

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	
CORPORATION'S APPLICATION FOR)	CASE NO. AVU-U-17-01
AUTHORITY TO OFFER, ISSUE, AND)	
SELL DEBT SECURITIES NOT TO)	ORDER NO. 33978
EXCEED \$500,000,000.)	

On December 26, 2017, Avista Corporation ("Avista" or the "Company") applied to the Idaho Public Utilities Commission for an Order allowing it to offer, issue, and sell debt securities of up to \$500 million. Avista asked the Commission to issue an authorizing Order by January 30, 2018.¹ Commission Staff has reviewed the Application and recommended we approve it. Based on our review of the record, we issue this Order approving the Application.

THE APPLICATION

Avista is a Washington corporation that is qualified to do business in the State of Idaho. The Company generates, transmits, distributes, and sells electricity in northern Idaho and eastern Washington, and western Montana. It also distributes and sells natural gas in eastern Washington, northern Idaho, and central and southwest Oregon.

With this Application, Avista asked the Commission to authorize it to offer, issue, and sell up to \$500,000,000 of secured fixed or variable rate debt securities. The Company also requested authority to refund, extend, renew, or replace the proposed debt securities without further Commission approval. Avista stated it would use the net proceeds from the offer, issuance or sale of this debt: (a) to construct, complete, extend, or improve its facilities; (b) to improve or maintain its service; (c) to discharge or refund its obligations; (d) to reimburse money actually expended for these purposes from income or other money in Avista's treasury not secured by or obtained from the issue, assumption or guarantee of securities; or (e) for such other purposes as permitted by law.

¹ Absent "good cause," the Commission must dispose of a securities application within 30 days." *Idaho Code* § 61-904. Here, while the Company filed its Application on December 26, 2017, the Company noted it was requesting that the Commission issue its Order by January 30, 2018. *See* December 27, 2017 Letter from Avista's Director of Finance to the Commission. Extending the statutory time for review allowed Staff more time to thoroughly examine Avista's Application. We thus find good cause to continue the case beyond the statutory 30-day period.

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 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

Staff recommended that the Commission approve Avista's proposal to issue up to \$500,000,000 in secured fixed or variable rate debt. Staff also recommended that the authority under this initial approval be continuing, so Avista may refund, extend, renew, or replace the debt securities without having to obtain further Commission authority.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Avista 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.

Based on its review of the record, the Commission finds the proposed issuance is for a lawful purpose, is within Avista's corporate powers, and is compatible with the public interest. The Commission thus finds it reasonable to approve the proposed securities issuance.

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. This Order authorizing the proposed issuance does not constitute a Commission 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 thus 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 offer, issue, and sell up to \$500,000,000 in debt securities for the purposes and in the manner described in the Application, is approved.

IT IS FURTHER ORDERED Avista may refund, extend, renew, or replace the proposed debt securities authorized under this Order without further Commission approval, so long as: (1) the fees, interests rates, and expenses charged or 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 maintains investment grade ratings from at least two nationally recognized rating agencies.

IT IS FURTHER ORDERED that Avista shall file the terms of the proposed security issuance(s), and any later changes to their terms, with Staff upon issuance. This informational filing should be made within seven days, or as soon as possible, before 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 into pursuant to this Order.

IT IS FURTHER ORDERED that issuing this Order does not constitute acceptance of Avista's exhibits or other material accompanying this Application for any purpose other than issuing 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 any security authorized, issued, assumed or guaranteed under 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 that 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 *30th*
day of January 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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