

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF AVISTA</b>	)	
<b>CORPORATION’S APPLICATION TO</b>	)	<b>CASE NO. AVU-U-19-01</b>
<b>ISSUE UP TO 3,500,000 SHARES OF</b>	)	
<b>COMMON STOCK</b>	)	<b>ORDER NO. 34267</b>
_____	)	

On February 11, 2019, Avista Corporation applied to the Idaho Public Utilities Commission for an Order allowing Avista to issue up to 3,500,000 shares of common stock. The Commission’s Staff has reviewed the Application and recommend the Commission approve the requested offering.

Based on our review of the record, we issue this Order approving the Application as noted below.

**BACKGROUND**

*Idaho Code* §§ 61-901 through 61-909 govern the issuance of securities by public utilities. In summary, “when authorized by order of the commission and not otherwise, [public utilities] may issue stocks and stock certificates and may issue, assume or guarantee bonds or other securities payable at periods of more than twelve (12) months after the date thereof.. ..” *Idaho Code* § 61-901. The statutes permit utilities to issue securities for the following purposes: Acquiring property; building, completing, extending, or improving utility facilities; improving or maintaining utility service; discharging or lawfully refunding utility obligations; reimbursing money that the utility has expended to accomplish these purposes from income or other money in the treasury that is not secured by or obtained from the issue, assumption or guarantee of securities; and accomplishing any other Commission-approved purpose. *Idaho Code* § 61-901.

To obtain the Commission’s order, the utility must file an application and pay a statutory fee. *Idaho Code* §§ 61-902 and -905. The Commission then must dispose of the application within thirty days, absent an earlier finding of good cause to issue a later order. *Idaho Code* § 61-904. The Commission must grant the application unless it finds the proposed issuance would be (1) inconsistent with the public interest; (2) unnecessary, inappropriate for, or inconsistent with the applicant’s proper performance of its service as a public utility; or (3) for an impermissible purpose. *Idaho Code* § 61-902.

If the utility obtains the Commission's authorization to issue securities, then the utility may issue the authorized securities for the limited purposes expressed in the statute or allowed by the Commission. *Idaho Code* § 61-901.

### **THE APPLICATION**

Avista is a Washington corporation that is qualified to do business in the State of Idaho. It is a public utility that provides electric and natural gas service to customers in northern Idaho, eastern Washington, and central and southwest Oregon.

With this Application, Avista asks the Commission to authorize it to issue and sell up to 3,500,000 shares of authorized but unissued common stock through Avista's Periodic Offering Program, direct sales, or underwritten transactions. Avista explains it would use the net proceeds from the issuances to (1) improve or maintain its service; (2) discharge or lawfully refund its obligations; (3) reimburse money expended for these purposes from income or from other money in the treasury not secured by or obtained from the issue, assumption or guarantee of securities; or (4) accomplish any other purpose approved by the Commission or authorized by law. Avista requests authority to refund, extend, renew, or replace the proposed securities to allow for the greatest flexibility in their use.

Avista states that no person has received or will be entitled to receive from Avista any fee (1) for services in connection with the consummation of the issuance and sale of the securities, besides fees for underwriting, private placement, legal, accounting or similar professional or technical services; or (2) for services in securing underwriters, sellers or purchasers of the securities.

### **STAFF REVIEW**

Commission Staff reviewed Avista's Application. Based on that review, Staff recommended the Commission allow Avista to issue and sell 3,500,000 shares of common stock, as requested. Staff observed the proposed issuance and sale of common stock would not significantly affect Avista's capital structure and would allow the Company to maintain its debt-to-equity ratio. Staff thus recommended the Commission approve the Application.

### **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

The Commission finds that Avista Corporation is a Washington corporation that is qualified to do business in Idaho. The Company is a public utility engaged in the generation, purchase, transmission, distribution and sale of electric energy and the purchase, distribution, and sale of natural gas. The Company is a gas corporation within the definition of *Idaho Code* § 61-

117, an electric corporation within the definition of *Idaho Code* § 61-119, and a public utility within the definition of *Idaho Code* § 61-129. The Commission has jurisdiction over this Application under *Idaho Code* § 61-901, *et seq.*

Avista's Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure (IDAPA 31.01.01.141-150), and Avista has paid all fees required by *Idaho Code* § 61-905.

The proposed issuance is for a lawful purpose, is within Avista's corporate powers, and is compatible with the public interest.

The Commission's approval of the issuance is not a finding of fact or a conclusion of law that the particular use to which these funds are to be put is approved by this Order. The issuance of an Order authorizing the proposed issuance does not constitute agency determination or approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it for determination in this case and therefore does not determine the effect of 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 and sell up to 3,500,000 authorized but unissued shares of common stock is granted.

IT IS FURTHER ORDERED that Avista shall file the following as they become available:

1. The "Report of Securities Issued" required by 18 C.F.R. § 34.10; and
2. Verified copies of any agreement entered into in connection with the Company's sales and issuances of common stock under this Order.

IT IS FURTHER ORDERED that Avista shall file the terms of the proposed issuances of securities, and any subsequent change to the terms, with the Commission within seven days, or as soon as possible, before the issuance occurs.

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

IT IS FURTHER ORDERED that nothing in this Order or any act or deed performed in connection with this Order shall be construed to obligate the State of Idaho to pay or guarantee

in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of this Order.

IT IS FURTHER ORDERED that this authorization is without prejudice to the Commission's regulatory authority regarding rates, service, accounts, evaluation estimates or determination of costs or any other matter which may come before the Commission pursuant to its jurisdiction and authority as provided by law.

THIS IS A FINAL ORDER. Any person interested in the Order (or in issues decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order and in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code §§ 61-626 and 62-619.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this <sup>7<sup>th</sup></sup> day of March 2019.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane Hanian  
Commission Secretary

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