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Spokane River News

Spring 2014

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Nine Mile Recreation Area improvements



Visitors to the Nine Mile Recreation Area will notice improvements to the two-lane boat launch and docks just in time for the spring boating season. The recreation area is owned by Avista and managed by the Washington State Parks and Recreation Commission (State Parks).

State Parks replaced the worn out concrete boat launch and is in the process of installing new docks at the popular destination park, which is managed as part of Riverside State Park. The Nine Mile Recreation Area is open May 15 through Sept. 15 and offers camping, picnicking, swimming, fishing and boating.

Post Falls South Channel Dam to be restored



Avista's South Channel Dam, one of three dams at the Post Falls Hydroelectric Development, located near Q'emiln Park in Post Falls, Idaho, is undergoing an extensive restoration and upgrade to ensure its continued safe and reliable operation. Construction work started this spring and is scheduled to be completed in December 2014, with final road work and landscaping completed in spring 2015.

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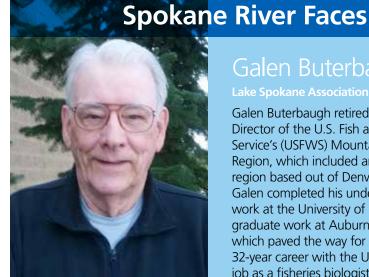


Welcome:

Welcome to our 12th edition of the Spokane River Newsletter. I'm Speed Fitzhugh, Avista's Spokane **River Project License** Manager. We are now in our fifth year of implementing the Federal Energy Regulatory Commission's (FERC) 50 year License for the five dams on the Spokane River. Over the last five years we have purchased over 700 acres for wetland protection, 18 acres for fisheries protection, developed and/ or improved 14 recreation sites, monitored a growing number of eagle nests, monitored and implemented measures to improve water quality, stocked rainbow trout and conducted numerous natural resource related studies. We also implemented measures to mitigate for impacts to historic and cultural resources related to improvements at the hydroelectric facilities themselves. All in all, our Spokane River License Implementation Team has been extremely busy ensuring the actions we need to implement are successful and completed to the benefit of the natural resources and to the public. They also work to ensure we remain in compliance with our FERC License as we continue to provide clean, renewable hydropower.

I hope you have enjoyed watching the progress we've made over the last five years as much as we have had in implementing the projects, many of which are for your enjoyment.

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Galen Buterbaugh

Lake Spokane Association

Galen Buterbaugh retired as a Regional Director of the U.S. Fish and Wildlife Service's (USFWS) Mountain Prairie Region, which included an eight state region based out of Denver, Colorado. Galen completed his undergraduate work at the University of Minnesota and graduate work at Auburn University, which paved the way for a significant 32-year career with the USFWS. His first job as a fisheries biologist started in 1960 at a trout hatchery in Manchester,

Iowa. During the next 10 years he worked at six different USFWS fish hatcheries located in Iowa, Nebraska, South Dakota, Alabama, Michigan, and Oregon. As his career evolved he worked elsewhere in the country and served twice in Washington DC before becoming the Regional Director for the Mountain Prairie Region, from where he ultimately retired.

Galen and his wife moved to Spokane in 1998 to be closer to their family and to enjoy the great hunting and fishing opportunities that the area provides. He has a wonderful daughter and son-in-law with three grown grandchildren. His family has a home on Lake Spokane near Willow Bay, which led him to get involved in Avista's Spokane River Project Relicensing effort. Since then, he helped get the Lake Spokane Association up and running and serves as Technical Adviser on their Board of Directors.

"Galen is a wealth of knowledge about the lake and its history, and works closely with us on our water quality projects, which we all appreciate," said Meghan Lunney, Avista's Aquatic Resource Specialist.

Lake Spokane Association: The Lake Spokane Association (LSA), a non-profit organization made up of homeowners and businesses, is dedicated to the protection and conservation of Lake Spokane, its shoreline communities, wildlife, fisheries, and recreational opportunities. The LSA strives to unite the Lake Spokane community, local and regional agencies, and corporate partners to preserve and enhance the lake and habitat through education, awareness, and collaboration. It also makes recommendations as necessary for the future benefit of Lake Spokane, its residents and its many and diverse recreational users.

The LSA Board of Directors meets bi-monthly and invites all interested people to attend and/or join their efforts.

Avista has been partnering with the founders of the LSA on a variety of lake wide projects, including carp removal, aquatic weed control, phosphorus reduction, shoreline homeowner and public education, etc., since

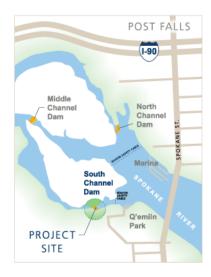
2010. The LSA has been very proactive in working to protect the lake and the natural resources that make it a great place to live and recreate.

For more information, go to lakespokaneassociation.org.

Post Falls South Channel Dam to be restored

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Original concrete and gate frames from the 1906 construction will be removed and updated with new concrete facing, spillway gates and hoists. Upgraded equipment will also improve operational efficiencies, allowing for increased flexibility in responding to changing hydro conditions, meeting river flow requirements, and customer demand.



Q'emiln Park, including the boat launch, swim area, trailhead and pavilion, and the Spokane River (between the Spokane Street Bridge and the boater safety cables) are expected to be open as normal this summer with limited exceptions. Neither the Upper Spokane River nor Coeur d'Alene Lake levels will be affected by the project.

Learn more about the project at avistautilities.com/postfalls. There, you can sign-up to receive timely email alerts in advance of any temporary public impacts to Q'emiln Park.



New fishing opportunities on Lake Spokane

Washington has great places for families to catch fish and have fun. Lake Spokane, the reservoir created by Avista's Long Lake Hydroelectric Development, located west of the city of Spokane, provides some of those opportunities. The lake has long been popular with anglers looking for bass, crappie and perch. To further enhance angling opportunity in the lake, Avista, working closely with the Washington Department of Fish and Wildlife, will stock 155,000 catchable sized rainbow trout, about eight inches long, each year starting in June of 2014.

This is an excellent new opportunity to fish and enjoy the lake. As the weather warms, pack up the family and head to the lake for fun, but expect the trout to be down 30-50 feet. In the fall and spring, when the water is cool, casting near the surface off of the docks or public shorelines may also be productive.

Lake Spokane helps Avista provide electricity for our homes and businesses, as well as fishing and boating opportunities for the public. For more information on the lake's fishing opportunities and regulations, please visit the Washington Department of Fish and Wildlife at wdfw.wa.gov.

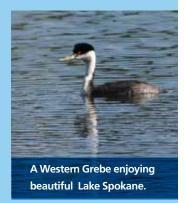


Did you know we have dancing birds in our town?

By Howard L. Ferguson, Biologist Washington Department of Fish and Wildlife

I am talking about the Western Grebe, which nests in a few areas here in NE Washington.

The largest breeding colony in Spokane can be found on Lake Spokane at the Nine Mile Recreation Area. These birds are recognized for their elaborate courtship displays, with their synchronized rhythmic neck-bobbing and "ice dancing", where they run across the surface of the water in perfect



synchrony with a rapid dive underwater, ending this unique ritual. They are also known for carrying their young on their backs.

Western grebes are large, rather elegant black and white water birds, (up to 30" long with a wingspan of up to 38") with long necks and pointed bills. They breed in lakes and ponds across much of Western North America, Canada and Mexico, and winter primarily off the Pacific Coast.

They are fish-eating birds, but will occasionally eat insects, crustaceans and even reptiles and amphibians. They feed by diving from the surface and swim underwater chasing prey, propelling themselves with their large webbed feet. Western Grebes are very gregarious and form loose breeding colonies during the summer and large close flocks in the winter, often visible from the shore.

Grebe numbers have drastically decreased along the Washington coast, so there is concern regarding their population status. They are considered a Priority Species and listed as State Candidates by the Washington Department of Fish and Wildlife (WDFW).

Conservation measures are taking place on Lake Spokane in a cooperative effort by WDFW, Avista, Riverside State Park and the Spokane County Sheriff's Department, including no wake zone designations around their nesting areas, development and installation of interpretive signage, and annual monitoring by WDFW.



Avista 125 years of service (1889-2014)

In 1889, Washington Water Power (WWP) was incorporated eight months before the Washington Territory became a state.

The company began on the banks of the Spokane River with the Monroe Street plant, using hydropower to generate electricity for the growing city of Spokane Falls. Today, clean, renewable resources remain a significant part of the company's diversified mix for energy generation.

Innovation and resourcefulness are part of the company's legacy. In the early 1900s, the company built Long Lake Dam, which claimed the highest spillway and the largest turbine in the world at that time. It was WWP employees who invented the first temperature controls for the early electric stove and the heating coil for the home water heater. And in 1983, the company built the first generating plant specifically constructed to use wood waste for the generation of electricity.

WWP, which changed its name to Avista in 1999, has long been a partner in the communities it serves. The company owned

the famed swimming and entertainment area known as Natatorium Park on Spokane's west side and donated acreage for the creation of Manito Park, on the city's south hill, as well as land for Expo 74, the 1974 World's Fair, which has now become Riverfront Park in downtown Spokane.

On May 2, 2014, Avista will celebrate the renovation of Huntington Park, property the company owns along the banks of the Spokane River, just west of City Hall. The renovation and enhancements include work on the walkways, grassy areas and structures to provide residents and visitors greater access to the Spokane River and views of the falls.

A new plaza at City Hall will also be dedicated that day as a gift to the citizens of Spokane, in celebration of the company's 125 anniversary. The plaza will create open-air space for gatherings and river viewing, and includes two water features and a fire feature.

For the first time in more than 100 years, the view of the spectacular Lower Falls of the Spokane River will be opened up for easy viewing from the park, the plaza or the streets of Spokane.

Over the generations of providing energy services, one thing has remained constant for our company: We are honored to provide the energy and resources that have helped families and commerce be successful, whether it is in the home, enjoying the outdoors or building successful businesses. We're proud to call each community we serve "home," and we're proud to be your partner in powering the future.





Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is our operating division that provides electric service to 366,000 customers and natural gas to 326,000 custom Our service territory covers 30,000 square miles in eastern Washington, northern Idaho and parts of southern and eastern Oregon, with a population of 1.5 million. Avista's primary, non-utility subsidiary is Ecova, an energy and sustainability management company with over 700 expense management customers, representing more than 700,000 sites. Our stock is traded under the ticker symbol "AVA For more information about Avista please visit avistacorp.com

This newsletter may contain forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the newsletter and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2013.

SOURCE: Avista Corporation



Spokane River News

Learn more, visit avistautilities.com/spokaneriver

Have a story idea for the newsletter? Call (509) 495-4486 or e-mail it to spokanerivernews@avistacorp.com.

