payment of the purchase price therefor as provided in this Agreement, the Securities will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity, and will be entitled to the benefits of the Mortgage equally and ratably with all other securities outstanding thereunder.

(xii) Descriptions of the Mortgage and the Securities. The descriptions of the Mortgage and the Securities in the Registration Statement, the Disclosure Package and the Prospectus are accurate in all material respects, and the Supplemental Indenture and the Securities will be in substantially the respective forms filed or incorporated by reference as exhibits to the Registration Statement.

(xiii) Absence of Defaults. Neither the Company nor any Designated Subsidiary is in violation of its articles of incorporation or by-laws or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which the Company or such Designated Subsidiary is a party or by which it or such Designated Subsidiary may be bound, or to which any of the property or assets of the Company or such Designated Subsidiary is subject (collectively, "**Agreements and Instruments**") except for such defaults as, singly or in the aggregate, would not result in a Material Adverse Effect.

(xiv) No Conflict. The execution and delivery by the Company of this Agreement, the consummation by the Company of the transactions contemplated herein and therein (including the issuance and sale by the Company of the Securities and the use of the proceeds from the sale of the Securities as described in the Registration Statement, the Disclosure Package and the Prospectus) and the compliance by the Company with its obligations hereunder, do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any Lien upon any property or assets of the Company or any Designated Subsidiary pursuant to, the Agreements and Instruments (except for such conflicts, breaches, defaults or Liens as, singly or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect), nor will such action result in any violation of the articles of incorporation or by-laws of the Company or any Designated Subsidiary or of any statute of any jurisdiction applicable to the Company or any Designated Subsidiary or any rule, regulation or order applicable to the Company or any Designated Subsidiary of any regulatory body, administrative agency or other governmental body or any court that, in any such case, has jurisdiction over the Company or any Designated Subsidiary or any of their respective assets, properties or operations. As used herein, a "**Repayment Event**" means any event or condition that gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any Designated Subsidiary.

(xv) Absence of Proceedings. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, that (A) is required to be disclosed in the Registration Statement, the Pricing Prospectus or the Prospectus and is not disclosed as required, (B) could materially and adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder or (C) except as disclosed in the Registration Statement, the Disclosure Package and the Prospectus, would reasonably be expected to result in a Material Adverse Effect; and the aggregate of all pending legal or governmental proceedings to which the Company or any of its subsidiaries is a party or of which any of their respective properties or assets is the subject that are not described in the Registration Statement, the Disclosure Package and the Prospectus, including ordinary routine litigation incidental to the business, would not reasonably be expected to result in a Material Adverse Effect.

(xvi) Absence of Further Requirements. The Washington Utilities and Transportation Commission (the “WUTC”), the Idaho Public Utilities Commission (the “IPUC”) and the Public Utility Commission of Oregon (the “OPUC”) have issued orders authorizing the issuance and sale by the Company of the Securities as contemplated in this Agreement and the Mortgage; the Montana Public Service Commission (the “MPSC”) has issued an order disclaiming jurisdiction over the issuance of securities and the creation of liens by the Company pursuant to, and on the terms set forth in such order (such order, collectively with the aforesaid orders of the WUTC, the IPUC and the OPUC, being hereinafter called the “PUC Orders”); the PUC Orders are in full force and effect as of the date hereof; and, except for informational filings required under the PUC Orders, no further consent, approval or authorization of, or registration, filing or declaration with, any regulatory or other governmental body or agency is required in connection with the execution, delivery or performance by the Company of this Agreement or the issuance and sale by the Company of the Securities.

(xvii) Title to Property; Lien of Mortgage. (A) The Company has good and marketable title in fee simple to all of its real estate and fixed properties and good title to all of its other property, in each case free and clear of all Liens except (1) the lien of the Mortgage, (2) leases of minor portions of the Company’s property to others for uses which do not interfere with the Company’s business, (3) leases of certain property of the Company not used in its utility business, (4) Excepted Encumbrances (as defined in the Mortgage) and (5) encumbrances, defects and irregularities customarily found in properties of like size and character, which, in the Company’s opinion, do not materially impair the use of the property affected thereby in the operation of the business of the Company;

(B) Upon the due execution, delivery and appropriate recording of the Supplemental Indenture, the Mortgage will constitute, subject only to the exceptions referred to in clauses (2) through (5) in subparagraph (A) above, a direct and valid first mortgage Lien for the security of the Bonds and all other securities issued and outstanding and to be outstanding under the Mortgage on substantially all of the physical properties and franchises of the Company other than those expressly excepted;

(C) The description in the Mortgage of the properties intended to be subject to the Mortgage is adequate for the Mortgage to constitute a Lien thereon; and

(D) The Mortgage (excluding the Supplemental Indenture) has been duly and properly recorded as a mortgage on real estate and fixtures in the proper offices of the respective counties in which the real estate and other physical properties of the Company are located, and filed, together with appropriate financing statements, as a security interest in personal property in the offices of the Secretaries of State of the States of Washington, Idaho, Montana and Oregon; the Supplemental Indenture will be so recorded and filed forthwith; and no other recording or filing of the Mortgage is or will be necessary to maintain or perfect of record the Lien thereof other than periodic continuation statements in respect of such security interests.

(xviii) Leases. All of the leases and subleases material to the business of the Company and its Designated Subsidiaries, considered as one enterprise, and under which the Company or any of such subsidiaries holds properties, described in or required to be described in the Registration Statement, the Pricing Prospectus and the Prospectus are in full force and effect, and the Company has no notice of any claim of any sort asserted by anyone adverse to the rights of the Company or any of such subsidiaries under any of such leases or subleases, or affecting or questioning the rights of the Company or any of such subsidiaries to the continued possession of the premises leased or subleased thereunder, that would reasonably be expected to result in a Material Adverse Effect.

(xix) Investment Company Act. The Company is not, and upon the issuance and sale of the Securities as contemplated herein and the application of the net proceeds therefrom as described in the Registration Statement, the Disclosure Package and the Prospectus will not be, an “investment company” or an entity “controlled” by an “investment company” as such terms are defined in the Investment Company Act of 1940, as amended.

(xx) Environmental Laws. Except as described in the Registration Statement, the Disclosure Package and the Prospectus, neither the Company nor any of the Designated Subsidiaries (A) is in violation of any statute, rule, regulation, decision or order of any governmental body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or other pollutants or contaminants, to the protection or restoration of the environment or to human or animal exposure to hazardous or toxic substances or other pollutants or contaminants that have the potential to adversely impact human or animal health (collectively, “environmental laws”), (B) owns or operates any real property contaminated with any hazardous or toxic substances or other pollutants or contaminants that is subject to clean-up or other responsive action under any environmental laws, (C) is liable for any off-site disposal or contamination pursuant to any environmental laws or (D) is subject to any claim of violation of or liability under any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate reasonably be expected to have a Material Adverse Effect; and the Company is not aware of any pending investigation or circumstances which would reasonably be expected to lead to such a claim.

(xxi) Internal Controls. (A) The Company has devised and established and maintains the following, among other, internal controls (without duplication):

(I) a system of “internal accounting controls” as contemplated in Section 13(b)(2)(B) of the 1934 Act;

(II) “internal control over financial reporting” as such term is defined in Rule 13a-15(f) of the 1934 Act Regulations; and

(III) “disclosure controls and procedures” as such term is defined in Rule 13a-15(e) of the 1934 Act Regulations (all such internal controls referred to in this paragraph (xxi)(A) being hereinafter called, collectively, the “**Internal Controls**”);

(B) The Internal Controls are evaluated by the Company’s senior management periodically as appropriate and, in any event, as required by law;

(C) Based on the most recent evaluations of the Internal Controls:

(I) the Internal Controls are, individually and in the aggregate, effective in all material respects to perform the functions for which they were established; and

(II) all material weaknesses, if any, and significant deficiencies, if any, in the design or operation of the Internal Controls which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information and any fraud, whether or not material, that involves management or other employees who have a significant role in the Internal Controls have been disclosed to the audit committee of the Company’s board of directors and the Company’s independent auditors.

(xxii) Compliance with Sarbanes-Oxley. The Company is in compliance in all material respects with the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Commission that have been adopted thereunder, to the extent that such act and such rules and regulations are in effect and applicable to the Company.

(xxiii) Sanctions. Neither the Company nor any of its subsidiaries, nor, to the knowledge of the Company, any director, officer or employee, in such capacity, of, or other person acting on behalf of, the Company or any of the Designated Subsidiaries is currently, or is controlled by any individual or entity that is currently, the subject or the target of any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury or any other similar sanctions authority (“**Sanctions**”), nor is the Company or any of the Designated Subsidiaries located,

organized or resident in a country or territory that is the subject or the target of Sanctions, including, without limitation, Cuba, Iran, North Korea, Sudan and Syria (each, a “**Sanctioned Country**”); and the Company will not directly or indirectly use the proceeds of the offering of the Securities hereunder, or lend, contribute or otherwise make available such proceeds to any person or entity, (A) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or the target of Sanctions or (B) to fund or facilitate any activities of or business in any Sanctioned Country or (C) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.

(xxiv) Compliance with Money Laundering Laws. The operations of the Company and the Designated Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions in which the Company and/or any of the Designated Subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental or regulatory agency (collectively, the “**Anti-Money Laundering Laws**”); and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Company or any of the Designated Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(xxv) No Unlawful Payments. Neither the Company nor any of the Designated Subsidiaries, nor, to the knowledge of the Company, any director, officer or employee, in such capacity, of, or other person acting on behalf of, the Company or any of the Designated Subsidiaries (i) made any unlawful contribution, gift, or entertainment or other expenditure relating to political activity, (ii) made any direct or indirect unlawful payment, or otherwise acted in furtherance of any other unlawful benefit, to any domestic or foreign government or government entity or any official or employee thereof or (iii) has violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended (the “**FCPA**”) or any other applicable anti-corruption and/or anti-bribery laws and regulations. The Company and its subsidiaries have instituted and maintain policies and enforce, and will continue to maintain and enforce and procedures designed to promote and provide reasonable assurance as to compliance with the FCPA and other applicable anti-corruption and anti-bribery laws.

(xxvi) Cybersecurity. (A) Except as disclosed in the Registration Statement, the Disclosure Package and the Prospectus, (1) there has been no security breach or other compromise of or relating to any of the Company’s or the Designated Subsidiaries’ information technology and computer systems, networks, hardware, software, data (including, to the knowledge of the Company, the data of their respective customers, employees, suppliers and vendors), equipment or technology (collectively, “**IT Systems and Data**”), (2) the Company and the Designated Subsidiaries have not been notified of, and have no knowledge of, any event or condition that would reasonably be expected to result in any security breach or other compromise to their IT Systems and

Data and (3) the Company and the Designated Subsidiaries are in compliance in all material respects with all applicable statutes, governmental regulations and standards, contractual obligations and internal policies relating to the security of IT Systems and Data and to the protection of IT Systems and Data from unauthorized use, access, misappropriation or modification, except as would not, in the case of clause (1), (2) and/or (3) above, individually or in the aggregate, have a Material Adverse Effect; and (B) the Company and the Designated Subsidiaries have implemented backup and disaster recovery technology consistent in all material respects with general industry standards and practices.

(b) *Officer's Certificates.* Any certificate signed by any officer of the Company delivered to the Underwriters or to counsel for the Underwriters in connection with the offer and sale of the Securities shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby.

(c) *Information Furnished by the Underwriters.* Each of the Underwriters acknowledges and agrees that the information referred to on Schedule D was furnished by the Underwriters, or one or more thereof, expressly for use in the Registration Statement, a Preliminary Prospectus, the Pricing Prospectus, the Term Sheet and/or the Prospectus; and the Company acknowledges and agrees that the information referred to on Schedule D is the only information so furnished by Underwriters.

SECTION 3. Sale and Delivery to Underwriters; Closing.

(a) *Sale and Purchase of Securities.* On the basis of the representations and warranties herein contained and subject to the terms and conditions herein set forth, the Company agrees to issue and sell to each Underwriter, severally and not jointly, and each Underwriter, severally and not jointly, agrees to purchase from the Company, at a purchase price of 99.024% of the principal amount thereof, plus accrued interest, if any, from May 22, 2018 to the Closing Time, the principal amount of Securities set forth in Schedule A hereto opposite the name of such Underwriter, plus any additional principal amount of Securities which such Underwriter may become obligated to purchase pursuant to the provisions of Section 11, subject, in each case, to such adjustments among the Underwriters as the Representatives in their sole discretion shall make to eliminate any sales or purchases of fractional securities. All obligations of the Underwriters hereunder are several and not joint.

(b) *Payment and Delivery.* Payment of the purchase price for the Securities shall be authorized at the offices of Pillsbury Winthrop Shaw Pittman LLP, counsel for the Company, at 1540 Broadway, New York, New York 10036, or at such other place as shall be agreed upon by the Representatives and the Company, at 10:00 A.M. (Eastern time) on the fifth business day after the date hereof (unless postponed in accordance with the provisions of Section 11), or such other time not later than ten business days after such date as shall be agreed upon by the Representatives and the Company, and such payment shall be made against delivery, at such time, of one or more global Securities to a custodian for The Depository Trust Company ("**DTC**"), to be held by DTC initially for the accounts of the several Underwriters. The time and date of such payment and delivery is herein called the "**Closing Time**".

Payment shall be made to the Company by wire transfer of immediately available funds to a bank account designated by the Company. It is understood that each Underwriter has authorized Wells Fargo Securities, LLC, for the account of such Underwriter, to acknowledge receipt of, and make payment of the purchase price for, the Securities which such Underwriter has agreed to purchase. Any of the Representatives individually and not as representatives of the Underwriters, may (but shall not be obligated to) make payment of the purchase price for the Securities to be purchased by any Underwriter whose funds have not been received by the Closing Time, but such payment shall not relieve such Underwriter from its obligations hereunder.

Global Securities will be made available for examination by the Representatives in New York, New York not later than 2:00 P.M. (Eastern time) on the business day prior to the Closing Time.

SECTION 4. Covenants.

(a) *Preparation and Filing of Term Sheet.* The Company will prepare a term sheet, containing a description of the final terms of the Securities and the offering thereof, in the form attached as Schedule C hereto (the “**Term Sheet**”), and, after affording the Representatives the opportunity to comment thereon, file the Term Sheet with the Commission pursuant to Rule 433(d) within the time required by such Rule.

(b) *Preparation and Filing of the Prospectus.* The Company will prepare the Prospectus and, after affording the Representatives the opportunity to comment thereon, file the Prospectus with the Commission in accordance with Rule 424(b) not later than the Commission’s close of business on the second business day following the Closing Time.

(c) *Review of Amendments and Supplements.* The Company will not amend the Registration Statement, or amend or supplement the Prospectus or the Term Sheet, without providing notice to the Representatives at least 24 hours, or such shorter period as is reasonably required by the circumstances, prior to the filing thereof with the Commission. Except in the case of any such amendment or supplement to be made by the filing under the 1934 Act of a document that will be incorporated by reference in the Registration Statement or the Prospectus that would be made by the Company irrespective of the offer and sale of the Securities, the Company will not effect such amendment or supplement without the consent of the Representatives, such consent not to be unreasonably withheld or delayed. Neither the consent of the Representatives, nor the delivery of any such amendment or supplement by any Underwriter, shall constitute a waiver of any of the conditions set forth in Section 6 hereof.

The Company will notify the Representatives immediately, and confirm such notice in writing, when any post-effective amendment to the Registration Statement shall have been filed or shall become effective and when any supplement to the Prospectus or Term Sheet or any amended Prospectus or Term Sheet shall have been filed.

(d) *Free Writing Prospectuses.* (i) Other than the Term Sheet and any other Issuer Free Writing Prospectus listed on Schedule B hereto, the Company has not made and, without the consent of the Representatives, will not make any offer relating to the Securities that would constitute a “free writing prospectus” as defined by Rule 405, including an Issuer Free Writing Prospectus.

(ii) No Underwriter has made, and without the consent of the Company no Underwriter shall make, any offer relating to the Securities that would constitute a “free writing prospectus” (as defined in Rule 405) that the Company would be required to file with the Commission under Rule 433.

(e) *Notification of Commission Comments and Orders, Etc.* The Company will notify the Representatives of (i) the receipt of any comments from the Commission with respect to the Registration Statement, any Preliminary Prospectus, any Issuer Free Writing Prospectus or the Prospectus, including any request by the Commission for any amendment, supplement or additional information with respect thereto and (ii) the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any Preliminary Properties, any Issuer Free Writing Prospectus or the Prospectus or the initiation or threatening of any proceeding for such purpose. The Company will make every reasonable effort to prevent the issuance of any stop order and, in the event of any stop order, to obtain the lifting thereof as soon as possible.

(f) *Delivery of Registration Statements.* The Company will deliver to the Representatives and to counsel for the Underwriters, upon request and without charge, one conformed copy of the Registration Statement as originally filed and of each amendment thereto (including, in each case, all exhibits filed therewith or incorporated by reference). Such copies of the Registration Statement and amendments thereto so furnished to the Representatives will be identical to the copies thereof filed electronically with the Commission pursuant to EDGAR (except that the registration fee table may be deleted from the cover thereof), except to the extent permitted by Regulation S-T.

(g) *Delivery of Prospectuses.* The Company has delivered to each Underwriter, without charge, as many copies of any Preliminary Prospectus and any Issuer Free Writing Prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies by the Underwriters for purposes of the offer and sale of the Securities in a manner consistent with the 1933 Act and the 1933 Act Regulations. The Company will furnish to each Underwriter, without charge, during the period when the Prospectus (or, in lieu thereof, the notice referred to in Rule 173(a) of the 1933 Act Regulations) is required to be delivered under the 1933 Act or the 1933 Act Regulations, such number of copies of the Prospectus (and any supplements thereto and amendments thereof) as such Underwriter may reasonably request. Such copies of the Prospectus (and supplements thereto and amendments thereof) so furnished to the Underwriters will be identical to the copies thereof filed electronically with the Commission pursuant to EDGAR (except that the registration fee table may be deleted from the cover thereof), except to the extent permitted by Regulation S-T.

(h) *Continued Compliance with Securities Laws.* (i) The Company will file all reports and other documents that it is required to file with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations and will otherwise comply with the 1933 Act, the 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations so as to permit the offer, sale and

distribution of the Securities as contemplated in this Agreement and the Prospectus; *provided, however*, that the Company may assume that the distribution of the Securities has been completed on the business day following the Closing Time unless the Representative shall have provided written notice to the contrary.

(ii) During the distribution of the Securities, the Company will notify the Representative promptly if (A) any filing is made by the Company of information relating to the offering of the Securities with any securities exchange or any other regulatory body in the United States or any other jurisdiction or (B) a Material Adverse Change shall have occurred that is not disclosed in the Registration Statement, the Disclosure Package and the Prospectus or (C) any other event shall have occurred that causes (x) the Registration Statement to contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein not misleading or to otherwise fail to comply with the requirements of the 1933 Act or the 1933 Act Regulations or (y) the Disclosure Package or the Prospectus to contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(iii) Upon any notification pursuant to clause (ii)(B) or (C) above, or if at any time an event shall occur or other circumstances shall exist as a result of which it is necessary, in the reasonable judgment of the Company or of the Representatives, (A) to amend the Registration Statement in order that it shall not, as of the Effective Time, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading or otherwise to comply with the requirements of the 1933 Act or the 1933 Act Regulations or (B) to amend or supplement the Prospectus in order that the Prospectus shall not, as of the time it is delivered to purchasers (or as of the time the notice referred to in Rule 173(a) of the 1933 Act Regulations, in lieu of the Prospectus, is delivered to purchasers), contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing at such time, not misleading or otherwise to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the Commission, subject to Section 4(b), such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectus comply with such requirements, and the Company will furnish to each Underwriter such number of copies of such amendment or supplement as such Underwriter may reasonably request.

(i) *Blue Sky Qualifications.* The Company will use its best efforts, in cooperation with the Representatives, to take such action, if any, as may be required to qualify the Securities for offering and sale under the applicable securities laws of such states and other jurisdictions as the Representatives may reasonably designate and to maintain such qualifications in effect as long as required for the distribution of the Securities; *provided, however*, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation or as a dealer in securities in any jurisdiction in which it is not so qualified or to subject itself to taxation in respect of doing business in any jurisdiction in which it is not otherwise so subject. In the event that the Company becomes aware of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes, the Company will so notify the Representatives and will cooperate with the Representatives to endeavor to prevent any such suspension and, in the event of any such suspension, to obtain the lifting thereof as soon as possible.

(j) *Rule 158.* The Company will timely file such reports pursuant to the 1934 Act as are necessary in order to make generally available to its securityholders as soon as practicable an earnings statement for the purposes of, and to provide the benefits contemplated by, the last paragraph of Section 11(a) of the 1933 Act and Rule 158 thereunder (which earnings statement need not be audited unless required so to be under Section 11(a) of the 1933 Act).

(k) *Filing Fees.* The Company agrees to pay the required Commission filing fees relating to the Securities within the time required by Rule 456(b)(1) of the 1933 Act Regulations and otherwise in accordance with Rules 456(b) and 457(r) of the 1933 Act Regulations.

(l) *Use of Proceeds.* The Company will use the net proceeds received by it from the sale of the Securities in the manner specified in the Disclosure Package and the Prospectus under “**Use of Proceeds**”.

(m) *Restriction on Sale of Securities.* The Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the 1933 Act relating to debt securities issued or guaranteed by the Company and having a maturity of more than one year from the date of issue, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of the Representatives for a period of five (5) calendar days beginning the day after the date of this Agreement.

(n) *Certification Regarding Beneficial Owners.* The Company will deliver to each Underwriter, on the date of execution of this Agreement, a properly completed and executed Certification Regarding Beneficial Owners of Legal Entity Customers, as required by the rules of the Financial Crimes Enforcement Network within the U.S. Department of the Treasury, together with copies of identifying documentation, to the extent required by such rules, and the Company undertakes to provide such additional supporting documentation as each Underwriter may reasonably request in connection with the verification of the foregoing Certification.

SECTION 5. Payment of Expenses.

(a) *Expenses Payable by the Company.* The Company will pay all expenses incident to the performance of its obligations under this Agreement, including (i) the preparation, printing and filing of the Registration Statement (including financial statements and exhibits) as originally filed and of each amendment thereto, (ii) the preparation, printing and delivery to the Underwriters of this Agreement, any agreement among Underwriters, the Supplemental Indenture and such other documents as may be required in connection with the offering, purchase, sale, issuance or delivery of the Securities, (iii) the preparation, issuance, authentication and delivery of the Securities, (iv) the fees and disbursements of the Company’s counsel, accountants and other advisors, (v) the qualification of the Securities under securities laws in accordance with the provisions of Section 4(i) hereof, including filing fees and the reasonable fees (not to exceed \$10,000) and disbursements of counsel for the Underwriters in

connection therewith and in connection with the preparation of any Blue Sky survey and any supplement thereto, (vi) the printing and delivery to the Underwriters of copies of each Preliminary Prospectus, Issuer Free Writing Prospectus and of the Prospectus and any amendments or supplements thereto, (vii) the preparation, printing and delivery to the Underwriter of copies of any Blue Sky survey and any supplement thereto, (viii) the fees and expenses of the Trustee, including the fees and disbursements of its counsel, (ix) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Securities, including without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations, travel and lodging expenses of the Representatives and officers of the Company and any such consultants, and the cost of aircraft and other transportation chartered in connection with the road show, (x) filings or other notices (if any) with or to, as the case may be, the Financial Industry Regulatory Authority, (xi) any fees payable in connection with the rating of the Securities and (xii) all other costs and expenses incident to the performance by the Company of its obligations hereunder.

(b) *Expenses Payable by the Underwriters.* Except as provided in subsection (a) above and subsection (c) below, the Underwriters will pay all of their expenses incurred in connection with the transactions contemplated hereby, including the fees and disbursements of counsel for the Underwriters.

(c) *Expenses Upon Termination.* If this Agreement is terminated by the Underwriters in accordance with the provisions of Section 6, Section 10(a)(i) or Section 10(a)(iii) hereof, the Company shall reimburse the Underwriters for all of their out-of-pocket expenses incurred in connection with the transactions contemplated hereby, including the reasonable fees and disbursements of counsel for the Underwriters.

SECTION 6. Conditions of the Underwriter's Obligations; Termination of Agreement.

(a) *Conditions.* The obligations of the several Underwriters hereunder are subject to the accuracy, as of the date of this Agreement, as of the Applicable Time and as of the Closing Time, of the representations and warranties of the Company contained in Section 2(a) hereof and in all certificates of officers of the Company delivered pursuant to the provisions hereof, to the performance by the Company of its covenants and other obligations hereunder to be performed at or prior to the Closing Time, and to the following further conditions:

(i) No Stop Order; Commission Filings. At the Closing Time, the Registration Statement shall remain effective and no stop order suspending the effectiveness of the Registration Statement shall have been issued under the 1933 Act or proceedings therefor initiated or threatened by the Commission and the Company shall not have received from the Commission any notice pursuant to Rule 401(g)(2) of the 1933 Act Regulations objecting to use of the automatic shelf registration statement form, and any request on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of counsel for the Underwriters. The Prospectus shall have been timely filed with the Commission in accordance with Rule 424(b). The Term Sheet, and any other material required to be filed by the Company pursuant to Rule 433(d), shall have been filed with the Commission in accordance with

the applicable time periods prescribed for such filings under Rule 433. The Company shall have paid the required Commission filing fees relating to the Securities within the time period required by Rule 456(b)(1)(i) of the 1933 Act Regulations without regard to the proviso therein and otherwise in accordance with Rules 456(b) and 457(r) of the 1933 Act Regulations and, if applicable, shall have updated the “**Calculation of Registration Fee**” table in accordance with Rule 456(b)(1)(ii) either in a post-effective amendment to the Registration Statement or on the cover page of a prospectus filed pursuant to Rule 424(b).

(ii) Opinions of Counsel for the Company. At the Closing Time, the Representatives shall have received the opinions, dated the date of the Closing Time, of Marian M. Durkin, Esq., a Senior Vice President, the General Counsel, the Corporate Secretary and the Chief Compliance Officer of the Company, and Pillsbury Winthrop Shaw Pittman LLP, counsel for the Company, substantially in the form of Exhibit A and Exhibit B hereto, respectively, together with signed or reproduced copies thereof for each of the other Underwriters.

(iii) Opinion of Counsel for the Underwriters. At the Closing Time, the Representatives shall have received the opinion, dated the date of the Closing Time, of Choate, Hall & Stewart LLP, counsel for the Underwriters, as to such matters as the Underwriters shall reasonably request, together with signed or reproduced copies thereof for each of the other Underwriters. In giving such opinion such counsel may rely, as to all matters governed by the laws of jurisdictions other than the law of the State of New York and the federal law of the United States upon the opinions of counsel for the Company. Such counsel may also state that, insofar as such opinion involves factual matters, they have relied, to the extent they deem proper, upon certificates of officers of the Company and certificates of public officials.

(iv) No Material Adverse Change; Officers' Certificate. (A) At the Closing Time, there shall not have been since the date of the latest audited balance sheet included in the Pricing Prospectus, and except as disclosed therein, any Material Adverse Change and (B) at the Closing Time, the Representatives shall have received a certificate of the President or a Vice President of the Company and of the chief financial or chief accounting officer of the Company, dated the date of the Closing Time, to the effect that (I) there has been no such Material Adverse Change, (II) the representations and warranties in Section 2(a) hereof are true and correct with the same force and effect as though expressly made at and as of the Closing Time, (III) the Company has complied with all agreements and satisfied all conditions on its part required by this Agreement to be performed or satisfied at or prior to the Closing Time and (IV) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the signers, contemplated by the Commission.

(v) Accountant's Comfort Letter. On the date of this Agreement, the Representatives shall have received from Deloitte & Touche LLP (“**D&T**”) a letter dated such date, in form and scope consistent with D&T's internal guidelines for the delivery of comfort letters and, in any event, in form and substance reasonably satisfactory to the

Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements of, and certain financial information relating to, the Company contained in the Registration Statement and the Prospectus.

(vi) Bring-down Comfort Letter. At the Closing Time, the Representatives shall have received from D&T a letter dated the date of the Closing Time, in form and scope consistent with D&T's internal guidelines for the delivery of comfort letters and, in any event, in form and substance reasonably satisfactory to the Representatives, together with signed or reproduced copies of such letter for each of the other Underwriters, to the effect that such firm reaffirms the statements made in the letter furnished pursuant to clause (v) above, except that the specified date referred to therein shall be a date not more than three business days prior to the Closing Time.

(vii) Maintenance and Confirmation of Rating. (A) After the execution of this Agreement and prior to the Closing Time, no rating of any of the Company's debt securities shall have been reduced, suspended or withdrawn and there shall have been no public announcement that any such debt securities have been placed on CreditWatch or Watchlist, or under any similar surveillance or review, in each case with negative implications, by Moody's Investor's Service Inc. or Standard & Poor's Ratings Services, a division of S&P Global, Inc., or any successor agencies thereto, and, at the Closing Time, the Representatives shall have received from the Company a certificate to such effect of the President, any Vice President, the Treasurer or any Assistant Treasurer of the Company; and (B) at the Closing Time, the Securities shall have been assigned at least the ratings specified in the Disclosure Package, and the Company shall have delivered to the Representatives a letter, dated the date of the Closing Time, from each such rating agency, or other evidence reasonably satisfactory to the Representatives, confirming that the Securities have been assigned at least the ratings specified in the Disclosure Package.

(viii) Additional Documents. At the Closing Time, counsel for the Underwriters shall have been furnished with such additional documents and opinions as they may reasonably require for the purpose of enabling them to pass upon the issuance and sale of the Securities as herein contemplated, or in order to evidence the accuracy of any of the representations or warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Securities as herein contemplated shall be reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters.

(b) Termination of Agreement. If any condition specified in this Section shall not have been fulfilled when and as required to be fulfilled and shall not be waived by the Representatives, this Agreement may be terminated by the Representatives by notice to the Company, and such termination shall be without liability of any party to any other party, except as provided in Section 5 and except that Sections 2, 7, 8 and 9 shall survive any such termination and remain in full force and effect.

SECTION 7. Indemnification.

(a) *Indemnification of the Underwriters.* The Company shall indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter, within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, (A) arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or (B) arising out of any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, any Issuer Free Writing Prospectus, or the Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever based upon any untrue statement or omission of a material fact, or any alleged untrue statement or omission of a material fact, in either case of the nature described in clause (i) above; provided that any such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Underwriters), reasonably incurred in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above;

provided, however, that this Section 7 shall not apply to any loss, liability, claim, damage or expense to the extent arising out of any untrue statement or omission, in or from, or alleged untrue statement or omission in or from, the information referred to in Schedule D.

(b) *Indemnification of the Company.* Each Underwriter severally (and not jointly) agrees to indemnify and hold harmless the Company, its directors and officers, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act against any and all loss, liability, claim, damage and expense described in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions of a material fact in or from, or alleged untrue statements or omissions of a material fact in or from, the information referred to in Schedule D.

(c) *Actions against Parties; Notification.* Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this Section 7. In the case of parties indemnified pursuant to Section 7(a), counsel to the indemnified parties shall be selected by the Underwriters, and, in the case of parties indemnified pursuant to Section 7(b), counsel to the indemnified parties shall be selected by the Company. An indemnifying party may participate at its own expense in the defense of any such action; *provided, however*, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification could be sought under this Section 7 or contribution could be sought under Section 8 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

SECTION 8. Contribution.

If the indemnification provided for in Section 7 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth on the cover of the Prospectus, bear to the aggregate public offering price of the Securities, as so set forth.

The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by any Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 8 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 8. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 8 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation, or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact.

Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of any such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) with respect to the offering of Securities pursuant to this Agreement shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 8, each affiliate, director and officer of each Underwriter and each person, if any, who controls such Underwriter within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company. The Underwriters' respective obligations to contribute pursuant to this Section 8 are several (and not joint) in proportion to the principal amounts of Securities set forth opposite their respective names in Schedule A hereto.

SECTION 9. Representations, Warranties and Agreements to Survive.

All of the respective representations, warranties and agreements of the Company and several Underwriters contained in this Agreement, or in certificates of officers of the Company delivered pursuant to this Agreement, shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, or any director, officer or controlling person of such Underwriter, or by or on behalf of the Company, or any director, officer or controlling person of the Company, and shall survive delivery of and payment for the Securities.

SECTION 10. Termination of Agreement.

(a) *Termination.* The Representatives may terminate this Agreement, by notice to the Company, at any time prior to the Closing Time

(i) if there has been since the date of the latest audited balance sheet included in the Pricing Prospectus any Material Adverse Change, or

(ii) if there has occurred any material adverse change in the financial markets in the United States or in the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representatives, impracticable or inadvisable to offer, sell or deliver the Securities or to enforce contracts for the sale of the Securities, or

(iii) if trading in any securities of the Company has been suspended or materially limited by the Commission or the New York Stock Exchange, or if trading generally on the New York Stock Exchange or the NYSE American or in the NASDAQ Global Market or the NASDAQ Global Select Market has been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by either of such exchanges or Nasdaq Stock Market, Inc. with respect to such markets or by order of the Commission or any other governmental authority, or

(iv) if a material disruption has occurred in commercial banking or securities settlement or clearance services in the United States, or

(v) if a banking moratorium has been declared by either federal or New York authorities.

(b) *Liabilities.* If this Agreement is terminated pursuant to this Section, such termination shall be without liability of any party to any other party except as provided in Section 5 hereof; and *provided, further*, that Sections 2, 7, 8 and 9 shall survive such termination and remain in full force and effect.

SECTION 11. Default by One or More of the Underwriters.

If one or more of the Underwriters shall fail at the Closing Time to purchase the Securities which it or they are then obligated to purchase under this Agreement (the “**Defaulted Securities**”), the non-defaulting Underwriters shall have the right, within 24 hours thereafter, to make arrangements for one or more of the non-defaulting Underwriters, or any other underwriters approved by the Company, to purchase all, but not less than all, of the Defaulted Securities in such amounts as may be agreed upon and upon the terms herein set forth. If, however, the non- defaulting Underwriters shall not have completed such arrangements within such 24 hour period, then:

(i) if the amount of Defaulted Securities does not exceed 10% of the aggregate principal amount of the Securities to be purchased hereunder, each of the non-defaulting Underwriters shall be obligated, severally and not jointly, to purchase the full amount thereof in the proportions that their respective underwriting obligations hereunder bear to the underwriting obligations of all non-defaulting Underwriters, or

(ii) if the amount of Defaulted Securities exceeds 10% of the aggregate principal amount of the Securities to be purchased hereunder, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 5 (it being understood that the fees and expenses referred to in clause (v) of Section 5(a) would in such event be payable by the Representatives) and except that Sections 2, 7, 8 and 9 shall survive any such termination and remain in full force and effect with respect to any non-defaulting Underwriter.

No action taken pursuant to this Section shall relieve any defaulting Underwriter from liability in respect of its default.

In the event of any such default which does not result in a termination of this Agreement, either the Representatives or the Company shall have the right to postpone the Closing Time for a period not exceeding seven days in order to effect any required changes in the Registration Statement or the Prospectus or in any other documents or arrangements. As used in this Agreement, the term “**Underwriter**” includes any person substituted for a defaulting Underwriter under this Section 11.

SECTION 12. Notices.

All notices, requests and other communications hereunder shall be in writing and shall be deemed to have been duly given if received by mail, electronic mail or transmitted by any standard form of telecommunication to the addresses set forth in this Section or to such other address as such party shall have specified most recently by written notice. Notices to the Underwriters shall be directed to the Representatives at BNY Mellon Capital Markets, LLC, Debt Capital Markets, 101 Barclay Street, 3W, New York, New York 10286, attention: Debt Capital Markets, Fax No. (212) 815-6403; with copies at the same address (which shall not constitute notice) to attention: Operations Department, 101 Barclay Street, 3W, New York, New York 10286, Fax No. (724) 540-6311; J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179, attention: Investment Grade Syndicate Desk, Fax No. (212) 834-6081; MUFG Securities Americas Inc., 1221 Avenue of the Americas – 6th Floor, New York, New York 10020, attention: Capital Markets Group, Fax No. (646) 434-3455; and Wells Fargo Securities, LLC, 550 South Tryon Street, 5th Floor, Charlotte, North Carolina 28202, Attention Transaction Management, Fax No. (704) 410-0326, with a copy (which shall not constitute notice) to: Choate, Hall & Stewart LLP, Two International Place, Boston, MA 02110, attention: Andrew J. Hickey, Esq., Fax No. (617) 248-4000; and notices to the Company shall be directed to it at 1411 East Mission Avenue, Spokane, Washington 99202, attention: Treasurer, Fax No. (509) 777-5864, e-mail: Treasury@avistacorp.com.

SECTION 13. Parties in Interest.

This Agreement shall inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the Underwriters and the Company and their respective successors and the affiliates, directors, officers and controlling persons referred to in Sections 7 and 8 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. This Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the Underwriters and the Company and their respective successors, and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Securities from any of the Underwriters shall be deemed to be a successor by reason merely of such purchase.

SECTION 14. No Advisory or Fiduciary Relationship.

The Company acknowledges and agrees that (a) the purchase and sale of the Securities pursuant to this Agreement, including the determination of the public offering price of the Securities and any related discounts and commissions, is an arm's-length commercial transaction between the Company, on the one hand, and the Underwriters, on the other hand, (b) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely on its own behalf and is not the agent or fiduciary of the Company, or its shareholders, creditors, employees or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters), and no Underwriter has any obligation to the Company with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in, and may in the future engage in, a broad range of transactions that involve interests that differ from those of the Company and (e) no Underwriter has provided any legal, accounting, regulatory or tax advice with respect to the offering contemplated hereby, and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

SECTION 15. Governing Law; Time; Consent to Jurisdiction.

This Agreement and any claim, controversy or dispute arising out of or otherwise relating to this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed within the State of New York without giving effect to principles of conflicts of laws thereof. Specified times of day refer to New York City time. Any action, suit or proceeding to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in any federal court located in the Southern District of the State of New York or any New York state court located in the Borough of Manhattan, and the Company agrees to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom), and each party waives (to the fullest extent permitted by law) any objection it may have to the levying of venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding has been brought in an inconvenient forum.

SECTION 16. Waiver of Jury Trial.

To the fullest extent permitted by law, the Company and each Underwriter hereby irrevocably waive any right they may have to a trial by jury in respect of any claim based upon or arising out of this Agreement or any transaction contemplated hereby.

SECTION 17. Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement.

SECTION 18. Entire Agreement.

This Agreement supersedes all prior and contemporaneous agreements and understandings (whether written or oral) between the Company and the Underwriters with respect to the subject matter of this Agreement.

SECTION 19. Effect of Headings.

The Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 20. Severability.

This Agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision hereof or thereof shall not affect the validity or enforceability hereof or thereof or of any term or provision hereof or thereof.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement between the Underwriters and the Company in accordance with its terms.

Very truly yours,

AVISTA CORPORATION

By: /s/ Mark T. Thies

Name: Mark T. Thies

Title: Senior Vice President,
Chief Financial Officer and
Treasurer

Signature Page to Underwriting Agreement

CONFIRMED AND ACCEPTED,
as of the date first above written

BNY MELLON CAPITAL MARKETS, LLC

By: /s/ Dan Klinger
Name: Dan Klinger
Title: Managing Director

J.P. MORGAN SECURITIES LLC

By: /s/ Som Bhattacharyya
Name: Som Bhattacharyya
Title: Executive Director

MUFG SECURITIES AMERICAS INC.

By: /s/ Richard Testa
Name: Richard Testa
Title: Managing Director

WELLS FARGO SECURITIES, LLC

By: /s/ Carolyn Hurley
Name: Carolyn Hurley
Title: Director

For themselves and as Representatives of the other Underwriters named in Schedule A hereto

Signature Page to Underwriting Agreement

LIST OF UNDERWRITERS

<u>Name of Underwriter</u>	<u>Principal Amount of Securities</u>
BNY Mellon Capital Markets, LLC	\$ 75,000,000
J.P. Morgan Securities LLC	75,000,000
MUFG Securities Americas Inc.	75,000,000
Wells Fargo Securities, LLC	75,000,000
KeyBanc Capital Markets Inc.	25,000,000
SMBC Nikko Securities America, Inc.	25,000,000
U.S. Bancorp Investments, Inc.	25,000,000
Total	\$375,000,000

Sch A-1

ISSUER FREE WRITING PROSPECTUSES

1. Electronic (Netroadshow) investor presentations of the Company made available on May 7, 2018 and May 15, 2018.
2. Term Sheet attached as Schedule C hereto

Sch B-1

AVISTA CORPORATION

\$375,000,000

First Mortgage Bonds,
4.35% Series due 2048

PRICING TERM SHEET

Issuer:	Avista Corporation
Security:	First Mortgage Bonds, 4.35% Series due 2048
Ratings (Moody's/S&P)*:	[intentionally omitted]
Principal Amount:	\$375,000,000
Trade Date:	May 15, 2018
Settlement Date**:	May 22, 2018 (T+5)
Maturity Date:	June 1, 2048
Interest Payment Dates:	June 1 and December 1 of each year, commencing December 1, 2018
Coupon:	4.350%
Public Offering Price:	99.899% of the principal amount
Yield to Maturity:	4.356%
Benchmark Treasury:	3.000% due February 15, 2048
Spread to Benchmark Treasury:	115 bps
Benchmark Treasury Price:	96-02
Benchmark Treasury Yield:	3.206%
Optional Redemption:	Make-whole call at any time prior to December 1, 2047 at 20 bps spread over Benchmark Treasury. Callable on or after December 1, 2047 at par.
CUSIP/ISIN:	05379B AQ0 / US05379BAQ05
Joint Book-Running Managers:	BNY Mellon Capital Markets, LLC J.P. Morgan Securities LLC MUFG Securities Americas Inc. Wells Fargo Securities, LLC
Co-Managers:	KeyBanc Capital Markets Inc. SMBC Nikko Securities America, Inc. U.S. Bancorp Investments, Inc.

* A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. Each rating is subject to revision or withdrawal at any time by the assigning rating organization. Each security rating agency has its own methodology for assigning ratings, and, accordingly, each rating should be considered independently of all other ratings.

** Pursuant to Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade securities prior to the date that is two business days before the settlement date will be required, by virtue of the fact that the securities initially will settle T+5 (on May 22, 2018), to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of securities who wish to trade securities prior to the date that is two business days before the settlement date should consult their own advisors.

The issuer has filed a registration statement (including a prospectus and a preliminary prospectus supplement) with the Securities and Exchange Commission, or SEC, for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the preliminary prospectus supplement and other documents the issuer has filed with the SEC, which are incorporated therein by reference, for more complete information about the issuer and this offering. You may obtain 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 BNY Mellon Capital Markets, LLC toll-free at (800) 269-6864, J.P. Morgan Securities LLC collect at (212) 834-4533, MUFG Securities Americas Inc. toll-free at (877) 649-6848 or Wells Fargo Securities, LLC toll-free at (800) 645-3751.

Sch C-2

INFORMATION FURNISHED BY UNDERWRITERS

1. The information as to the delivery of the Securities by the Underwriters set forth in the last paragraph of the text on the cover page of the Pricing Prospectus and the Prospectus;
2. The information set forth in the third paragraph, the third sentence of the fifth paragraph, the sixth paragraph and the seventh paragraph of text under the caption "Underwriting" in the Pricing Prospectus and the Prospectus; and
3. Such other information (A) as shall be included in an amendment or supplement to the Prospectus and (B) as to which the Representatives and the Company shall have executed a letter or other document supplemental to this Agreement to the effect that such information shall be treated as having been referred to in this Schedule D.

Sch D-1

AVISTA CORPORATION

TO

CITIBANK, N.A.

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

Sixty-first Supplemental Indenture

*Providing among other things for a series of bonds designated
“First Mortgage Bonds, 4.35% Series due 2048”
Due June 1, 2048*

Dated as of May 1, 2018

SIXTY-FIRST SUPPLEMENTAL INDENTURE

THIS INDENTURE, dated as of the 1st day of May, 2018, 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, as trustee (the “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 “Sixty-first 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 Original Mortgage, as theretofore supplemented and amended) 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 amendatory thereof, and has issued the series of bonds, set forth in Exhibit A hereto (the Original Mortgage, as supplemented and amended by the First through Sixtieth Supplemental Indentures and, if the context shall so require, as to be supplemented by this Sixty-first Supplemental Indenture, being herein sometimes called the “Mortgage”); and

WHEREAS the Original Mortgage and the First through Fifty-ninth 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 Sixtieth Supplemental Indentures and the Instrument of Further Assurance, dated December 15, 2001, hereinafter referred to; and

WHEREAS the Sixtieth Supplemental Indenture, dated as of December 1, 2017, 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 the Company now desires to create a new series of bonds; 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 execution and delivery by the Company of this Sixty-first Supplemental Indenture and the terms of the Bonds of the Sixty-second 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 Sixty-first 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 Company hereby acknowledges that, as of the date of this Sixty-first Supplemental Indenture, the real property located in the State of Washington, taken as a whole, that is so conveyed or intended to be so conveyed under the Mortgage is not used principally for agricultural purposes.

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 of the Original Mortgage (except any 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 Sixty-first 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

Sixty-second Series of Bonds

SECTION 1. (I) There shall be a series of bonds designated "First Mortgage Bonds, 4.35% Series due 2048" (herein sometimes referred to as the "Bonds of the Sixty-second 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 Sixty-second Series shall be issued as fully registered bonds without coupons 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.

(II) The Bonds of the Sixty-second Series shall have the following terms and characteristics:

(a) the Bonds of the Sixty-second Series shall be initially authenticated and delivered under the Mortgage in the aggregate principal amount of \$375,000,000; it being understood that, subject to the satisfaction of the conditions set forth in the Mortgage, there shall be no limit upon the aggregate principal amount of Bonds of the Sixty-second Series that may be authenticated and delivered thereunder.

(b) the principal of Bonds of the Sixty-second Series shall (unless theretofore paid) be payable on the Stated Maturity Date (as hereinafter defined);

(c) the Bonds of the Sixty-second Series shall bear interest at the rate of four and thirty-five one-hundredths percentum (4.35%) per annum; interest on such Bonds shall accrue from and including May 22, 2018, 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;

(d) the principal of and premium, if any, and interest on each Bond of the Sixty-second Series payable at Maturity shall be payable to the registered owner thereof 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 Sixty-second 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. Interest payable at Maturity shall be paid to the person to whom principal shall be paid.

(e) (i) Prior to the Par Call Date (as hereinafter defined), the Bonds of the Sixty-second 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

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

(B) the sum of the present values of the remaining scheduled payments of principal of and interest on the Bonds being redeemed (assuming, for this purpose, that the Bonds were stated to mature on the Par Call Date and excluding any portion of any scheduled payment of interest that accrued prior to the redemption date), 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* 20 basis points,

plus, in the case of either (A) or (B) above, whichever is applicable, accrued and unpaid interest on such Bonds to the date of redemption.

(ii) On or after the Par Call Date, the Bonds of the Sixty-second 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 100% of the principal amount of the Bonds being redeemed *plus* accrued and unpaid interest on such Bonds to the date of redemption.

(f) (i) "Par Call Date" means December 1, 2047.

(ii) "Treasury Yield" means, with respect to any redemption of Bonds of the Sixty-second Series,

(A) the yield to maturity reported in the Statistical Release, for the latest day for which such yields have been so reported as of the Calculation Date, for the U.S. Treasury constant maturity with a term equal to the remaining term of such Bonds (assuming, for this purpose, that the Bonds were stated to mature on the Par Call Date), or

(B) if there is no such U.S. Treasury constant maturity having a term equal to such remaining term, the yield to maturity determined by linear interpolation between (I) the U.S. Treasury constant maturity reported in the Statistical Release with the term next longer than such remaining term and (II) the U.S. Treasury constant maturity so reported with the term next shorter than such remaining term.

The Treasury Yield shall be rounded to two decimal places. The Treasury Yield shall be calculated as of the third Business Day (as hereinafter defined) preceding the earlier of (X) the date notice of redemption is mailed to holders of Bonds of the Sixty-second Series and (Y) the date irrevocable arrangements with the Trustee for the mailing of such notice shall have been made, as the case may be (the "Calculation Date").

(iii) "Statistical Release" means the daily statistical release entitled "H.15 Selected Interest Rates", or any successor publication, published by the Board of Governors of the Federal Reserve System, or any successor entity; or, if such Board of Governors no longer publishes the information contained in such statistical release, a publication containing similar information published by the U.S. Department of the Treasury, or any successor or other U.S. governmental body.

(g) If less than all of the Outstanding Bonds of the Sixty-second Series are to be redeemed, the particular Bonds to be redeemed shall be selected by the Trustee by such method of random selection as the Trustee shall deem fair and appropriate; provided, however, that if, as indicated in an officer's certificate, the Company shall have offered to purchase all the bonds of the Sixty-second series then Outstanding and less than all of such Bonds shall have been tendered to the Company for such purchase, the Trustee, if so directed by the Company, shall select for redemption all such Bonds that have not been so tendered. 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 Bonds and the portions thereof so selected for redemption.

(h) Except as provided in this subsection (II) of Section 1,

(i) the Bonds of the Sixty-second Series shall not be redeemable prior to the Stated Maturity Date; and

(ii) no amount other than the principal of and interest on the Bonds of the Sixty-second Series shall be payable in respect of such Bonds.

(III) (a) At the option of the registered owner, any Bonds of the Sixty-second 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 Sixty-second 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 Sixty-second 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 Sixty-second Series; provided, however, that the Company shall not be required to make any transfer or exchange of any Bonds of the Sixty-second Series for a period of 10 days next preceding any Interest Payment Date or any selection of such Bonds for redemption, nor shall it be required to make any transfer or exchange of any Bonds of the Sixty-second Series which shall have been selected for redemption in whole or in part.

(b) The Bonds of the Sixty-second Series are initially to be issued in global form, registered in the name of a securities depository (a "Depository") or a nominee thereof. Notwithstanding the provisions of subdivision (a) above, such Bonds shall not be transferable, nor shall any purported transfer be registered, except as follows:

(i) the Bonds of the Sixty-second Series may be transferred in whole, and appropriate registration of transfer effected, to the Depository, or by the Depository to a nominee thereof, or by any nominee of the Depository to any other nominee thereof, or by the Depository or any nominee thereof to any successor Depository or any nominee thereof;

(ii) the Bonds of the Sixty-second Series may be transferred in whole, and appropriate registration of transfer effected, to the beneficial holders thereof, and thereafter shall be transferable, if:

(A) the Depository, shall have notified the Company and the Trustee that (I) it is unwilling or unable to continue to act as securities depository with respect to such Bonds or (II) it is no longer a clearing agency registered under the Securities Exchange Act of 1934, as amended, and, in either case, the Trustee shall not have been notified by the Company within one hundred twenty (120) days of the identity of a successor Depository with respect to such Bonds; or

(B) the Company shall have delivered to the Trustee a written order to the effect that such Bonds shall be so transferred to the beneficial owners thereof on and after a date specified therein.

The Bonds of the Sixty-second Series shall initially be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC").

The Bonds of the Sixty-second Series, when in global form, shall bear a legend as to such global form and the foregoing restrictions on transfer substantially as set forth below:

This is a global bond held by a securities depository or a nominee thereof for the benefit of the beneficial owners hereof. This bond may not be transferred, nor may any purported transfer be registered, except as provided in the Mortgage referred to below.

So long as the Bonds of the Sixty-second Series are Outstanding in global form and are registered in the name of Cede & Co, as nominee for DTC, the Bonds shall also bear a legend substantially as set forth below (or as otherwise required or permitted by DTC from time to time):

Unless this bond certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any new bond certificate issued is registered in the name of Cede & Co. or in such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

(IV) For all purposes of this Sixty-first 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 Sixty-second Series, shall have the meanings specified below:

"*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.

"*Interest Payment Date*" means June 1 and December 1 in each year, commencing December 1, 2018.

"*Maturity*" means the date on which the principal of the Bonds of the Sixty-second 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 May 15 or November 15, as the case may be, next preceding such Interest Payment Date.

"*Stated Maturity Date*" means June 1, 2048.

(V) Notwithstanding the provisions of Section 106 of the Original Mortgage, as amended, the Company shall not cause any Bonds of the Sixty-second 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 Sixty-first Supplemental Indenture or the Bonds of the Sixty-second Series to the contrary notwithstanding, any payment of principal of or premium, if any, or interest on any Bond of the Sixty-second 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.

(VII) The Bonds of the Sixty-second 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 Sixty-first Supplemental Indenture, Bonds of the Sixty-second Series initially in an aggregate principal amount of \$375,000,000 are to be issued and will be Outstanding, in addition to \$2,104,700,000 aggregate principal amount of bonds of prior series Outstanding at the date of delivery of this Sixty-first Supplemental Indenture.

ARTICLE III

Prospective Amendments of Original Mortgage

SECTION 1. Each initial and subsequent holder of Bonds of the Sixty-second Series, by virtue of its acquisition of an interest therein, shall be deemed, without further act, to have consented to the amendments of the Original Mortgage, as heretofore amended, contemplated in Article III of the Fifty-eighth Supplemental Indenture, dated as of December 1, 2015, and set forth in Exhibit E(1) thereto, as amended in Section 2 of Article III of the Sixtieth Supplemental Indenture, dated as of December 1, 2017, and in Exhibits E(2) and E(3) thereto.

ARTICLE IV

Miscellaneous Provisions

SECTION 1. The terms defined in the Original Mortgage shall, for all purposes of this Sixty-first 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 Sixty-first 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 Sixty-first 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 Sixty-first Supplemental Indenture.

SECTION 3. Whenever in this Sixty-first 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 Sixty-first 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 Sixty-first 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 Sixty-first Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Sixty-first 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 Sixty-first 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 Sixty-first Supplemental Indenture shall not be deemed to be any part thereof.

IN WITNESS WHEREOF, on the 22nd day of May, 2018, 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 22nd day of May, 2018, 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: /s/ Mark T. Thies
Name: Mark T. Thies
Title: Senior Vice President and
Chief Financial Officer

Attest:

/s/ Susan Y. Fleming
Name: Susan Y. Fleming
Title: Assistant Corporate Secretary

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

/s/ Patrice K. Gorton
Name: Patrice K. Gorton

/s/ Lauren C. Pendergraft
Name: Lauren C. Pendergraft

By /s/ Louis Piscitelli

Name: Louis Piscitelli

Title: Senior Trust Officer

Attest:

/s/ James Polcari

Name: James Polcari

Title: Senior Trust Officer

Executed, sealed and delivered

by CITIBANK, N.A., as trustee, in the presence of:

/s/ Cirino Emanuele

Name: Cirino Emanuele

/s/ John Hannon

Name: John Hannon

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

On the 22nd day of May, 2018, before me personally appeared Mark T. Thies, to me known to be a Senior Vice President and the Chief Financial Officer 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 22nd day of May, 2018, before me, a Notary Public in and for the State and County aforesaid, personally appeared Mark T. Thies, known to me to be a Senior Vice President and the Chief Financial Officer 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.

/s/ Debbie Deubel

Notary Public

DEBBIE DEUBEL

Notary Public

State of Washington

Commission Expires May 9, 2021

STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the 22nd day of May, 2018 before me personally appeared Louis Piscitelli, to me known to be a Senior Trust Officer 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 22nd day of May, 2018, before me, a Notary Public in and for the State and County aforesaid, personally appeared Louis Piscitelli, known to me to be a Senior Trust Officer 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.

/s/ Danny Lee

Notary Public
State of New York

**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	3-1/2% Series due 1982 (changed to 3-3/4% in Twelfth Supplemental Indenture)	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

MORTGAGE OR SUPPLEMENTAL INDENTURE	DATED AS OF	SERIES		PRINCIPAL AMOUNT ISSUED	PRINCIPAL AMOUNT OUTSTANDING
		NO.	DESIGNATION		
Eighteenth	June 1, 1980		None		
Nineteenth	January 1, 1981	16	14-1/8% Series due 1991	40,000,000	None
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	29,000,000
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

MORTGAGE OR SUPPLEMENTAL INDENTURE	DATED AS OF	SERIES		PRINCIPAL AMOUNT ISSUED	PRINCIPAL AMOUNT OUTSTANDING
		NO.	DESIGNATION		
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
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	November 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	None
Fifty-first	February 1, 2011	53	Collateral Series 2011A	400,000,000	None
Fifty-second	August 1, 2011		None		
Fifty-third	December 1, 2011	54	4.45% Series due 2041	85,000,000	85,000,000
Fifty-fourth	November 1, 2012	55	4.23% Series due 2047	80,000,000	80,000,000
Fifty-fifth	August 1, 2013	56	Collateral Series 2013A	90,000,000	None
Fifty-sixth	April 1, 2014	57	Collateral Series 2014A	400,000,000	400,000,000

**MORTGAGE OR
SUPPLEMENTAL
INDENTURE**

	<u>DATED AS OF</u>	<u>NO.</u>	<u>SERIES DESIGNATION</u>	<u>PRINCIPAL AMOUNT ISSUED</u>	<u>PRINCIPAL AMOUNT OUTSTANDING</u>
Fifty-seventh	December 1, 2014	58	4.11% Series due 2044	\$60,000,000	\$ 60,000,000
Fifty-eighth	December 1, 2015	59	4.37% Series due 2045	\$100,000,000	\$ 100,000,000
Fifty-ninth	December 1, 2016	60	3.54% Series due 2051	\$175,000,000	\$ 175,000,000
Sixtieth	December 1, 2017	61	3.91% Series due 2047	\$90,000,000	\$ 90,000,000
TOTAL OUTSTANDING					<u>\$2,104,700,000</u>

**FILING AND RECORDING OF
SIXTIETH 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	2/13/18	208-044-9116-6
Idaho	Secretary of State	1/26/18	2018-1207353-8
Montana	Secretary of State	2/13/18	1802132007266
Oregon	Secretary of State	2/13/2018	91458332

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>Washington</u>					
Adams	Auditor	1/30/18	317855	N/A	N/A
Asotin	Auditor	1/29/18	356560	N/A	N/A
Benton	Auditor	1/30/18	2018-002709	N/A	N/A
Douglas	Auditor	1/29/18	3209920	N/A	N/A
Ferry	Auditor	1/29/18	0289911	N/A	N/A
Franklin	Auditor	1/31/18	1873974	N/A	N/A
Garfield	Auditor	1/29/18	20180045	N/A	N/A
Grant	Auditor	1/29/18	1389316	N/A	N/A
Klickitat	Auditor	1/29/18	1127478	N/A	N/A
Lewis	Auditor	2/8/18	3479228	N/A	N/A
Lincoln	Auditor	1/29/18	2018 0477332	N/A	N/A
Pend Oreille	Auditor	1/29/18	20180330750	N/A	N/A
Skamania	Auditor	2/12/18	2018000280	N/A	N/A
Spokane	Auditor	2/2/18	6679421	N/A	N/A
Stevens	Auditor	1/30/18	2018 0000627	N/A	N/A
Thurston	Auditor	2/12/18	4610953	N/A	N/A
Whitman	Auditor	1/31/18	745483	N/A	N/A
<u>Idaho</u>					
Benewah	Recorder	1/26/18	279459	N/A	N/A
Bonner	Recorder	1/25/18	917244	N/A	N/A
Boundary	Recorder	1/25/18	272993	N/A	N/A
Clearwater	Recorder	1/25/18	232585	N/A	N/A
Idaho	Recorder	1/25/18	512461	N/A	N/A
Kootenai	Recorder	1/24/18	262906800	N/A	N/A
Latah	Recorder	1/25/18	590312	N/A	N/A

<u>County</u>	<u>Office of</u>	<u>Date</u>	<u>Real Estate Mortgage Records</u>			<u>Financing Statement Document Number</u>
			<u>Document Number</u>	<u>Book</u>	<u>Page</u>	
<u>Idaho (cont.)</u>						
Lewis	Recorder	1/25/18	146156	N/A	N/A	N/A
Nez Perce	Recorder	1/26/18	855095	N/A	N/A	N/A
Shoshone	Recorder	1/25/18	492434	N/A	N/A	N/A
<u>Montana</u>						
Big Horn	Clerk & Recorder	2/5/18	355056	149	145-181	N/A
Broadwater	Clerk & Recorder	2/6/18	179488	185	703	N/A
Golden Valley	Clerk & Recorder	2/5/18	83130	M	19167	N/A
Meagher	Clerk & Recorder	2/6/18	144512	N/A	N/A	N/A
Mineral	Clerk & Recorder	2/5/18	0117518	N/A	N/A	N/A
Rosebud	Clerk & Recorder	2/6/18	0118132	154MG	114-150	N/A
Sanders	Clerk & Recorder	2/5/18	308835	1	89838	N/A
Stillwater	Clerk & Recorder	2/5/18	371387	N/A	N/A	N/A
Treasure	Clerk & Recorder	2/6/18	83766	22	798	N/A
Wheatland	Clerk & Recorder	2/5/18	110214	M	28720-28756	N/A
Yellowstone	Clerk & Recorder	2/8/18	3840824	N/A	N/A	N/A
<u>Oregon</u>						
Douglas	Recorder	2/12/18	2018-003212	N/A	N/A	N/A
Jackson	Recorder	2/7/18	2018-004339	N/A	N/A	N/A
Josephine	Recorder	2/5/18	2018-001577	N/A	N/A	N/A
Klamath	Recorder	2/6/18	2018-001480	N/A	N/A	N/A
Morrow	Recorder	2/6/18	2018-41739	N/A	N/A	N/A
Union	Recorder	2/5/18	20180351	N/A	N/A	N/A
Wallowa	Recorder	2/5/18	00077843	N/A	N/A	N/A

PROPERTY ADDITIONS

THE ADDITIONAL ELECTRIC SUBSTATIONS AND SUBSTATION SITES of the Company, in the State of Washington and the State of Idaho, 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 and the State of Idaho, to wit:

- (1) Adams County, Washington: "Saddle Mountain", granted by: Flying K Ranch, LLC; A parcel of land located in the Northwest Quarter of Section 7 of Township 15 North in Range 28 East, W.M.; Adams County, Washington, described more particularly as follows: Commencing at the Northwest corner of the Northwest Quarter of said Section 7; thence S 00°30'45" E along the West line of the Northwest Quarter of Section 7 a distance of 30.00 feet to a point on the South right of way line of Gillis County Road; thence N 89°18'38" E along said South right of way line a distance of 49.61' to the Easterly right of way line of the Bureau of Reclamation Canal, as shown on sheet 34 of the fifth revision of the Farm Unit Plat of Block 49 of the Columbia Basin Project, and the True Point of Beginning; thence N 89°18'38" E along said road right of way line a distance of 1068.05' to the intersection of said right of way line with the West boundary of Farm Unit 223 of aforementioned Block 49; thence N 89°18'38" E along said road right of way line a distance of 709.16'; thence S 00°41'22" E a distance of 143.81'; thence S 44°57'29" W a distance of 415.01'; thence S 02°06'07" E a distance of 422.74'; thence S 28°48'49" W a distance of 133.35' to a point on the Northeast right of way line of the Canal; thence S 28°48'49" W a distance of 37.74'; thence N 45°40'09" W a distance of 91.91'; thence N 50°01'26" W a distance of 120.18'; thence N 51°23'40" W a distance of 135.63'; thence N 49°40'17" W a distance of 188.25'; thence N 50°42'25" W a distance of 128.05'; thence N 49°55'23" W a distance of 55.31'; thence N 48°16'42" W a distance of 127.26'; thence with a curve turning to the left with an arc length of 85.16', with a radius of 200.02', a chord bearing of N 60°21'47" W, with a chord length 84.51'; thence N 72°33'34" W a distance of 107.68'; thence N 71°11'29" W a distance of 165.41'; thence N 70°35'38" W a distance of 139.53'; thence N 71°15'39" W a distance of 84.30'; thence N 74°56'29" W a distance of 78.41'; thence N 79°54'18" W a distance of 73.52'; thence with a curve turning to the right with an arc length of 84.34', with a radius of 69.16',

with a chord bearing of N 52°41'31" W, with a chord length of 79.21'; thence N 00°30'45" W a distance of 140.66' to the south right of way line of Gillis County Road; which is the true point of beginning. (ALSO Known as Amended Parcel 1 of Record Survey recorded December 4, 2017 under Auditor's File No. 317358.) Evidenced by Statutory Warranty Deed recorded as Auditor number 317505 on December 18, 2017.

- (2) Stevens County, Washington: "Ford-Dawn Mining", granted by Carolyn Y. Caldwell; A part of Government Lot 5 in Section 19, Township 28 North, Range 40 East, W.M., in Stevens County, Washington, further described as follows: Commencing at the Southwest corner of said Government Lot 5, also being the Southwest Section corner of said Section 19; thence along the West line of said Government Lot 5, North 0°10'00" East a distance of 40.00 feet to the True Point of Beginning for this description; thence, continuing along said West line, North 0°10'00" East a distance of 40.00 feet to the Northerly boundary of a tract of land described in Statutory Warranty Deed recorded under Auditor's File No. 9209726; thence, along said Northerly boundary, North 73°05'04" East a distance of 659.08 feet; thence, leaving said Northerly boundary, South 00°10'00" West a distance of 225.90 feet North of the South line of said Government Lot 5, thence, parallel with the South line of said Government Lot 5, South 89°28'00" West a distance of 630.04 feet to the Point of Beginning. Evidenced by Statutory Warranty Deed recorded as Auditor number 2017-0008854 on December 06, 2017.
- (3) Stevens County, Washington: "Ford-Dawn Mining", granted by Dawn Mining Company, LLC; A portion of Government Lot 5, Section 19, Township 28 North, Range 40 East, W.M., Stevens County, Washington State, further described as follows: Commencing at the Southwest corner of said Government Lot 5, also being the Southwest Section Corner of said Section 19; thence N 0°10'00" E, along the West line of said Government Lot 5, a distance of 80.00' to the northerly boundary of a tract of land described in a Statutory Warranty Deed recorded as Auditor's File No. 9209726, Records of Stevens County; thence along said northerly boundary N 73°05'04" E, a distance of 313.85' to the Point of Beginning for this description; thence continuing N 73°05'04" E, a distance of 345.23'; thence leaving said northerly boundary N 00°,10'00" E, a distance of 474.97'; thence S 89°28'00" W, a distance of 330.02'; thence S 00°10'00" W, a distance of 330.02'; thence S 00°10'00" W, a distance of 572.35' to the Point of Beginning. Evidenced by Statutory Warranty Deed recorded as Auditor number 2017-0008543 recorded on November 28, 2017.
- (4) Bonner County, Idaho: "Bronx Substation", granted by Bernadine C. King, Trustee of the Hinsvark Family Trust; A Tract of Land in the Southwest Quarter of the Southwest Quarter (SW1/4/SW1/4) of Section 36, Township 58 North, Range 2 West, Boise Meridian, Bonner County, Idaho, more specifically described as follows: Commencing at the Southeast corner of said Southwest Quarter of the Southwest Quarter, which point is the West 1/16th corner of said Section 36 only; Thence south 89°46'52" West along the

South line of said Southwest Quarter of the Southwest Quarter a distance of 135.00 feet to the True Point of Beginning; Thence leaving said South line North 00°19'38" East a distance of 900.11 feet; Thence North 89°07" West a distance of 1046.80 feet to a point on the Easterly right of way line of the existing Highway US #95; Thence along the Easterly right of way line following the Seven (7) courses: 1) South 02°34'35" West a distance of 33.68 feet; 2) South 04°27'18" East a distance of 238.21 feet; 3) South 09°39'30" East a distance of 190.78 feet; 4) South 17°10'06" East a distance of 190.73 feet; 5) South 21°57'56" East a distance of 237.36 feet; 6) South 89°54'58" East a distance of 128.17 feet; 7) South 00°06'56" West a distance of 44.87 feet to said South line of the Southwest Quarter of the Southwest Quarter; Thence South 89°55'05" East a distance of 25.94 feet to the closing corner common to Sections 3 and 2, Township 57 North, Range 2 West; Thence continuing along said South Line North 89°46'52" East a distance of 693.55 feet to the True Point of Beginning. EXCEPT the Count Road along the South line of the herein premises known as the Bronx Road. Evidenced by Special Warranty Deed recorded as Auditor number 921417 recorded on May 10, 2018.

(Form of Bond)

CUSIP: 05379B AQ0

AVISTA CORPORATION

First Mortgage Bond, 4.35% Series due 2048

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 June 1, 2048 (the "Stated Maturity Date")

DOLLARS

and to pay the registered owner hereof interest thereon semi-annually in arrears on June 1 and December 1 in each year (each such date, an "Interest Payment Date"), commencing December 1, 2018, and at Maturity (as hereinafter defined), at the rate of four and thirty-five one-hundredths percentum (4.35%) 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 May 22, 2018 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.

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

The principal of and premium, if any, and interest on this bond payable at Maturity shall be payable to the registered owner hereof 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 May 15 or November 15, as the case may be, next 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. 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, 4.35% Series due 2048, 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 Sixty-first Supplemental Indenture, dated as of May 1, 2018 (the "Sixty-first 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. Each initial and subsequent holder of bonds of this series, by virtue of its acquisition of an interest therein, shall be deemed, without further act, to have consented to the prospective amendments to the Original Mortgage set forth in the Sixtieth Supplemental Indenture.

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.

Prior to the Par Call Date (as hereinafter defined), 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 a redemption price equal to the greater of

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

(b) the sum of the present values of the remaining scheduled payments of principal of and interest on the bonds being redeemed (assuming, for this purpose, that the bonds of this series were stated to mature on the Par Call Date and excluding any portion of any scheduled payment of interest that accrued prior to the redemption date), 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 20 basis points,

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

On or after the Par Call Date, 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 aforesaid, at a redemption price equal to 100% of the principal amount of the bonds being redeemed *plus* accrued and unpaid interest on such bonds to the date of redemption.

“Par Call Date” means December 1, 2047.

“Treasury Yield” means, with respect to any redemption of bonds of this series,

(a) the yield to maturity reported in the Statistical Release, for the latest day for which such yields have been so reported as of the Calculation Date, for the U.S. Treasury constant maturity with a term equal to the remaining term of such bonds (assuming, for this purpose, that the bonds of this series were stated to mature on the Par Call Date), or

(b) if there is no such U.S. Treasury constant maturity having a term equal to such remaining term, the yield to maturity determined by linear interpolation between (i) the U.S. Treasury constant maturity reported in the Statistical Release with the term next longer than such remaining term and (ii) the U.S. Treasury constant maturity reported in the Statistical Release with the term next shorter than such remaining term.

The Treasury Yield shall be rounded to two decimal places. The Treasury Yield shall be calculated as of the third business day preceding the earlier of (x) the date notice of redemption is mailed to holders of bonds of this series and (y) the date irrevocable arrangements with the Trustee for the mailing of such notice shall have been made, as the case may be (the “Calculation Date”).

“Statistical Release” means the daily statistical release entitled “H.15 Selected Interest Rates”, or any successor publication, published by the Board of Governors of the Federal Reserve System, or any successor entity; or, if such Board of Governors no longer publishes the information contained in such statistical release, a publication containing similar information published by the U.S. Department of the Treasury, or any successor or other U.S. governmental body.

Except as provided above, (a) the bonds of this series are not redeemable prior to the Stated Maturity Date and (b) no amount other than the principal of and interest on the bonds of this series shall be payable in respect of such bonds.

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.

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.

May 21, 2018

Avista Corporation
1411 East Mission Avenue
Spokane, Washington 99202

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

I am a Senior Vice President, the General Counsel, the Corporate Secretary and the Chief Compliance Officer of Avista Corporation, a Washington corporation (the "Company"), and, together with Pillsbury Winthrop Shaw Pittman LLP, am acting as counsel to the Company in connection with the Registration Statement on Form S-3 (File No. 333-209714, the "Registration Statement") relating to the registration under the Securities Act of 1933 (the "Act") of an indeterminate amount of various securities of the Company including mortgage bonds to be issued under the Mortgage and Deed of Trust dated as of June 1, 1939 between the Company (formerly known as The Washington Water Power Company) and Citibank, N.A., (ultimate successor to City Bank Farmers Trust Company, as trustee, as heretofore amended and supplemented and to be supplemented by a supplemental indenture establishing series of Bonds and setting forth the terms thereof (as so amended and supplemented, the "Mortgage"). The Company now proposes to issue, offer and sell under the Registration Statement \$375,000,000 aggregate principal amount of First Mortgage Bonds, 4.35% Series due 2048 (the "New Bonds") pursuant to an Underwriting Agreement dated May 15, 2018 between the Company and the underwriters named therein (the "Underwriting Agreement").

I have reviewed and am familiar with such corporate proceedings and other matters as I have deemed necessary for the opinions expressed in this letter. In such review, I have assumed that the signatures on all documents examined by us are genuine, which assumption we have not independently verified. I have also assumed that the Mortgage is a valid and legally binding agreement of and enforceable against the trustee thereunder.

On the basis of the assumptions and subject to the qualifications and limitations set forth herein, I am of the opinion that:

1. The issuance and sale by the Company of the New Bonds have been duly authorized by the Board of Directors of the Company.
2. The issuance and sale by the Company of the New Bonds have been duly authorized by the Washington Utilities and Transportation Commission, the Idaho Public Utilities Commission and the Public Utility Commission of Oregon (collectively, the "State Utility Commissions").
3. When the New Bonds have been duly executed and authenticated in accordance with the Mortgage and issued and sold by the Company pursuant to the Underwriting Agreement, the New Bonds will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

My opinion set forth in paragraph 3 above is subject to and limited by the effect of (a) applicable bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, receivership, conservatorship, arrangement, moratorium and other laws affecting and relating to the rights of creditors generally, (b) general equitable principles and (c) requirements of reasonableness, good faith, fair dealing and materiality.

In connection with the opinion expressed in paragraph 3 above, I have also assumed that none of the terms of the New Bonds nor the issuance and delivery of the New Bonds, nor the compliance by the Company with the terms of the New Bonds, will violate any applicable law of the State of New York.

I am a member of the Bar of the State of Washington, and my opinions set forth in this letter are limited to the law of the State of Washington and, subject to the assumptions, qualifications and limitations expressed below, the law of the States of Idaho, Montana and Oregon, in each case as in effect on the date hereof, and I express no opinion as to the law of any other jurisdiction. To the extent that such opinions relate to or are dependent upon matters governed by the law of the State of Idaho, Montana or Oregon, I have examined the applicable law of such State and have consulted other counsel to the Company admitted to practice in such State whom I consider competent. To the extent that such opinions are dependent upon matters governed by the law of the State of New York, I have assumed the legal conclusions set forth in the letter dated the date hereof delivered to you by Pillsbury Winthrop Shaw Pittman LLP, which is being filed as Exhibit 5(b)(2) to the Registration Statement.

I hereby consent to the filing of this opinion letter as Exhibit 5(a)(1) to the Registration Statement and to the use of my name under the caption "Legal Matters" in the Registration Statement and in the Prospectus forming a part thereof and any supplement thereto. In giving this consent, I do not thereby admit that I am within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Marian M. Durkin

Marian M. Durkin, Esq.

[letterhead of Pillsbury Winthrop Shaw Pittman LLP]

May 21, 2018

Avista Corporation
1411 East Mission Avenue
Spokane, Washington 99202

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We, together with Marian M. Durkin, Esq., a Senior Vice President, the General Counsel, the Corporate Secretary and the Chief Compliance Officer of Avista Corporation, a Washington corporation (the "Company"), are acting as counsel to the Company in connection with the Registration Statement on Form S-3 (File No. 333-209714, the "Registration Statement") relating to the registration under the Securities Act of 1933 (the "Act") of an indeterminate amount of various securities of the Company including mortgage bonds to be issued under the Mortgage and Deed of Trust dated as of June 1, 1939 between the Company (formerly known as The Washington Water Power Company) and Citibank, N.A., (ultimate successor to City Bank Farmers Trust Company, as trustee, as heretofore amended and supplemented and to be supplemented by a supplemental indenture establishing series of Bonds and setting forth the terms thereof (as so amended and supplemented, the "Mortgage"). The Company now proposes to issue, offer and sell under the Registration Statement \$375,000,000 aggregate principal amount of First Mortgage Bonds, 4.35% Series due 2048 (the "New Bonds") pursuant to an Underwriting Agreement dated May 15, 2018 between the Company and the underwriters named therein (the "Underwriting Agreement").

We have reviewed and are familiar with such corporate proceedings and other matters as we have deemed necessary for the opinions expressed in this letter. In such review, we have assumed that the signatures on all documents examined by us are genuine, which assumption we have not independently verified. We have also assumed that the Mortgage is a valid and legally binding agreement of and enforceable against the trustee thereunder.

On the basis of the assumptions and subject to the qualifications and limitations set forth herein, we are of the opinion that, when the New Bonds have been executed and authenticated in accordance with the Mortgage and issued and sold by the Company pursuant to the Underwriting Agreement, the New Bonds will constitute the valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms.

Our opinion set forth above is subject to and limited by the effect of (a) applicable bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, receivership, conservatorship, arrangement, moratorium and other laws affecting and relating to the rights of creditors generally, (b) general equitable principles and (c) requirements of reasonableness, good faith, fair dealing and materiality.

In connection with the opinion set forth above, we have also assumed, consistent with the opinion of Marian M. Durkin Esq., that the issuance and sale by the Company of the New Bonds have been duly authorized by the Board of Directors of the Company and by the Washington Utilities and Transportation Commission, the Idaho Public Utilities Commission and the Public Utility Commission of Oregon. We have also assumed that none of the terms of the New Bonds, nor the issuance and delivery of the New Bonds, nor the compliance by the Company with the terms of the New Bonds, will violate any applicable law of the State of Washington, Idaho or Oregon.

Our opinion set forth above is limited to the law of the State of New York, as in effect on the date hereof, and we express no opinion as to the law of any other jurisdiction. To the extent that such opinions relate to or are dependent upon matters governed by the law of the State of Washington, Idaho, Montana or Oregon, we have assumed the legal conclusions set forth in the letter dated the date hereof delivered to you by Marian M. Durkin, Esq., which is being filed as Exhibit 5(a)(1) to the Registration Statement.

We hereby consent to the filing of this opinion letter as Exhibit 5(b)(2) to the Registration Statement and to the use of our name under the caption "Legal Matters" in the Registration Statement and in the Prospectus forming a part thereof and any supplement thereto. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Pillsbury Winthrop Shaw Pittman LLP

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

Check if an Application to Determine Eligibility of a Trustee Pursuant to Section 305 (b)(2)

CITIBANK, N.A.

(Exact name of Trustee as specified in its charter)

A National Banking Association
(Jurisdiction of incorporation or organization
if not a U.S. national bank)

**399 Park Avenue,
New York, New York**
(Address of principal executive office)

13-5266470
(I.R.S. Employer
Identification No.)

10043
(Zip Code)

Citibank, N.A.
388 Greenwich Street, 14th floor
New York, N.Y. 10013
(212) 816-5805
(Name, address, and telephone number of agent for service)

AVISTA CORPORATION
(Exact name of obligor as specified in its charter)

Washington
(State or other jurisdiction of
incorporation or organization)

1411 East Mission Avenue
Spokane, Washington
(Address of principal executive offices)

91-0462470
(I.R.S. employer
identification no.)

99202
(Zip Code)

Debt Securities
(Title of Indenture Securities)

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

<u>Name</u>	<u>Address</u>
Comptroller of the Currency	Washington, D.C.
Federal Reserve Bank of New York	33 Liberty Street, New York, NY
Federal Deposit Insurance Corporation	Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

Items 3-15. Not Applicable.

Item 16. List of Exhibits.

List below all exhibits filed as a part of this Statement of Eligibility.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as exhibits hereto.

Exhibit 1—Copy of Articles of Association of the Trustee, as now in effect. (Exhibit 1 to T-1 filed as exhibit to the Filing 305B2 dated October 5, 2012 under File No. 333-183223).

Exhibit 2—Copy of certificate of authority of the Trustee to commence business. (Exhibit 2 to T-1 filed May 5, 2014 under File No. 333-195697).

Exhibit 3—Copy of authorization of the Trustee to exercise corporate trust powers. (Exhibit 3 to T-1 filed May 5, 2014 under File No. 333-195697).

Exhibit 4—Copy of existing By-Laws of the Trustee. (Exhibit 4 to T-1 filed as exhibit to the Filing 305B2 dated October 5, 2012 under File No. 333-183223).

Exhibit 5—Not applicable.

Exhibit 6—The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939. (Exhibit 6 to T-1 filed May 5, 2014 under File No. 333-195697).

Exhibit 7—Copy of the latest Report of Condition of Citibank, N.A. (as of December 31, 2017- attached)

Exhibit 8—Not applicable.

Exhibit 9—Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the Trustee, Citibank, N.A., a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in The City of New York and State of New York, on the 17th day of May, 2018.

CITIBANK, N.A.

By /s/ Danny Lee

Danny Lee

Senior Trust Officer

<i>In millions of dollars</i>	December 31,	
	2017	2016
Assets		
Cash and due from banks	\$ 23,775	\$ 23,043
Deposits with banks	156,741	137,451
Federal funds sold and securities borrowed or purchased under agreements to resell (including \$132,949 and \$133,204 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	232,478	236,813
Brokerage receivables	38,384	28,887
Trading account assets (including \$99,460 and \$80,986 pledged to creditors at December 31, 2017 and December 31, 2016, respectively)	251,556	243,925
Investments:		
Available for sale (including \$9,493 and \$8,239 pledged to creditors as of December 31, 2017 and December 31, 2016, respectively)	290,914	299,424
Held to maturity (including \$435 and \$843 pledged to creditors as of December 31, 2017 and December 31, 2016, respectively)	53,320	45,667
Non-marketable equity securities (including \$1,206 and \$1,774 at fair value as of December 31, 2017 and December 31, 2016, respectively)	8,056	8,213
Total investments	<u>\$ 352,290</u>	<u>\$ 353,304</u>
Loans:		
Consumer (including \$25 and \$29 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	333,656	325,063
Corporate (including \$4,349 and \$3,457 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	333,378	299,306
Loans, net of unearned income	<u>\$ 667,034</u>	<u>\$ 624,369</u>
Allowance for loan losses	(12,355)	(12,060)
Total loans, net	<u>\$ 654,679</u>	<u>\$ 612,309</u>
Goodwill	22,256	21,659
Intangible assets (other than MSRs)	4,588	5,114
Mortgage servicing rights (MSRs)	558	1,564
Other assets (including \$19,793 and \$15,729 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	105,160	128,008
Total assets	<u>\$1,842,465</u>	<u>\$1,792,077</u>

The following table presents certain assets of consolidated variable interest entities (VIEs), which are included in the Consolidated Balance Sheet above. The assets in the table below include those assets that can only be used to settle obligations of consolidated VIEs, presented on the following page, and are in excess of those obligations. Additionally, the assets in the table below include third-party assets of consolidated VIEs only and exclude intercompany balances that eliminate in consolidation.

<i>In millions of dollars</i>	December 31,	
	2017	2016
Assets of consolidated VIEs to be used to settle obligations of consolidated VIEs		
Cash and due from banks	\$ 52	\$ 142
Trading account assets	1,129	602
Investments	2,498	3,636
Loans, net of unearned income		
Consumer	54,656	53,401
Corporate	19,835	20,121
Loans, net of unearned income	<u>\$ 74,491</u>	<u>\$73,522</u>
Allowance for loan losses	(1,930)	(1,769)
Total loans, net	<u>\$ 72,561</u>	<u>\$71,753</u>
Other assets	154	158
Total assets of consolidated VIEs to be used to settle obligations of consolidated VIEs	<u>\$76,394</u>	<u>\$76,291</u>

Statement continues on the next page.

CONSOLIDATED BALANCE SHEET
(Continued)

Citigroup Inc. and Subsidiaries

	December 31,	
	2017	2016
<i>In millions of dollars, except shares and per share amounts</i>		
Liabilities		
Non-interest-bearing deposits in U.S. offices	\$ 126,880	\$ 136,698
Interest-bearing deposits in U.S. offices (including \$303 and \$434 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	318,613	300,972
Non-interest-bearing deposits in offices outside the U.S.	87,440	77,616
Interest-bearing deposits in offices outside the U.S. (including \$1,162 and \$778 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	426,889	414,120
Total deposits	\$ 959,822	\$ 929,406
Federal funds purchased and securities loaned or sold under agreements to repurchase (including \$40,638 and \$33,663 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	156,277	141,821
Brokerage payables	61,342	57,152
Trading account liabilities	124,047	139,045
Short-term borrowings (including \$4,627 and \$2,700 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	44,452	30,701
Long-term debt (including \$31,392 and \$26,254 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	236,709	206,178
Other liabilities (including \$15,084 and \$10,796 as of December 31, 2017 and December 31, 2016, respectively, at fair value)	58,144	61,631
Total liabilities	\$1,640,793	\$1,565,934
Stockholders' equity		
Preferred stock (\$1.00 par value; authorized shares: 30 million), issued shares: 770,120 as of December 31, 2017 and December 31, 2016, at aggregate liquidation value	\$ 19,253	\$ 19,253
Common stock (\$0.01 par value; authorized shares: 6 billion), issued shares: 3,099,523,273 and 3,099,482,042 as of December 31, 2017 and December 31, 2016, respectively	31	31
Additional paid-in capital	108,008	108,042
Retained earnings	138,425	146,477
Treasury stock, at cost: December 31, 2017—529,614,728 shares and December 31, 2016—327,090,192 shares	(30,309)	(16,302)
Accumulated other comprehensive income (loss)	(34,668)	(32,381)
Total Citigroup stockholders' equity	\$ 200,740	\$ 225,120
Noncontrolling interest	932	1,023
Total equity	\$ 201,672	\$ 226,143
Total liabilities and equity	\$1,842,465	\$1,792,077

The following table presents certain liabilities of consolidated VIEs, which are included in the Consolidated Balance Sheet above. The liabilities in the table below include third-party liabilities of consolidated VIEs only and exclude intercompany balances that eliminate in consolidation. The liabilities also exclude amounts where creditors or beneficial interest holders have recourse to the general credit of Citigroup.

	December 31,	
	2017	2016
<i>In millions of dollars</i>		
Liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup		
Short-term borrowings	\$10,079	\$10,697
Long-term debt	30,492	23,919
Other liabilities	611	1,275
Total liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup	\$41,182	\$35,891

The Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.