

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF AVISTA CORPORATION'S )  
APPLICATION FOR AUTHORITY TO OFFER, ) CASE NO. AVU-U-15-01  
ISSUE AND SELL DEBT SECURITIES UP TO )  
\$300,000,000 AND TO ISSUE UP TO 1,635,000 ) ORDER NO. 33401  
SHARES OF COMMON STOCK )**

On September 14, 2015, Avista Corporation applied for authority to offer, issue and sell up to \$300,000,000 of debt securities and 1,635,000 shares of authorized but unissued Common Stock under the Long-Term Incentive Plan. Commission Staff has reviewed the Application and recommended we approve it.<sup>1</sup> Based on our review of the record, we issue this Order approving the Application as noted below.

**THE APPLICATION**

Avista is a Washington corporation that is qualified to do business in the State of Idaho. The Company is engaged in the generation, purchase, transmission, distribution, and sale of electricity in northern Idaho, eastern Washington, and western Montana. Avista asks the Commission to authorize it to offer, issue and sell up to \$300,000,000 of fixed or variable rate debt securities, and issue up to 1,635,000 shares of authorized but unissued Common Stock through its Long-Term Incentive Plan. The net proceeds would be used for (a) improvement or maintenance of its service; (b) discharge or lawful refunding of its obligations; (c) reimbursement of moneys actually expended for said purposes from income or from other moneys in the treasury not secured by or obtained from the issue, assumption or guarantee of securities; or (d) any other purpose approved by the Commission or authorized by law.

Avista also seeks authority to refund, extend, renew or replace the proposed debt securities without further Commission authority, to allow greatest flexibility in their use.

The Company indicated that no person has received or would be entitled to receive any fee (1) for services connected with the securities' issuance and sale, other than fees for

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<sup>1</sup> The Commission is required to dispose of a securities application within 30 days "unless it is necessary, for good cause, to continue same for a longer period." *Idaho Code* § 61-904. The Company here filed its Application on September 14, 2015, but agreed to extend the deadline for the Commission's Order to October 31, 2015. See October 5, 2015 Letter. The extension allowed Staff more time to thoroughly examine Avista's Application. We find that the extension of time for Staff's review was appropriate, and thus find good cause to continue the case beyond the statutory 30-day period.

underwriting, private placement, legal, accounting or similar professional or technical services; or (2) for services in securing underwriters, sellers or purchasers of securities.

**STAFF REVIEW**

Commission Staff reviewed Avista’s Application. Staff recommended the Commission approve the proposed debt authority up to \$300,000,000. Staff also recommended that the Commission’s approval continue, without need for further order, provided that Avista maintains senior secured debt ratings that are investment grade: BBB-/Baa3, or at least Pricing Level V. In addition, Staff recommended approval of the issuance of up to 1,635,000 shares of authorized but unissued Common Stock under the Long-Term Incentive Plan.

**DECISION AND FINDINGS**

Avista is a gas corporation as defined in *Idaho Code* § 61-117, an electric corporation as defined in *Idaho Code* § 61-119, and a public utility as defined in *Idaho Code* § 61-129. The Commission has jurisdiction over Avista and the issues in this case under *Idaho Code* § 61-901, *et seq.* Based on our review, we find that the Application reasonably conforms to Rules 141 through 150 of the Commission’s Rules of Procedure, IDAPA 31.01.01.141-150.

The Commission finds that the proposed issuance is for a lawful purpose and is within Avista’s corporate powers. We also find the Company has paid all fees required by *Idaho Code* § 61-905. Further, we find that the proposed transaction is in the public interest, and a formal hearing on this matter is not required.

Our approval of the issuance is not a finding of fact or conclusion of law that the particular use to which these funds are to be put is approved by this Order. An Order from the Commission authorizing a proposed issuance does not constitute an agency determination or approval of the type of financing or related costs for ratemaking purposes. Such determination is not before us in this case, thus we make no determination about the effect of the issuance on rates to be charged by Avista for gas or electric service to consumers in the State of Idaho.

**ORDER**

IT IS HEREBY ORDERED that Avista’s Application for authority to issue up to \$300,000,000 in one or more debt issuances and up to 1,635,000 shares of authorized but unissued Common Stock under the Long-Term Incentive Plan is granted.

IT IS FURTHER ORDERED that Avista is authorized to issue the Securities in the manner and for the purposes described in the Application, with continuing authority to refund,

extend, renew or replace the same without further order of the Commission, provided that (1) the fees, interest rates and expenses incurred in connection with transactions under this Order, and any refund, extension, renewal or replacement thereof, are competitive with market prices for similar transactions; and (2) Avista's senior secured debt maintain investment grade ratings from at least two nationally recognized rating agencies.

IT IS FURTHER ORDERED that Avista shall file the terms of the proposed issuance(s) of the Securities and any subsequent changes to the terms with Staff upon issuance. This informational filing should be made seven (7) days, or as soon as possible, prior to the Issuance.

IT IS FURTHER ORDERED that Avista shall file, as soon as they become available, and update if any changes occur: (a) the "Report of Securities Issued"; and (b) verified copies of any Agreement entered pursuant to this Order.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of the Commission with respect to rates, utility capital structure, service accounts, valuation, estimates for determination of cost or any other matter which may come before this Commission pursuant to its jurisdiction and authority as provided by law.

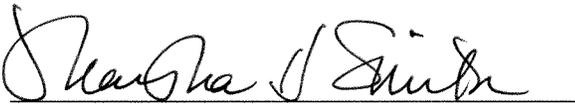
IT IS FURTHER ORDERED that nothing in this Order and no provisions of Chapter 9, Title 61, Idaho Code, or any act or deed done or performed in connection therewith shall be construed to obligated the State of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of Chapter 9, title 61 Idaho Code.

IT IS FURTHER ORDERED that issuance of this Order does not constitute acceptance of Avista's exhibits or other material accompanying the Application for any purpose other than the issuance of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

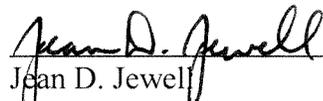
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23<sup>rd</sup>  
day of October 2015.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
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KRISTINE RAPER, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

O:AVU-U-15-01\_djh