

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of	)	DOCKET NO. UE-040663
	)	
AVISTA CORPORATION,	)	ORDER NO. 02
	)	
Petitioner,	)	
	)	
For an Amendment to Order No. 01	)	
Establishing Compliance with	)	ORDER AMENDING
RCW 80.08.040, with Respect to its	)	COMMISSION’S ORDER NO. 1
Proposal to Sell Securities up to	)	ESTABLISHING
\$250,000,000 and not more than	)	COMPLIANCE WITH
3,000,000 Shares of Common Stock.	)	RCW 80.08.040
.....	)	

**BACKGROUND**

- 1     On April 9, 2004, Avista Corporation (Avista or the Company) filed a statement of its plan to issue new securities with the Washington Utilities and Transportation Commission (Commission). The Company requested an order from the Commission affirming it is in compliance with the notice requirements of RCW 80.08.040.
  
- 2     In that application, the Company proposed to offer, issue and sell up to \$250,000,000 of unsecured, fixed or floating rate bonds, notes and other evidences of indebtedness, which may be convertible into or exchangeable for shares of the Company's common stock, and up to and including 3,000,000 shares of the Company's common stock, including, without limitation, any refunding, extension, renewal or replacement of any of the foregoing (the “Securities”). The application was filed pursuant to Chapter 80.08 RCW and the requirements of WAC 480-146-290.
  
- 3     On April 28, 2004, the Commission issued Order No. 1 affirming Avista’s compliance with RCW 80.08.040.

4 On June 9, 2004, the Company requested an amendment to Order No. 01 in this docket in order to provide the Company additional flexibility in issuing common equity. The Company has specific authority from its Board of Directors to issue up to 10,000,000 shares of new common stock in connection with this security.

### FINDINGS AND CONCLUSIONS

- 5 (1) Avista is engaged in the business of electric and natural gas service within the state of Washington. As a public service company, it is subject to the jurisdiction of the Commission under the provisions of Chapter 80.08 RCW.
- 6 (2) As to form, the petition meets the requirements of Chapter 80.08 RCW and the rules and regulations of the Commission adopted pursuant thereto. *Chapter 480-146 WAC.*
- 7 (3) This matter was brought before the Commission at its regularly scheduled meeting on June 30, 2004.
- 8 (4) The Company's petition does not affect the Commission's findings and conclusions of law Order No. 01 in this docket with respect to the notice requirements of Chapter 80.08 RCW.

### ORDER

#### THE COMMISSION ORDERS:

- 9 (1) Avista Corporation's petition to amend Order No. 01 in this docket enabling it to issue up 10,000,000 shares of the Company's common stock is granted.

- 10 (2) Avista Corporation is still required to file a Report of Securities Issued as required by WAC 480-146-340. The Company is also required to file verified copies of any agreement entered into in connection with any transaction pursuant to this Order. Finally, the Company shall file a verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this Order.
- 11 (3) This Order shall in no way affect the authority of this Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.

The Commissioners, having determined this filing complies with the requirements of Chapter 80.08 RCW, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 30<sup>th</sup> day of June, 2004.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary