**BEFORE THE**

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Application of  Company 1Avista Corporation dba Avista Utilities,  Co. 1  Petitioner,  For an Order Establishing Compliance with the Provisions of RCW 80.08.040, with Respect to the Issuance of Securities, and with RCW 80.16.020 regarding Affiliated Transactions. |  | DOCKETS UE-090000UE-132218, UG-132219 and U-132222  ORDER 0101  ORDER ESTABLISHING COMPLIANCE WITH RCW 80.08.040, RELATING TO SECURITIES ISSUANCE AND  RCW 80.16.020 RELATING TO AFFILIATED TRANSACTIONS |

**BACKGROUND**

1. On December 4, 2013, Avista Corporation (Avista or Company), filed an application with the Commission for an order establishing compliance under the provisions of RCW 80.08.040. In its application, Avista proposed the issuance of common stock of up to and including 7,250,000 authorized, but unissued, shares of common stock to acquire the equity interests in Alaska Energy and Resources Company.
2. In its application, the Company also filed a notice of an affiliated interest pursuant to RCW 80.16.020.
3. According to Avista’s application and supporting documents, the proceeds of the financing are for one or more of the purposes allowed by RCW 80.08.030. Avista also requested an Order finding that it is in compliance with the filing requirements of RCW 80.16 relating to Affiliated Transactions.

FINDINGS AND CONCLUSIONS

1. (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.
2. (2) Avista, a Washington corporation, is a public service company subject to the jurisdiction of this Commission under the provisions of RCW 80.08.
3. (3) Avista’s application meets the requirements of RCW 80.08, which concerns the issuance of securities by public service companies, and RCW 80.16 regarding notice of affiliated transactions.
4. (4) The application in this Docket contains: (a) a description of the purposes for which the proposed securities will be issued along with certification by an authorized officer that the proceeds from the financing will be used for the purposes allowed by RCW 80.08; (b) a description of the proposed issuance, including the terms of financing; and (c) a statement as to why the proposed transactions are in the public interest. The application also described the nature of the affiliated transactions between Avista and its affiliates, AERC and AEL&P, when the transaction is completed, and the manner in which costs will be assigned.
5. (5) An order finding the application and the proposed issuance of common stock by the applicant is in compliance with the notice requirements of RCW 80.08 and a finding that Avista has met the application requirements of RCW 80.16 regarding affiliated transactions should be issued.

**ORDER**

**THE COMMISSION ORDERS:**

1. (1) The application filed by Avista Corporation dba Avista Utilities and the proposed issuance of common stock by Avista Corporation dba Avista Utilities as described in the application are in compliance with the requirements of RCW 80.08 and RCW 80.16.
2. (2) Avista Corporation dba Avista Utilities is directed to file a Report of Securities Issued as required by WAC 480-110-262. Avista Corporation dba Avista Utilities is also required to file verified copies of any agreement entered into in connection with any transaction pursuant to the Order. Finally, Avista Corporation dba 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.
3. (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 Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

Dated at Olympia, Washington and effective December 12, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary