

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

AVISTA CORPORATION,

Petitioner,

For an Order Establishing Compliance with
RCW 80.08.040 with Respect to Proposed
Issuance of Up to \$600,000,000 of Debt
Securities under a New Credit Facility.

DOCKET U-XXXXXX

ORDER 01

ESTABLISHING
COMPLIANCE WITH RCW
80.08.040, SECURITIES

BACKGROUND

- 1 On [DATE], Avista Corporation (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a statement of a planned securities issuance and application (Application) for an order affirming that the Company's filing has complied with the requirements of RCW 80.08.040. In its Application, Avista proposes to amend, amend and restate, or replace its current credit facility with a credit facility under which Avista may borrow an aggregate principal amount of up to \$500,000,000 at any time outstanding, with an option to increase such amount to \$600,000,000, with an initial term of up to five years, and also potentially including an option to extend the initial term prior to its expiration for up to five additional years, and in connection therewith to issue certain secured or unsecured bonds, notes, and other evidences of indebtedness under the credit facility, for purposes permitted by and under the authority of RCW 80.08. The Credit Facility may be secured and will replace the Applicant's current credit facility that expires in June of 2026, and will provide for a benchmark interest rate based on the Secured Overnight Financing Rate ("SOFR") to replace the existing benchmark interest rate based on the London Interbank Offered Rate ("LIBOR").
- 2 Avista filed with its Application: (1) a certification by an authorized officer that the proceeds will be used for one or more purposes allowed by RCW 80.08; (2) a description of the proposed issuance, including the terms of financing; and (3) a statement as to why the proposed sale of securities is in the public interest.
- 3 Avista reports that it has an existing credit facility that will expire in June of 2026, and contends that the securities issuance is in the public interest because the requested authority will provide Avista the liquidity necessary for it to carry out the purposes described in paragraph 1 of the Application and, thus, to enable it to continue to conduct

its operations as an electric and gas utility company on a reliable basis for the benefit of its customers. Without such liquidity, Avista could not continue to conduct its operations as such.

- 4 Commission staff (Staff) reviewed Avista’s Application and determined that it meets the requirements set out in RCW 80.08.040. Accordingly, Staff recommends the Commission grant the Company’s Application and issue an order finding that the Company’s filing has complied with RCW 80.08.040.

DISCUSSION

- 5 We grant Avista’s Application for an order finding that its filing complies with RCW 80.08.040. The statute requires that a regulated utility, prior to issuing a security, must file with the Commission:

- (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 financing is for one or more of the purposes allowed by RCW 80.08;
- (2) A description of the proposed issuance, including the terms of financing; and
- (3) A statement as to why the transaction is in the public interest.

- 6 RCW 80.08.040 further provides that any utility that makes such a filing may request the Commission to enter a written order establishing that the utility has complied with the requirements set out above. The statute requires the Commission to enter such an order when the utility has provided all information and statements as required.

- 7 We agree with Staff and find that Avista has satisfied the statutory requirements. The Company’s filing includes a description of the purposes for which the planned securities issuance is made, including a certification by an authorized officer that the proceeds will be used for one or more purposes allowed by RCW 80.08; a description of the proposed issuance, including the terms of financing; and a statement as to why the proposed sale of securities is in the public interest. We also agree that it is in the public interest to allow Avista to obtain a source of liquidity to carry out the purposes described in the Application and, thus, to enable it to continue to conduct its operations as an electric and gas utility company on a reliable basis for the benefit of its customers. Accordingly, we grant the Company’s Application.

FINDINGS AND CONCLUSIONS

- 8 (1) The 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.
- 9 (2) Under RCW 80.08.020, the power of public service companies to issue stocks and stock certificates or other evidence of interest or ownership, and bonds, notes and other evidences of indebtedness and to create liens on their property situated within the State of Washington is a special privilege, the right of supervision, regulation, restriction, and control of which is and shall continue to be vested in the State, and such power shall be exercised as provided by law and under such rules and regulations as the Commission may prescribe.
- 10 (3) Avista is engaged in the business of providing electric and natural gas service within the State of Washington. As a public service company, it is subject to Commission jurisdiction.
- 11 (4) On [DATE], Avista filed with the Commission a statement of a planned securities issuance and Application for an order affirming compliance with RCW 80.08.040. The Application includes: (1) a certification by an authorized officer that the proceeds will be used for one or more purposes allowed by RCW 80.08; (2) a description of the proposed issuance, including the terms of financing; and (3) a statement as to why the proposed is in the public interest, consistent with the requirements set out in RCW 80.08.040.
- 12 (5) After reviewing the information and application Avista filed in Docket U-XXXXXX on [DATE], and giving due consideration, the Commission finds that Avista's Application complies with the requirements of RCW 80.08.040 and should be approved.

ORDER

THE COMMISSION ORDERS:

- 13 (1) Avista Corporation has complied with the requirements of RCW 80.08.040 with respect to the proposal in its Application to amend, amend and restate, or replace its current credit facility with a credit facility under which Avista may borrow an aggregate principal amount of up to \$500,000,000 at any time outstanding, with an option to increase such amount to \$600,000,000, with an initial term of up to

five years, and also potentially including an option to extend the initial term prior to its expiration for up to five additional years, and in connection therewith to offer, issue and sell certain secured or unsecured bonds, notes, and other evidences of indebtedness, for purposes permitted by and under the authority of RCW 80.08.

- 14 (2) 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 Lacey, Washington, and effective [DATE].

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ []

[]
Executive Director and Secretary