

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

In the Matter of the Application of)	DOCKET UE-081842
)	
AVISTA CORPORATION,)	ORDER 02
)	
Petitioner,)	
)	
For an Order Establishing Compliance)	ORDER ESTABLISHING
with the Provisions of RCW 80.08.040,)	COMPLIANCE WITH
with Respect to its Proposal to issue up to)	RCW 80.08.040, SECURITIES
\$250,000,000 of various debt)	
arrangements)	
.....)	

BACKGROUND

1 On October 10, 2008, pursuant to RCW 80.01.040, Avista Corporation (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) its notice of a planned securities issuance, and it requested an order affirming compliance with RCW 80.08.040. At that time, Avista proposed to issue and sell up to \$150,000,000 of new debt. On October 16, 2008, the Company revised its notice stating that an increase in the amount of debt it plans to sell to \$225,000,000. The Company also filed supplemental information specifying the anticipated terms and conditions for the new securities. On October 17, 2008, the Commission issued its Order 01 stating that Avista was in compliance with RCW 80.08.040. On November 6, 2008, Avista filed additional notice with the Commission stating that there are, again, changes to the securities it plans to issue and sell. The Company now plans to issue up to \$250,000,000 of new debt. The new notice also states that the spreads, facility fees, and upfront fees that it may incur to issue the debt are no longer the same as stated in its initial filing.

2 According to Avista's initial notice and supporting documents, it states the proceeds of the financing are for one or more of the purposes allowed by RCW 80.08.030. The revised notice also describes the terms and conditions the Company expects to obtain in the sale of the securities. Finally, the initial notice contains the statement of an officer explaining why the Company's decision to issue this particular security is in the public interest.

FINDINGS AND CONCLUSIONS

- 3 (1) The Washington Utilities and Transportation 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. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.*
- 4 (2) Avista is engaged in the business of providing electricity and natural gas service within the state of Washington. As a public service company, it is subject to Commission jurisdiction.
- 5 (3) The application Avista filed meets the requirements of *RCW 80.08* which govern the issuance of securities by public service companies.
- 6 (4) The information Avista filed in this docket contains: (a) a certification by an authorized officer that the proceeds will be used for one or more purposes allowed by *RCW 80.08.030*; (b) a description of the proposed issuance, including the terms of financing, and (c) a statement as to why the proposed transaction is in the public interest. *See WAC 480-100-242 & WAC-480-90-242.*
- 7 (5) After reviewing the revised information Avista filed in Docket UE-081842 on November 7, 2008, the Commission finds that Avista is in compliance with the filing requirements of *RCW 80.08.040*.

ORDER

THE COMMISSION ORDERS:

- 8 (1) Avista is in compliance with the requirements of *RCW 80.08.040* with respect to the proposal in its notice to issue and sell up to \$250,000,000 of various debt arrangements.

- 9 (2) Avista will file a Report of Securities Issued as required by WAC 480-100-262 and WAC 480-90-262. Avista is also required to file verified copies of any agreement entered into in connection with any transaction pursuant to this Order. Finally, Avista shall file a verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this Order.
- 10 (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.

The Executive Secretary finding this filing complies with the requirements of RCW 80.08 enters this Order pursuant to WAC 480-07-904(1)(f).

DATED at Olympia, Washington, and effective November 7, 2008.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



DAVID W. DANNER, Executive Director and Secretary