

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the matter of the request of) AVISTA CORPORATION) for an amended order establishing compliance) <u>with Chapter 80.08 RCW</u>)	Amended Application and Motion to amend Order No. 01 Docket No. U-200126
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Avista Corporation (hereinafter called the "Applicant") hereby requests an amendment to Order No. 01, based on this Amended Application, in the above-referenced docket, in order to reflect changed conditions in the credit markets as a result of COVID-19. On March 26, 2020, the Commission issued Order No. 01, approving a credit facility of up to \$500,000,000 and with a term of up to five (5) years, and with an extension for up to two (2) additional years. Due to the recent impact of COVID-19 on the financial markets, the current market conditions and current pricing is such that it is not presently fiscally prudent to commit to a long term, five (5) year credit facility. The Applicant requests an amendment of this current authority to replace the five (5) year term (with extensions) with a shorter term of one (1) year, with an option to extend one (1) additional year. In all other respects, the provisions of Order No. 01 would remain the same. The following contains the information required by RCW 80.08, either by reference to the Company's original Application filed on February 26, 2020, or by additional documentation.

The following information is furnished in support of this application, in accordance with the requirements of RCW 80.08.040:

(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 Securities Are For One Or More of the Purposes Allowed By Chapter 80.08 RCW.

Please refer to Application item 1(f) in Docket UF-200126.

(2) A Description of the Proposed Issuance Including the Terms of Financing.

Overview:

The Applicant has an existing credit facility that will expire in April of 2021. This existing credit facility provides the Applicant with \$400 million of liquidity and is its primary liquidity source for purposes allowed by Chapter 80.08 RCW. The Company filed a recent Application (U-200126), on February 26, 2020, to amend, or amend and extend or replace the existing credit facility for an initial term of five (5) years, with an option to extend the term up to two years. Due to the recent impact of COVID-19, the current market conditions and current pricing are such that it is not presently prudent to commit to a long term facility. Avista will seek later authority to enter into a five year agreement when the market is less volatile. The requested authority, however, will allow the Applicant to amend, or amend and restate, or replace the facility with an amended, or amended and restated, or replacement revolving credit facility.

The Credit Facility, under the amended authorization, will replace the existing credit facility of \$400,000,000 that expires in April of 2021, and will provide the Applicant with the continued ability to borrow and repay these amounts as needed for daily operational requirements. The Applicant, at its option, can rollover these borrowings at revised interest rates during the term of the Credit Facility without the initial borrowings being repaid in cash until the expiration of the term of the Credit Facility. The aggregate borrowings outstanding under the Credit Facility will be limited to \$500,000,000. Similar to the existing credit facility, interest will be charged under the Credit Facility at rates set by the tenure of the requested borrowings and the applicable interest rate spread. The Credit Facility will also include the ability to issue letters of credit, similar to the provisions of the existing credit facility. The Applicant anticipates that the Credit Facility will be secured by First Mortgage Bonds issued under the Applicant's Mortgage and Deed of Trust, dated as of June 1, 1939, as amended and supplemented. Substantially all of the Applicant's utility properties are subject to the lien of the Mortgage and Deed of Trust. The existing facility is similarly secured with First Mortgage Bonds.

Amount: \$500,000,000 in aggregate.

Date of Issue and Maturity: The Credit Facility is expected to have an initial term of one (1) year expiring in 2022 with an option to extend the term up to one (1) more year if the Applicant and the banks agree.

Compensation to any bank or agent for their services in connection with the handling of the Credit Facility is not expected to exceed 1%, including fees for co-lead arrangers (fee paid for organizing the syndication of the Credit Facility, expected to range from 0.075% to 0.10%) and upfront fees (fee paid for the banks' initial commitment of capital upon closing the Credit Facility, expected to range from 0.12% to 0.20%).

Estimated fees and borrowing spreads, based on the Applicant's current senior secured debt rating and current market information, are as follows:

Pricing Level	Facility Fee	Eurodollar Margin ⁽¹⁾	ABR Margin ⁽²⁾	LC Participation Fee
I	0.125%	0.875%	0.000%	0.875%
II	0.150%	0.975%	0.000%	0.975%
III	0.175%	1.075%	0.000%	1.075%
IV	0.225%	1.150%	0.000%	1.150%
V	0.250%	1.250%	0.000%	1.250%
VI	0.300%	1.450%	0.000%	1.450%

¹ Eurodollar Margin applies for borrowings with a term of at least two weeks. The rate will be the applicable LIBOR rate plus the Eurodollar Margin.

² Alternate Base Rate Margin applies for borrowings of less than two weeks. The rate is reset daily to whichever is the greatest of (a) Prime Rate, (b) the Federal Funds Rate plus the Base Rate Margin, (c) 30 day LIBOR rate plus 1.00%.

As noted above the fees are based upon the Applicant's current senior secured debt rating. Pricing has been impacted by the COVID-19 pandemic. Please see Exhibit B for existing facility pricing and current market pricing information. The Applicant's senior secured debt ratings are currently A-/A3 (i.e. Pricing Level III). The credit facility agreement indicates that in the event the Applicant's senior secured debt ratings are split by one level, the higher rating will apply. In the event the ratings are split by more than one level, the level that is one level below the higher rating will apply.

The Applicant will only enter into transactions where the fees, interest rates and expenses charged or incurred by the Applicant in connection with the transactions, and any refunding, extensions, renewals or replacements thereof, are competitive with market prices for similar transactions.

(3) Statement As To Why The Transaction Is In the Public Interest.

The requested authority will allow the Applicant to continue to manage its daily cash needs consistent with purposes allowed by Chapter 80.08 RCW. Accordingly, the Applicant believes the requested authority is in the public interest.

(4) Text of a Draft Order Granting Applicant's Request for an Order.

A copy of a draft amended order granting the Applicant's request for an amended order is attached hereto as "Exhibit A".

Wherefore, the undersigned, an authorized agent of the Applicant, requests that the Washington Utilities and Transportation Commission issue its order affirming that the applicant has complied with the requirements of RCW 80.08.040.

Done at Spokane, Washington this 14th day of April 2020.

AVISTA CORPORATION

By:


A handwritten signature in black ink, appearing to read 'Mark T. Thies', written over a horizontal line.

Mark T. Thies
Executive Vice President, CFO and
Treasurer

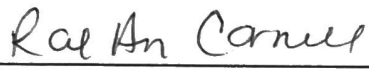
STATE OF WASHINGTON)
County of Spokane)

The undersigned certifies under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct to the best of my knowledge and belief, and that the proposed issuance of securities will be used for the purposes allowed by Chapter 80.08 RCW.

Done at Spokane, Washington this 14th day of April 2020.

By: 
Mark T. Thies
Executive Vice President, CFO and
Treasurer

SUBSCRIBED AND SWORN to before me this
14th day of April 2020


Notary Public for Washington

My Commission Expires: 1-30-2022

