

AVISTA CORP
Form FWP
March 28, 2008

Final Term Sheet

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| Issuer: | Avista Corporation |
| Issue: | First Mortgage Bonds, 5.95% Series due 2018 |
| Ratings*: | Baa2/BBB+/BBB (stable/stable/positive) |
| Offering Size: | \$250,000,000 |
| Coupon: | 5.95% |
| Trade Date: | March 27, 2008 |
| Settlement Date: | April 3, 2008 (T+5) |
| Stated Maturity: | June 1, 2018 |
| Spread to Benchmark Treasury: | T+250 bps |
| Yield to Maturity: | 5.992% |
| Benchmark Treasury Yield: | 3.492% |
| Benchmark Treasury: | 3.50% due February 15, 2018 |
| Initial Public Offering Price: | 99.666% |
| Proceeds to Issuer (before expenses): | \$247,540,000 |
| Optional Redemption: | Make-Whole Call, 37.5 bps spread over U.S. Treasuries |
| Interest Payment Dates: | Semi-annually in arrears on June 1 and December 1 of each year, commencing on December 1, 2008 |
| Joint Bookrunners: | UBS Securities LLC BNY Capital Markets, Inc. Goldman, Sachs & Co. |
| Senior Co-Managers: | Banc of America Securities LLC KeyBanc Capital Markets Inc. |
| Co-Managers: | Wedbush Morgan Securities Inc. Wells Fargo Securities, LLC |

*Note: Each security rating agency has its own methodology for assigning ratings. Security ratings are not recommendations to buy, sell or hold securities. The ratings are subject to change or withdrawal at any time by the respective credit rating agencies. Each credit rating should be evaluated independently of any other ratings. The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling UBS Securities LLC toll-free at 1-877-827-6444, extension 561-3884.