

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

Petitioner,

For an Order Establishing Compliance
with the Provisions of RCW 80.08.040,
with Respect to its Proposal to issue up to
\$600,000,000 of Debt Securities under a
New Credit Facility.

DOCKET UE-230327

ORDER 01

ESTABLISHING COMPLIANCE
WITH RCW 80.08.040,
SECURITIES

BACKGROUND

- 1 On May 4, 2023, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a statement of a planned securities issuance and application (Application) for an order affirming compliance with RCW 80.08.040. In its Application, Avista proposes to issue up to \$600,000,000 of debt securities, with an initial term of up to five years, and also potentially include an option to extend the initial term prior to its expiration for up to five additional years. The Credit Facility may be secured and will replace the Avista's current credit facility. This Credit Facility will provide for a benchmark interest rate based on the Secured Overnight Financing Rate to replace the existing benchmark interest rate based on the London Interbank Offered Rate. The Application is filed pursuant to RCW 80.08.040.
- 2 Avista filed with its Application: (1) a certification by an authorized officer that the proceeds will be used for one or more purposes allowed by RCW 80.08.030; (2) a description of the proposed issuance, including the terms of financing; and (3) a statement as to why the proposed sale of securities is in the public interest.
- 3 Avista's existing credit facility will expire in June of 2026. The Company contends that the securities issuance is in the public interest because the proceeds will provide Avista the liquidity necessary for it to carry out the purposes described in paragraph 1 of the Application and, thus, to enable it to continue to conduct its operations as an electric and gas utility company on a reliable basis for the benefit of its customers. Without such liquidity, Avista could not continue to conduct its operations as such.

4 Commission staff (Staff) reviewed the Company's Application and determined that it meets the requirements set out in RCW 80.08.040. Accordingly, Staff recommends the Commission grant the Company's Application and issue an order finding that the Company has complied with RCW 80.08.040.

DISCUSSION

5 We grant Avista's Application for an order finding that its planned securities issuance complies with RCW 80.08.040. The statute requires that a regulated utility, prior to issuing a security, must file with the Commission:

- (1) A description of the purposes for which the issuance is made, including a certification by an officer authorized to do so, that the proceeds from any such financing is for one or more of the purposes allowed by RCW 80.08;
- (2) A description of the proposed issuance, including the terms of financing; and
- (3) A statement as to why the transaction is in the public interest.

6 RCW 80.08.040 further provides that any utility that makes such a filing may request the Commission to enter a written order establishing that the utility has complied with the requirements set out above. The statute requires the Commission to enter such an order when the utility has provided all information and statements as required.

7 We find that Avista has satisfied the statutory requirements. The Company's filing includes a description of the purposes for which the issuance is made, including a certification by an authorized officer that the proceeds will be used for one or more purposes allowed by RCW 80.08; a description of the proposed issuance, including the terms of financing; and a statement as to why the proposed sale of securities is in the public interest. Accordingly, we grant the Company's Application.

FINDINGS AND CONCLUSIONS

8 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric and natural gas companies.

- 9 (2) Avista is engaged in the business of providing electric and natural gas service within the state of Washington. As a public service company, it is subject to Commission jurisdiction.
- 10 (3) On May 4, 2023, Avista filed with the Commission a statement of a planned securities issuance and Application for an order affirming compliance with RCW 80.08.040. The Application includes: (1) a certification by an authorized officer that the proceeds will be used for one or more purposes allowed by RCW 80.08.030; (2) a description of the proposed issuance, including the terms of financing, and (3) a statement as to why the proposed in the public interest, consistent with the requirements set out in RCW 80.08.040.
- 11 (4) After reviewing the information and application Avista filed in Docket UE-230327 on May 25, 2023, and giving due consideration, the Commission finds that Avista is in compliance with RCW 80.08.040.

ORDER

THE COMMISSION ORDERS:

- 12 (1) Avista Corporation d/b/a Avista Utilities is in compliance with the requirements of RCW 80.08.040 with respect to the proposal to issue up to \$600,000,000 of additional secured or unsecured bonds, notes, and other evidence of indebtedness, as provided in the Application.
- 13 (2) Avista Corporation d/b/a Avista Utilities is directed to file a Report of Securities Issued as required by WAC 480-100-262, and WAC 480-90-262. Avista Corporation d/b/a Avista Utilities is also required to file verified copies of any agreement entered into in connection with any transaction pursuant to this Order. Finally, Avista Corporation d/b/a Avista Utilities shall file a verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this Order.
- 14 (3) This Order shall in no way affect the authority of the Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters that may come before it. Nor shall anything in this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

15 The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective May 25, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director and Secretary