

BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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In the matter of the request of )  
AVISTA CORPORATION )  
for an order establishing compliance )  
with Chapter 80.08 RCW )

Amended Application  
STATE OF WASH.  
Docket No. UTIL. AND TRANSP.  
COMMISSION

Avista Corporation (hereinafter called "Applicant") hereby requests the Washington Utilities and Transportation Commission to enter a written order establishing that the proposed offering, issuance and sale by the Applicant of up to \$100,000,000 of secured or unsecured, fixed or floating rate bonds, notes and other evidences of indebtedness, including, without limitation, assumption of any obligation or liability as guarantor, indorser, surety or otherwise in respect to the securities of any other person, firm, corporation, or affiliate of the Applicant, and any refunding, extension, renewal or replacement of any of the foregoing (the "Securities") is in compliance with the requirements of Chapter 80.08 RCW.

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

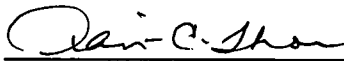
**(1) A Description of the Purposes for Which the Issuance is Made, Including a Certification By an Officer Authorized To Do So That the Proceeds From Any Such Securities Are For One Or More of the Purposes Allowed By Chapter 80.08 RCW.**

The Applicant will use the funds from the proposed offerings, issuance and sale of Securities for one or more of the following purposes: (a) The acquisition of property, or the construction, completion, extension, or improvement of its facilities, or (b) the improvement or maintenance of service, or (c) the issuance of stock dividends, or (d) the discharge or refunding of its obligations, or (e) the reimbursement of moneys actually expended from income or from the treasury of the Applicant to the extent permitted by RCW 80.08.030, or (f) for other purposes permitted by law.

The Applicant will utilize the proceeds of the proposed debt offering for lawful purposes as outlined in RCW 80.08.030. Specifically, the Applicant anticipates using the proceeds from the issuance of the Securities to refinance debt maturities and to repay funds borrowed under its corporate credit facility. The Applicant has \$50 million of debt maturities in the next 12 months beginning in November 2005 that must be refinanced. In addition, the Applicant will have borrowed approximately \$56 million under its corporate credit facility in September 2005 to fund the Applicant's purchase price obligation upon the termination of the lease for the Applicant's generating facility located in Rathdrum, Idaho.

The undersigned certifies that she has read the foregoing information with respect to proposed use of funds and knows the contents thereof and that the same are true to the best of her own knowledge or belief.

Done at Spokane, Washington this 20th day of September, 2005.

By:   
Diane C. Thoren  
Assistant Treasurer

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

The Applicant proposes to offer, issue and sell Securities for purposes authorized by law, in forms necessary or convenient to its operations, in a total amount of up to and including \$100,000,000 and for terms which will exceed 364 days. While no specific transactions are presently pending or contemplated under the proposed authority, 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 then-existing market prices for similar transactions.

The issuance of debt securities under the requested authority is anticipated before the end of 2005 and could be in the range of \$75-\$100 Million with a term of 10-30 years and the interest rate would not exceed 7.0%, all depending on and subject to then-existing market prices for similar transactions. Subsequent issuances are anticipated to be in remaining amounts authorized and for terms that would be competitive with then-existing market prices for similar transactions.

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

The issuance of the requested authority allows the Applicant greater flexibility in managing its funds and reducing borrowing costs. The proposed authority would allow the Applicant to better manage its debt and capital in a more efficient and cost effective manner. Accordingly, Applicant believes the requested authority is in the public interest.

**(4) Text of a Draft Order Granting Applicant's Request for an Order, Including A Disk Containing the Proposed Language in a Format Acceptable to the Commission.**

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the matter of the request of AVISTA CORPORATION for an order establishing compliance with Chapter 80.08 RCW	) ) ) ) _____	Docket No. _____  ORDER
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On September 20, 2005, Avista Corporation ("Applicant") filed its application before the Washington Utilities and Transportation Commission in this matter for an order establishing that a proposed offering, issuance and sale by the Applicant of up to \$100,000,000 of secured or unsecured, fixed or floating rate bonds, notes and other evidences of indebtedness, including, without limitation, assumption of any obligation or liability as guarantor, indorser, surety or otherwise in respect to the securities of any other person, firm, corporation, or affiliate of the Applicant, and any refunding, extension, renewal or replacement of any of the foregoing (the "Securities") is in compliance with the requirements of Chapter 80.08 RCW.

Background

On September 20, 2005, the Applicant, filed an application with the Commission under the provisions of Chapter 80.08 RCW for an order establishing compliance with the requirements of that statute in connection with the Applicant's proposed offering, issuance and sale of Securities for purposes permitted by law, in forms necessary or convenient to its operations, in a total amount of up to and including \$100,000,000 and for terms which will exceed 364 days.

The Applicant has filed certain information with the Commission as required under RCW 80.08.040 and has requested the Commission to enter an order that the Applicant and the proposed offering, issuance and sale of Securities by the Applicant is in compliance with the requirements of Chapter 80.08 RCW.

FINDINGS

THE COMMISSION FINDS:

1. The Applicant, Avista Corporation, a Washington corporation, is a public service company subject to the jurisdiction of this Commission under the provisions of Chapter 80.08 RCW.
2. As to form, the application herein meets the requirements of Chapter 80.08 RCW and the rules and regulations of the Commission adopted pursuant thereto.
3. 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 this financing will be used for the purpose allowed by Chapter 80.08 RCW; (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.
4. An order finding the application and the proposed offering, issuance and sale of Securities by the Applicant is in compliance with the requirements of Chapter 80.08 RCW should be entered.

ORDER

THE COMMISSION ORDERS:

1. The application filed by Avista Corporation, and the proposed offering, issuance and sale of the Securities by Avista Corporation as described in the application is in compliance with the requirements of Chapter 80.08 RCW.
2. Avista Corporation shall file, as soon as available:
  - a. The Report of Securities Issued required by WAC 480-146-230.
  - b. Verified copies of any agreement entered into in connection with any transaction pursuant to this order.
3. This order shall in no way affect the authority of this Commission over rates, service, accounts, valuations, estimates or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as an acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.

DONE at Olympia, Washington, and effective this            day of            , 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

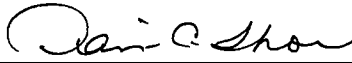
Carole Washburn  
Secretary

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.

The undersigned certifies, under penalties of perjury as provided in RCW 9A.72.085, that she has read the foregoing application and knows the contents thereof and that the same are true to the best of her own knowledge or belief.

Done at Spokane, Washington this 20th day of September, 2005.

AVISTA CORPORATION

By:   
\_\_\_\_\_  
Diane C. Thoren  
Assistant Treasurer