**BEFORE THE WASHINGTON STATE**

**UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Application of  Company 1AVISTA CORPORATION,  Petitioner,  For an Order Establishing Compliance with the Provisions of RCW 80.08.040, with Respect to its Proposal to issue up to $83,700,000 of Pollution Control Bonds  . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . . | ) ) ) ) ) ) ) ) ) ) ) | DOCKET UE-090000UE-101615  ORDER 01  ORDER ESTABLISHING COMPLIANCE WITH RCW 80.08.040 |

# BACKGROUND

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1. On September 29, 2010, Avista Corporation (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a statement of a planned securities issuance and application for an order affirming compliance with RCW 80.08.040. In its application, Avista proposes to issue and sell up to $83,700,000 in connection with the refunding or conversion of certain obligations related to pollution control bonds issued by the City of Forsyth, Montana, the proceeds of which have been loaned to the Company. The Company also requested the ability to refund, extend, renew or replace the same without further notice of compliance, provided that the fees, interest rates and expenses charged or incurred in connection with any transactions entered into under the authority of this order, and any refunding, extension, renewal or replacement thereof, are competitive with market prices for similar transactions. The application is filed pursuant to [RCW 80.01.040](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.01.040).

1. 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](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.08.030).

# 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 and natural gas companies. [*RCW 80.01.040*](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.01.040)*,* [*RCW 80.04*](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.04)*,* [*RCW 80.08*](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.08)*,* [*RCW 80.12*](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.12)*,* [*RCW 80.16*](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.16) *and* [*RCW 80.28*](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.28)*.*
2. (2) 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.
3. (3) The application Avista filed meets the requirements of [*RCW 80.08*](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.08) which concern the issuance of securities by public service companies*.*
4. (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](http://apps.leg.wa.gov/RCW/default.aspx?cite=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* and *480-90-242.*
5. (5) After reviewing the information and application Avista filed in Docket UE-101615 on September 29, 2008, and giving due consideration, the Commission finds that Avista is in compliance with RCW 80.08.040.

# O R D E R

**THE COMMISSION ORDERS:**

1. (1) Avista has complied with the requirements of RCW 80.08.040 with respect to the proposals in its application to issuance and sale of up to $83,700,000 in connection with the refunding or conversion of certain obligations related to pollution control bonds issued by the City of Forsyth, Montana, the proceeds of which have been loaned to the Company.
2. (2) Avista is directed to file a Report of Securities Issued as required by WAC 480-100-262 and 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.
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 Secretary, finding this filing complies with the requirements of [RCW 80.08](http://apps.leg.wa.gov/RCW/default.aspx?cite=80.08), enters this Order pursuant to WAC 480-07-904(f).

DATED at Olympia, Washington, and effective October 12, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary