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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): June 27, 2012**

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**AVISTA CORPORATION**

(Exact name of registrant as specified in its charter)

**Washington**  
(State or 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: 509-489-0500**

**Web site: <http://www.avistacorp.com>**

(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))
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## **Section 8 – Other Events**

### **Item 8.01 Other Events.**

On June 27, 2012, Avista Corporation (Avista Corp. or the Company) entered into a bond purchase agreement with certain institutional investors in the private placement market for the purpose of issuing \$80.0 million of 4.23 percent First Mortgage Bonds due in 2047. The new First Mortgage Bonds will be issued under and in accordance with the Mortgage and Deed of Trust, dated as of June 1, 1939, from the Company to Citibank, N.A., trustee, as amended and supplemented by various supplemental indentures and other instruments.

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

The issuance of the bonds will occur at closing in November 2012. The total net proceeds from the sale of the new bonds will be used to repay a portion of the borrowings outstanding under the Company's \$400.0 million committed line of credit and for general corporate purposes.

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

**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.

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AVISTA CORPORATION

(Registrant)

Date: July 3, 2012

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/s/ Mark T. Thies

Mark T. Thies  
Senior Vice President and Chief Financial Officer