

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. U-060273

DIRECT TESTIMONY OF

KELLY O. NORWOOD

REPRESENTING AVISTA CORPORATION

**I. INTRODUCTION**

1  
2 **Q. Please state your name, employer and business address.**

3 A. My name is Kelly O. Norwood. I am employed as the Vice-President of State and  
4 Federal Regulation for Avista Utilities at 1411 East Mission Avenue, Spokane, Washington.

5 **Q. Please briefly describe your educational background and professional**  
6 **experience.**

7 A. I am a graduate of Eastern Washington University with a Bachelor of Arts Degree  
8 in Business Administration, majoring in Accounting. I joined the Company in June of 1981.  
9 Over the past 25 years, I have spent approximately 14 years in the Rates Department with  
10 involvement in cost of service, rate design, revenue requirements and other aspects of  
11 ratemaking. I spent approximately 11 years in the Energy Resources Department (power supply  
12 and natural gas supply) in a variety of roles, with involvement in resource planning, system  
13 operations, resource analysis, negotiation of power contracts, and risk management. I was  
14 appointed Vice-President of State & Federal Regulation in March 2002.

15 **Q. What is the purpose of your testimony?**

16 A. My testimony provides an overview of Avista's request for authority to form a  
17 holding company in the manner and under the terms and conditions set forth within the  
18 Company's testimony. I will summarize the milestones reached thusfar in the proposed  
19 corporate reorganization, and the remaining steps necessary to complete the reorganization. I  
20 will also introduce the other witnesses providing testimony on behalf of Avista.

21 **Q. Are you sponsoring any exhibits to be introduced in this proceeding?**



1 corporation (the “Parent Company” or “AVA”) of the existing regulated company, Avista  
2 Corporation (to be renamed Avista Utilities, Inc.). The Parent Company would also be the  
3 Parent Company of Avista Capital, Inc., which would continue to hold the non-regulated  
4 subsidiaries.<sup>2</sup>

5 Currently the Utility is the corporate parent (Avista Corporation) and does business as  
6 (dba) Avista Utilities. Company witness Mr. Malquist describes Avista’s current business  
7 operations and Avista’s current Company organization charts for both Avista Corporation and  
8 Avista Capital are included as Exhibit No. \_\_\_\_ (MKM-2).

9 In the proposed structure, Avista Utilities would become a separate company under the  
10 new holding company. Avista Corporation would no longer exist as an operating entity. Avista  
11 Capital, Inc. would remain a business entity and would be owned by the new AVA holding  
12 company. A comparison of the current and proposed structures are included as Exhibit No.  
13 \_\_\_\_ (KON-2).

14 The purpose of and process for forming the proposed holding company structure is  
15 described below, as well as anticipated benefits and commitments by Avista to its customers.

16

17

### **III. REORGANIZATION PURPOSE**

18

**Q. Please describe the purpose of the Reorganization.**

19

A. The holding company structure is a well-established form of organization for  
20 companies engaging in multiple lines of business, and is prevalent in the utility industry. Many  
21 utilities are organized under a public holding company structure and Avista is one of the few

21

---

<sup>2</sup> The only exceptions would relate to Avista Receivables, Inc. and Spokane Energy, LLC, which would continue to

1 investor-owned utilities in the Pacific Northwest that is not currently organized under a holding  
2 company structure. Avista's request is similar to other utilities in the Pacific Northwest that have  
3 received approvals for similar holding company structure reorganizations in recent years, most  
4 notably Puget Sound Energy in Docket No. UE-991779, and Idaho Power Company in Case No.  
5 IPC-E-97-11. Avista has also recently received approvals to form a holding company from the  
6 Idaho Public Utilities Commission (IPUC) on June 30, 2006 by Order No. 30091, Case Nos.  
7 AVU-E-06-1 and AVU-G-06-1, and the Federal Energy Regulatory Commission (FERC), on  
8 April 18, 2006, by Docket No. EC06-85-000.

9 With the changes to the Public Utility Holding Company Act of 1935 or "PUHCA",  
10 Avista considers it to be in the best interest of the Company, its customers and its shareholders,  
11 to change the corporate structure of Avista into a holding company structure. As further  
12 discussed by Mr. Malquist, this Reorganization would provide additional protection for  
13 ratepayers by "ring fencing" or further separating utility operations from the Company's other  
14 non-regulated businesses. Such separation would further insulate Avista Utilities and its  
15 customers from the risks associated with operating other businesses, while at the same time,  
16 permitting greater financing flexibility afforded by a holding company structure.

17 **Q. Why has Avista chosen to pursue the formation of a holding company**  
18 **structure at this time?**

19 A. Avista did not pursue the formation of a holding company structure prior to this  
20 time due primarily to the requirements of PUHCA 1935. PUHCA would have required Avista to  
21 become a registered holding company, and would have imposed significant reporting and

---

remain subsidiaries of Avista Utilities.

1 accounting burdens on the Company. The Company's multi-state operations would have made it  
2 very difficult, if not impossible, to receive an exemption under PUHCA 1935. However, with  
3 the recent repeal of PUHCA 1935 and the enactment of PUHCA 2005, effective February 8,  
4 2006, the distinction between registered holding companies and exempt holding companies that  
5 existed under PUCHA 1935 is eliminated, and the accounting and reporting requirements are  
6 reduced.

7 **Q. Are there other Utilities in the region that have sought similar Commission**  
8 **approvals?**

9 A. Yes. Many other utilities throughout the country have formed holding companies,  
10 including Idaho Power and Puget Sound Energy, as mentioned previously. In fact, Avista is one  
11 of the few remaining investor-owned utilities in the Pacific Northwest that is not organized under  
12 a Holding Company structure.

13 An example of state Commission rulings authorizing approval of similar holding  
14 company structure reorganizations in recent years include, in August of 2000, the WUTC  
15 *Commission Order Accepting Stipulation and Approving Corporate Reorganization to Create a*  
16 *Holding Company, with Conditions* (Docket No. UE-991779), authorizing the creation of a  
17 holding company structure for Puget Sound Energy, Inc.. Avista's application, including the  
18 conditions set forth therein, is substantially identical to what was approved for Puget Sound  
19 Energy in Docket No. UE-991779.

20 Another example includes the Orders received by Idaho Power Company in 1998, from  
21 the IPUC (Order No. 27348 in Case No. IPC-E-97-11), and the Oregon Public Utilities

1 Commission (OPUC) (Order No. 98-056 in Docket No. UM 877) approving, with conditions, its  
2 application to form a holding company and the execution of a Share Exchange Agreement.

3 Lastly and most recently, on June 30, 2006, Avista received Order No. 30091 from the  
4 IPUC approving the application of Avista in Case Nos. AVU-E-06-1 and AVU-G-06-1 to form a  
5 holding company. Order No. 30091 and the Stipulations approved by the IPUC are included as  
6 Exhibit No. \_\_ (KON-3).

7

8 **IV. COMMITMENT TO AVISTA CUSTOMERS**

9

10 **Q. What commitments or assurances is Avista proposing to provide its**  
11 **customers related to the reorganization?**

12 A. Avista's Reorganization proposal is designed in a manner that protects the  
13 interests of Avista Utilities' customers. As such, it further insulates customers from the risks  
14 associated with Avista's unregulated operations. Avista's Reorganization proposal includes the  
15 following commitments to assure the necessary separation of Avista Utilities from the other  
16 subsidiaries or affiliates:

- 17
- 18 • The cost of the formation of the Holding Company would not be included in  
19 future Avista Utility ratemaking proposals.
  - 20 • Avista would continue to provide the Commission with access to information for  
21 the Holding Company and all subsidiaries for audit purposes.
  - 22 • Avista would continue to maintain prudent utility operating standards.
  - 23 • Avista would continue to maintain internal controls that preclude "cross-  
24 subsidization" between the utility and other subsidiaries.
  - 25 • Avista would continue to assure segregation of operations among the utility and  
26 other subsidiary entities, prevent co-mingling of assets, and would continue to  
27 comply with all applicable statutes, rules, and Commission practices regarding  
property transfers, affiliated or subsidiary transactions, and securities transactions.

- Avista would fairly allocate Holding Company costs (or corporate support costs) among the utility and other subsidiaries.

In addition to the general commitments listed above, the Company is also willing to agree to similar conditions in its Washington jurisdiction as those recently approved by the IPUC in Order No. 30091, Case Nos. AVU-E-06-1 and AVU-G-06-1, as set forth in the Stipulation reproduced in Exhibit No. \_\_\_\_ (KON-3).

**Q. What other assurances or additional protection are provided to ratepayers?**

A. Avista will continue to follow applicable statutes and rules on subsidiary or affiliated issues established by the various regulatory jurisdictions. Avista provides to the state commissions, on an annual basis, Subsidiary Transaction or Affiliated Interest Reports detailing transactions between the Utility and its subsidiaries.

Avista also follows the Federal Energy Regulatory Commission (FERC) rules for its Code of Conduct and Standards of Conduct filed with FERC, which govern the relationship between affiliates. In addition, once established as a “holding company,” Avista will fall under the new rules established by the Public Utility Holding Company Act of 2005 (“PUHCA 2005”). As a result, AVA and all of its subsidiaries (whether or not engaged in any energy-related business) would be required to maintain books, accounts and other records in accordance with FERC regulations and to make them available to the FERC and the State Commissions. Furthermore, upon the request of any State Commission, the FERC would have the authority to review allocations of costs of non-power goods and administrative services among AVA and its subsidiaries. The FERC has the authority generally to require that rates subject to its jurisdiction



1 be just and reasonable and in this context would continue to be able to, among other things,  
2 review transactions between AVA and any affiliated or subsidiary company.

3 **Q. If approved, what changes, if any, to the Utility or its assets are expected**  
4 **from this reorganization?**

5 A. The proposed Reorganization would not entail the transfer of Utility assets, nor  
6 would it adversely affect the financial, technical, and managerial abilities of Avista Utilities.  
7 Avista customers would see no change in the Utility or its operations, because the Utility would  
8 continue to provide the same high-quality service as before the Reorganization. After the  
9 Reorganization, Avista Utilities would continue to be subject to the same regulatory jurisdiction  
10 of the Commission as to rates, service, accounting and other general matters related to utility  
11 operations.

12 **Q. Would there be a change for Avista employees?**

13 A. Avista employees currently reporting to Avista Corporation (dba Avista Utilities)  
14 would not change after the Reorganization, with the exception of the five senior Officers who  
15 would also report to the new AVA holding company. As described further by Company witness  
16 Ms. Andrews, the allocation of these Officers' salaries and expenses as appropriate between  
17 Avista's regulated and non-regulated businesses would follow the same procedures as under the  
18 Company's current structure.

1 V. STATUS OF REORGANIZATION PROPOSAL

2 Q. Please summarize the steps that have been taken thusfar toward  
3 implementation of the Reorganization proposal, and the remaining steps necessary to  
4 complete the Reorganization.

5 A. For 2006, the activities and timeline for the Reorganization that have been  
6 completed to date are as follows:

- 7 • Avista received authorization from Avista Corporation's Board of Directors on  
8 February 10<sup>th</sup> to proceed with the Reorganization.
- 9 • Avista filed applications during the week of February 13<sup>th</sup> requesting approval of the  
10 Reorganization with the Washington Utilities and Transportation Commission, the  
11 Idaho Public Utilities Commission, the Oregon Public Utility Commission, and the  
12 Montana Public Service Commission. On June 30, 2006 Avista received approval  
13 from the Idaho Public Utilities Commission, Order No. 30091, Case Nos. AVU-E-06-  
14 1 and AVU-G-06-1.
- 15 • Avista filed an application during the week of February 13<sup>th</sup> requesting approval of  
16 the Reorganization with the Federal Energy Regulatory Commission (FERC). Avista  
17 received this approval from FERC on April 18, 2006, Docket No. EC06-85-000.
- 18 • Avista filed a registration statement (S-4, File No. 333-131872) and proxy materials  
19 (File No. 1-3701) during the week of February 13<sup>th</sup> with the Securities and Exchange  
20 Commission (SEC). Avista received approval from the SEC in April 2006.
- 21 • Avista received shareholder approval of the Reorganization at the May 11<sup>th</sup> annual  
22 meeting of shareholders.
- 23 • Avista continues to assess requirements related to its currently outstanding debt and  
24 contract obligations and has received consents from appropriate parties, including  
25 consents under Avista Corp.'s credit line, Avista Corp.'s accounts receivable sale  
26 program and Avista Energy's credit line.<sup>3</sup>

27 In addition, the remaining activities to be completed are as follows:

---

<sup>3</sup> Avista currently has been unsuccessful in receiving consents from the 9.75% Senior Note holders to dividend Avista Capital to the new holding company. Note that Avista does not need the Senior Note holders' consent to form the holding company, only consent to dividend Avista Capital to the holding company. As a result, the actual accounting separation of Avista Capital from Avista Utilities would not occur until the Senior Notes mature on June 1, 2008, if consents are not received.

- 1 • Since obtaining shareholder approval, all corporate and reorganization matters will be  
2 put in place subject to, and conditioned on, obtaining state and federal regulatory  
3 approvals and satisfaction of any other conditions identified by Avista.
- 4 • Following receipt of all regulatory approvals, Avista would execute the “Plan of  
5 Exchange” to form the Holding Company structure, as described by Mr. Malquist and  
6 provided in Exhibit No. \_\_\_\_ (MKM-3).

7  
8  
9 **VI. CONSISTANT WITH PUBLIC INTEREST**

10 **Q. Does Avista believe this filing is consistent with the public interest?**

11 A. Yes. WAC 480-143-170 establishes the standard by which the Commission reviews  
12 applications filed pursuant to Chapter 80.12.020 RCW. The rule states that:

13 If, upon the examination of any application and accompanying exhibits, or  
14 upon a hearing concerning the same, the commission finds that the proposed  
15 transaction is not consistent with the public interest, it shall deny the  
16 application.  
17

18 The Commission has found that this standard does not require a showing of positive benefits to  
19 the public in order to approve the transaction.

20 The standard in our rule does not require the Applicants to show that  
21 customers, or the public generally, will be made better off if the transaction is  
22 approved and goes forward. In our view, Applicants’ initial burden is  
23 satisfied if they at least demonstrate no harm to the public interest.  
24

25 *Docket No. UE-981627, Pacificorp/ScottishPower, Third Supplemental Order at 2, 3.*

26 The Company believes the combination of the commitments described herein and in the  
27 Stipulations recently approved by the IPUC in Order No. 30091 (see Exhibit No. \_\_\_\_ (KON-3)),  
28 satisfies this standard. Avista Utilities’ customers would see no change due to this transaction.  
29 Avista Utilities would continue to own, operate, and manage all of its facilities used in the  
30 generation, transmission and sale of electricity and the distribution of natural gas. Customers

1 would see no change in rates resulting from the cost of forming the holding company. The  
2 Reorganization would not affect the ability of the Commission to regulate Avista Utilities. Any  
3 specific transactions between Avista Utilities and other subsidiaries of AVA Corporation would  
4 be subject to the filing requirements of Chapter 80.16 RCW and the reporting requirements of  
5 WAC 480-90-264 and 480-100-264. Thus, there is no harm to ratepayers.

6 **Q. In the IPUC's recent Order No. 30091, referred to above, did the IPUC come**  
7 **to the conclusion that the Reorganization as proposed by the Company was in the public**  
8 **interest?**

9 A. Yes. Within their Order No. 30091, at page 4, the IPUC states:

10 "The commission finds that the commitments in the Stipulation assure  
11 that the public interest is protected with ring-fencing provisions and that these  
12 barriers are not overcome by any affiliate where the credit rating of one is used  
13 to offset the diminished rating of the other. The operations and structure of  
14 Avista Utilities and the Parent Corporation will continue to meet the  
15 requirements of having the bona fide intent and financial ability to operate and  
16 maintain said property in the public service."

17

18 **Q. As previously mentioned, FERC has also recently approved Avista's**  
19 **application to form a holding company. What conclusion did FERC reach in its Order?**

20 A. Avista received approval from FERC on April 18, 2006, Docket No. EC06-85-000.  
21 In its Order, FERC also concluded that the proposed transaction was consistent with the public  
22 interest.

23

#### **VII. OTHER COMPANY WITNESSES**

24 **Q. Please introduce the other Avista witnesses, and briefly explain what their**  
25 **testimony will cover.**

26 A. The following additional witnesses are presenting testimony on behalf of Avista.

1           Mr. Malyn Malquist, Executive Vice President and Chief Financial Officer, discusses  
2 Avista's current business operations and how the proposed reorganization to form a holding  
3 company provides protection for ratepayers by "ring fencing" utility operations from the  
4 Company's other non-regulated businesses. He also discusses the Plan of Share Exchange  
5 approved by the Board of Directors to create the holding company.

6           Ms. Elizabeth Andrews, Senior Regulatory Analyst, generally covers Avista's current  
7 accounting policies and procedures used by Avista for its regulated and non-regulated businesses to  
8 charge costs or services between the Utility and its subsidiaries. As further discussed within her  
9 testimony, these policies and procedures will not change with the formation of the proposed  
10 holding company structure.

11

12           **Q.     Does that conclude your pre-filed direct testimony?**

13           **A.     Yes it does.**

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-060273

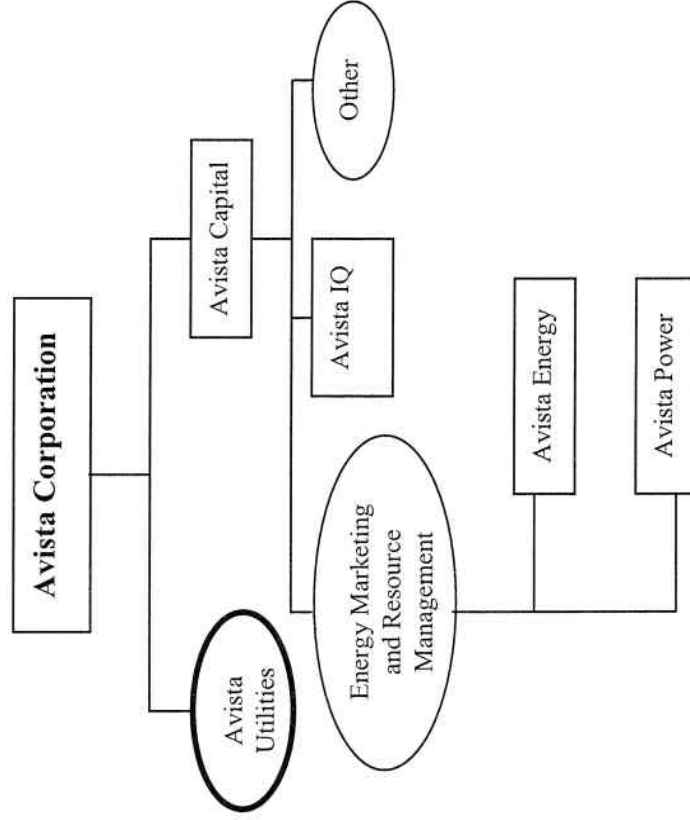
EXHIBIT NO. \_\_\_\_ (KON-2)

KELLY O. NORWOOD

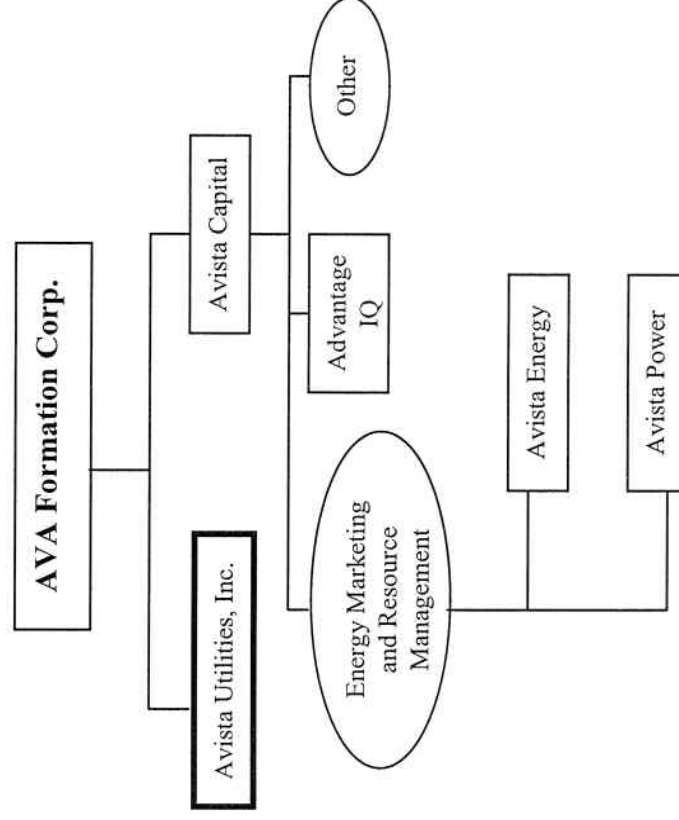
REPRESENTING AVISTA CORPORATION

# Avista Corporation Comparison of Organization Structures

Current Organization Structure



Proposed Organization Structure



- denotes a business entity; Advantage IQ is also a business segment.  
 - denotes business segment.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-060273

EXHIBIT NO. \_\_\_\_ (KON-3)

KELLY O. NORWOOD

REPRESENTING AVISTA CORPORATION



**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF AVISTA CORPORATION DBA AVISTA</b>	)	<b>CASE NOS. AVU-E-06-1</b>
<b>UTILITIES FOR AN ORDER APPROVING A</b>	)	<b>AVU-G-06-1</b>
<b>CORPORATE REORGANIZATION TO</b>	)	
<b>CREATE A HOLDING COMPANY, AVA</b>	)	<b>ORDER NO. 30091</b>
<b>FORMATION CORP.</b>	)	

On February 16, 2006, Avista Corporation dba Avista Utilities (“Avista” or “Company”) filed an Application with the Idaho Public Utilities Commission seeking an order for authority to conduct a corporate reorganization and form a holding company to be known as AVA Formation Corp. This Commission has the jurisdiction over such request pursuant to *Idaho Code* § 61-328.

On April 28, 2006, the Commission issued a Notice of Application, Notice of Workshop and Notice of Modified Procedure, seeking comments from any interested persons. See Order No. 30026. The Order specifically set forth that a public workshop would be held on May 16, 2006 to discuss issues arising from the Application. No person or entity petitioned to intervene in the matter.

Avista requested an order granting the Company authority to modify its current corporate structure through the establishment of a holding company. The holding company, AVA Formation Corp. (the “Parent Corporation”), would be formed as the parent company of the existing regulated company, Avista Corporation. The Parent Corporation would also be the parent company of Avista Capital, Inc., which would continue to hold non-regulated subsidiaries.

Avista Corporation, doing business as Avista Utilities, is currently the corporate parent. The proposed structure would make Avista Utilities a separate company under the Parent Corporation and Avista Corporation would no longer exist as an operating entity.

Avista states that due to the recent repeal of the Public Utilities Holding Company Act of 1935 (PUHCA), the Company considers it to be in the best interest of customers and shareholders to change the corporate structure of Avista by forming a holding company structure. The Company believes that this reorganization would provide additional protection for ratepayers by “ring-fencing” or further separating utility operations from the Company’s other non-regulated businesses.

## THE STIPULATION

Pursuant to Order No. 30026, representatives of the parties conducted a public workshop on May 16, 2006, and engaged in discussions focusing on key protections for ratepayers with a view toward resolving issues arising from the Application. No other persons attended the meeting. Based upon the discussions between the parties as a compromise of the positions in this case, and for other consideration as set forth below, the parties agreed to various commitments that the Company will undertake as part of the reorganization.

The settlement Stipulation contains 33 “commitments” or conditions that the Company commits to perform in support of the Application. The commitments address the need for ring-fencing, allow the Commission and Staff substantial access to the books and records of the utility and Parent Corporation, set forth cost allocation methodologies, and address equity building mechanisms and dividend payments. The Stipulation parties assert that the commitments satisfy the statutory standards for the Company’s reorganization as set out in *Idaho Code* § 61-328. Stipulation at § 9. In the Motion that accompanied the Stipulation, the parties urged the Commission to adopt the Stipulation, its commitments, and issue an Order approving the reorganization.

The Company will need to approach other states to seek their approval of the reorganization. The settlement Stipulation also contains a “most favored nations” provision. Stipulation at § 7. This provision allows the Commission to review and adopt any commitment or condition ordered by the other states, even after an Order in this matter is issued. Thus, any assurances, conditions or benefits adopted in the other states that would create a benefit to Idaho customers could subsequently be adopted in Idaho under the terms of the Stipulation.

The parties to the Stipulation recommended that the Commission approve and adopt the commitments in their entirety. They further agree not to appeal any portion of the Stipulation or any Order approving the same. The Stipulation parties also recognize that approval of the Stipulation and commitments shall not bind the Commission “in other proceedings with respect to the determination of prudence, just and reasonable character, rate or ratemaking treatment, or public interest of services, accounts, costs, investments, in any particular construction project expenditures or actions referred to in (the) Commitments.”

## COMMENTS

Comments to the Application were received from a member of the public and from the Commission Staff. The member of the public is a customer and shareholder of the Company. The customer expressed concern that the Parent Corporation may be unable to resolve bad loans it may procure without negatively impacting the utility company. The customer urged the Commission to deny the Company's Application.

Staff contends that the Application along with the commitments in the Stipulation meet the requirements set forth under *Idaho Code* § 61-328. Staff points out that Commitment Nos. 1, 4, 8, 9, 10, 11, 15, 17, 18, 19, 29, 30, and 31 address the need for ring-fencing, with provisions ranging from separate books and records for each entity to providing a non-consolidated opinion to the Commission demonstrating that the ring-fencing around Avista Utilities is sufficient to prevent Avista Utilities from being pulled into a Parent Corporation bankruptcy proceeding. Additionally, Commitment Nos. 2, 3, 5, 13, 23, and 24 provide Staff with access to a full range of books, records and other documents which would pertain to Avista Utilities and its affiliates, including the Parent Corporation. Comprehensive reporting requirements are also included in the commitments that would require the Parent Corporation and Avista Utilities to report to Staff and request approval from the Commission when certain events occur, such as the procurement of loans, the spin-off of any entity, the dissolution of business activities, dividend payment arrangements, and changes in the credit ratings of each entity.

In addition, Staff supports the commitments that include comprehensive arrangements for complying with cost allocation methodologies, as well as commitments involving the payment of dividends. The Company agreed, in Commitment No. 18, that Avista Utilities will not make any dividends to the Parent Corporation that would reduce Avista Utilities' common equity capital below 25% of its Total Adjusted Capital without the Commission's approval.

Staff believes that the reorganization should reduce the utility's risk and improve credit ratings. Staff does not anticipate rating downgrades based on recent credit rating reviews. However, in the event of a credit rating downgrade due to the reorganization, Staff will calculate the impact on customers and propose an adjustment be made to Avista Utilities' revenue requirement in the appropriate rate proceedings.

Staff recommended approval of the proposed reorganization given that the Company and its affiliates have agreed to implement these specific commitments, conditions and reporting mechanisms. Staff recommended that the Commission accept and approve the Stipulation and adopt the Commitments in Appendix A thereto. Staff asserts that these Commitments adequately protect Idaho ratepayers and serve the public interest.

#### COMMISSION FINDINGS

Before authorizing such a transaction, the Commission must find that: (1) the transaction is consistent with the public interest; (2) the cost of and rates for supplying service will not be increased by reason of such transaction; and (3) Avista has the bona fide intent and financial ability to operate and maintain Avista's operation in Idaho. Based on its review of the Application, the Stipulation, the comments and other documents related to this matter, the Commission finds that the above standard has been met.

In reviewing the Company's Application and the agreed-upon commitments, the Commission finds that the parties took into account customer comments that expressed concerns regarding loan arrangements and inter-company financing. Commitment No. 29 addresses these concerns by requiring Avista Utilities to demonstrate that the procurement of any loan from the Parent Corporation does not interfere with any of the ring-fencing mechanisms that secure the utility.

The Commission finds that the commitments in the Stipulation assure that the public interest is protected with ring-fencing provisions and that these barriers are not overcome by any affiliate where the credit rating of one is used to offset the diminished rating of the other. The operations and structure of Avista Utilities and the Parent Corporation will continue to meet the requirement of having the bona fide intent and financial ability to operate and maintain said property in the public service.

#### CONCLUSIONS OF LAW

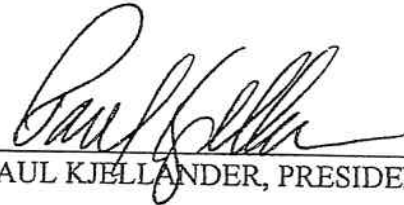
The Commission has jurisdiction over this matter pursuant to *Idaho Code* § 61-328. Section 61-328 prohibits Avista from transferring any interest in Avista without the written authorization of this Commission. The Commission may attach conditions to its authorization and enter any final Order consistent with its authority under Title 61.

**ORDER**

IT IS HEREBY ORDERED that the Applications of Avista Corporation, Case Nos. AVU-E-06-1 and AVU-G-06-1, and the Stipulation and the commitments therein, are approved.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code § 61-626.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30<sup>th</sup> day of June 2006.



PAUL KJELLANDER, PRESIDENT

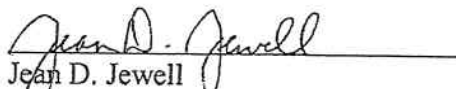


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell  
Commission Secretary

O:AVU-E-06-01\_AVU-G-06-01\_cg2

David J. Meyer  
Vice President and Chief Counsel of  
Regulatory and Governmental Affairs  
Avista Corporation  
1411 E. Mission Avenue  
P. O. Box 3727  
Spokane, Washington 99220  
Phone: (509) 489-0500, Fax: (509) 495-8851

RECEIVED  
JUN 15 2016 4:42  
PUBLIC UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF ) CASE NO. AVU-E-06-1  
AVISTA CORPORATION DBA AVISTA ) AVU-G-06-1  
UTILITIES FOR AN ORDER APPROVING )  
A CORPORATE REORGANIZATION TO ) STIPULATION  
CREATE A HOLDING COMPANY, )  
AVA FORMATION CORP. )**

This Stipulation ("Stipulation") is entered into by and between Avista Corporation, doing business as Avista Utilities ("Avista"), and the Idaho Public Utilities Commission Staff ("Staff") (collectively referred to as the "Parties").

**I. INTRODUCTION**

1. The terms and conditions of this Stipulation are set forth herein. The Parties agree that this Stipulation represents a fair, just and reasonable compromise of the issues raised in this proceeding and that this Stipulation is in the public interest. The Parties, therefore, recommend that the Public Utilities Commission ("Commission") approve the Stipulation and all of its terms and conditions. Reference IDAPA 31.01.01.272,274.

## II. BACKGROUND

2. On February 16, 2006, Avista filed an Application with the Commission seeking an order for authority to conduct a corporate reorganization and form a holding company to be known as AVA Formation Corp (hereinafter referred to as the "Reorganization"). This Commission has the jurisdiction over such request pursuant to *Idaho Code* § 61-328. The holding company, AVA Formation Corp. (the "Parent Corporation" or "AVA"), would be formed as the parent company of the existing regulated company, Avista Corporation. The Parent Corporation would also be the parent company of Avista Capital, Inc., which would continue to hold non-regulated subsidiaries.<sup>1</sup>

3. On April 28, 2006, the Commission issued its Order No. 30026, providing a Notice of Application, Notice of Workshop, and a Notice of Modified Procedure.

4. No petitions to intervene in this proceeding were filed in this matter.

5. Pursuant to the Commission's Order No. 30026, representatives of the Parties conducted a workshop on May 16, 2006, and engaged in informal settlement discussions with a view toward resolving the Application in this case.

Based upon the settlement discussions among the Parties as a compromise of the positions in this case, and for other consideration as set forth below, the Parties agree to the following terms:

---

<sup>1</sup>Avista Corporation, doing business as Avista Utilities, is currently the corporate parent. The proposed structure would make Avista Utilities a separate company under the Parent Corporation and Avista Corporation would no longer exist as an operating entity.



### III. TERMS OF THE STIPULATION

6. Appendix A contains the complete list of commitments that Avista agrees to make related to the formation and future conduct of the holding company corporate structure (hereinafter referred to as "Commitments"). By virtue of executing this Stipulation, Avista agrees to perform all of the Commitments set forth in Appendix A according to the provisions of each Commitment as set forth therein.

7. In the process of obtaining approvals of the Reorganization in other states, the Commitments may be expanded or modified as a result of regulatory decisions or settlements. Avista agrees that the Commission shall have an opportunity and the authority to consider and adopt in Idaho any commitments or conditions to which Avista agrees or with which Avista is required to comply in other jurisdictions, even if such commitments and conditions are agreed to after the Commission enters its order in this docket. To facilitate the Commission's consideration and adoption of the commitments and conditions from other jurisdictions, the Parties urge the Commission to issue an order accepting this Stipulation as soon as practical, but to reserve in such order the explicit right to re-open Appendix A to add (without modification of the language thereof except such non-substantive changes as are necessary to make the commitment or condition applicable to Idaho) commitments and conditions accepted or ordered in another state jurisdiction. The Parties recommend the following process related to potential additional commitments and conditions originating from proceedings in other states:

- Within five calendar days after a stipulation with new or amended commitments is filed by Avista with a commission in another state



jurisdiction, Applicants will send a copy of the stipulation and commitments to the Idaho Commission Staff.

- Within five calendar days after a commission in another state jurisdiction issues an order that accepts a stipulation to which Avista is a party or otherwise imposes new or modified commitments or conditions, that order, together with all commitments and conditions of any type agreed to by Avista or ordered by the commission in such other state, will be filed with the Commission and served on all Parties to this docket by the most expeditious means practical. Within fifteen business days after receiving the last such filing from the other states (“Final Filing”), any Party to the docket wishing to do so shall file with the Commission its response, including its position as to whether any of the covenants, commitments and conditions from the other jurisdictions (without modification of the language thereof except such non-substantive changes as are necessary to make the commitment or condition applicable to Idaho) should be adopted in Idaho.
- Within five calendar days after any such response filing, any Party to the docket may file a reply with the Commission. The Parties agree to support in their filings the issuance by the Commission of an order regarding the adoption of such commitments and conditions as soon as practical thereafter, recognizing that the Reorganization cannot close until final state orders have been issued.

8. Not later than the Final Filing, Avista will disclose to the Parties any written commitments, conditions or covenants made in another state jurisdiction (between the date of the filing of the Stipulation and the receipt of the last state order in the Reorganization docket) intended to encourage approval of the Reorganization or avoidance of an objection thereto.

9. The Staff, by signing this Stipulation, acknowledges that Avista has satisfied the standard under *Idaho Code* § 61-328 for approval of the Reorganization and requests that the Commission issue its order approving the Application and this Stipulation. The Parties encourage the Commission to enter a final Idaho approval order by July 31, 2006.

10. The Parties submit this Stipulation to the Commission and recommend approval in its entirety pursuant to IDAPA 31.01.01.274. Parties shall support this Stipulation before the Commission, and no Party shall appeal any portion of this Stipulation or Order approving the same. If this Stipulation is challenged by any person not a party to the Stipulation, the Parties to this Stipulation reserve the right to cross-examine witnesses and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in this Stipulation. Notwithstanding this reservation of rights, the Parties to this Stipulation agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

11. The Parties agree that this Stipulation represents a compromise of the positions of the Parties in this case. Other than the above-referenced positions and any testimony or comments filed in support of the approval of this Stipulation, and except to the extent necessary for a Party to explain before the Commission its own statements and positions with respect to the Stipulation, all

negotiations relating to this Stipulation shall not be admissible in evidence in this or any other proceeding regarding this subject matter.

12. Avista acknowledges that the Commission's approval of the Stipulation, the Commitments or the Application shall not bind the Commission in other proceedings with respect to the determination of prudence, just and reasonable character, rate or ratemaking treatment, or public interest of services, accounts, costs, investments, expenditures or actions referenced in these Commitments.

13. In the event the Commission rejects any part or all of this Stipulation, or imposes any additional material conditions on approval of this Stipulation, each Party reserves the right, upon written notice to the Commission and other Parties to this proceeding, within 14 days of the date of such action by the Commission, to withdraw from this Stipulation. In such case, no Party shall be bound or prejudiced by the terms of this Stipulation, and each Party shall be entitled to seek reconsideration of the Commission's order, file testimony as it chooses, cross-examine witnesses, and do all other things necessary to put on such case as it deems appropriate. In such case, the Parties immediately will request the prompt convening of a prehearing conference for purposes of establishing a procedural schedule for the completion of the case. The Parties agree to cooperate in development of a schedule that concludes the proceeding on the earliest possible date, taking into account the needs of the Parties in participating in hearings and preparing briefs.

14. No Party shall be bound, benefited or prejudiced by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall this Stipulation be construed as a waiver of the rights of any Party unless such rights are expressly waived herein. Execution of this Stipulation shall not be deemed to constitute an acknowledgment by any Party of

the validity or invalidity of any particular method, theory or principle of regulation or cost recovery. No Party shall be deemed to have agreed that any method, theory or principle of regulation or cost recovery employed in arriving at this Stipulation is appropriate for resolving any issues in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.


15. Subject to Paragraph 16 of this Stipulation, the effective date of this Stipulation shall be the date of the completion of the Reorganization.

16. The obligations of Avista under this Stipulation are subject to the Commission's approval of the Application in this docket on terms and conditions acceptable to Avista, in its sole discretion, and the completion of the Reorganization.


17. To the extent any of the above referenced filing dates fall on a weekend or a holiday, the filing shall be due on the next business day.

Respectfully submitted this 15<sup>th</sup> day of June, 2006.

**Idaho Public Utilities Commission Staff**

By   
Cecelia A. Gassner  
Deputy Attorney General

**Avista Corporation**

By   
David J. Meyer  
Vice President and Chief Counsel of Regulatory and Governmental Affairs

**AVISTA CORPORATE REORGANIZATION  
TO FORM A HOLDING COMPANY  
(CASE NO. AVU-E-06-1/AVU-G-06-1)**

- 1.) Avista Utilities will maintain its own books and records, separate from AVA's books and records. Avista Utilities' financial books and records and state and federal utility regulatory filings and documents will continue to be available to the Commission, upon request.
- 2.) AVA and Avista Utilities will provide the Commission access to all books of account as well as all documents, data, and records of their affiliated interests, which pertain to transactions between Avista Utilities and its affiliated interests or which are otherwise relevant to the business of Avista Utilities.
- 3.) AVA, Avista Utilities and all affiliates will make their employees, officers, directors and agents available to testify before the Commission to provide information relevant to matters within the jurisdiction of the Commission.
- 4.) AVA and Avista Utilities agree that one of its independent directors on each Board of Directors will have had prior experience with respect to the operation, financial analysis or regulation of the regulated gas or electric utility industry.
- 5.) The Commission or its agents may audit the accounting records of AVA and its subsidiaries that are the bases for charges to Avista Utilities, to determine the reasonableness of allocation factors used by AVA to assign costs to Avista Utilities and amounts subject to allocation or direct charges. AVA agrees to cooperate fully with such Commission audits.
- 6.) Avista Utilities will file on an annual basis a copy of any affiliated interest report filed in other jurisdictions.
- 7.) AVA and Avista Utilities will comply with all applicable Commission statutes and regulations regarding affiliated interest transactions, including timely filing of applications and reports.
- 8.) Avista Utilities and AVA will not cross-subsidize between the regulated and non-regulated businesses or between any regulated businesses, and shall comply with the Commission's applicable orders and rules with respect to such matters.
- 9.) Any proposed cost allocation methodology for the allocation of corporate and affiliate investments, expenses, and overheads, required by law or rule to be

submitted to the Commission for approval, will comply with the following principles:

- a. For services rendered to Avista Utilities or each cost category subject to allocation to Avista Utilities by AVA or any of its affiliates, AVA must be able to demonstrate that such service or cost category is necessary to Avista Utilities for the performance of its regulated operations, is not duplicative of services already being performed within Avista Utilities, and is reasonable and prudent.
- b. Cost allocations to Avista Utilities and its subsidiaries will be based on generally accepted accounting standards; that is, in general, direct costs will be charged to specific subsidiaries whenever possible and shared or indirect costs will be allocated based upon the primary cost-driving factors.
- c. AVA and its subsidiaries will have in place accounting systems adequate to support the allocation and assignment of costs of executives and other relevant personnel to Avista Utilities.
- d. An audit trail will be maintained such that all costs subject to allocation can be specifically identified, particularly with respect to their origin. In addition, the audit trail must be adequately supported. Failure to adequately support any allocated cost may result in denial of its recovery in rates.
- e. Costs which would have been denied recovery in rates had they been incurred by Avista Utilities regulated operations will likewise be denied recovery whether they are allocated directly or indirectly through subsidiaries in the AVA group.
- f. Any corporate cost allocation methodology used for rate setting, and subsequent changes thereto, will be submitted to the Commission for approval if required by law or rule. An Intercompany Administrative Services Agreement (IASA) will be developed that will include the corporate and affiliate cost allocation methodologies. The IASA will be filed with the Commission as soon as practicable after the closing of the transaction. Approval of the IASA will be requested if required by law or rule, but approval for ratemaking purposes will not be requested in such filing. Amendments to the IASA will also be filed with the Commission.
- g. AVA and Avista Utilities commit to use asymmetrical pricing (i.e., lower of cost or market for transactions to Avista Utilities and higher of cost or market for transactions from Avista Utilities) for affiliate charges or costs not covered by the provisions of any cost sharing agreement, if a readily

identifiable market for the goods, services or assets exists, and if the transaction involves a cost of more than \$100,000.

- 10.) Avista Utilities will maintain separate debt and, if outstanding, preferred stock ratings. Avista Utilities will maintain its own corporate credit rating, as well as ratings for each long-term debt and preferred stock (if any) issuance.
- 11.) Within three months of closing of the transaction, AVA and Avista Utilities commit to obtain from one or more rating agencies written confirmation that Avista Utilities will have its own corporate credit rating, separate and apart from AVA, as well as separate ratings for each long-term debt and preferred stock (if any) issuance, and that it will not otherwise be consolidated with AVA for ratings purposes. If the ring-fencing provisions of this stipulation are insufficient for purposes of obtaining a separate rating for Avista Utilities, AVA and Avista Utilities will so notify the Commission and propose and implement, upon Commission approval, such additional ring-fencing provisions that are sufficient to secure separate corporate ratings for AVA and Avista Utilities.
- 12.) AVA and Avista Utilities will exclude all costs of the formation of the Holding Company from Avista Utilities' utility accounts.
- 13.) AVA and Avista Utilities will provide the Commission with unrestricted access to all written information provided by and to credit rating agencies that pertains to Avista Utilities or AVA. AVA will also provide the Commission with unrestricted access to all written information provided by and to credit rating agencies that pertains to AVA's subsidiaries to the extent such information may potentially impact Avista Utilities.
- 14.) The capital requirements of Avista Utilities, as determined to be necessary to meet its obligation to serve the public, will be given a high priority by the Board of Directors of AVA and Avista Utilities.
- 15.) Neither Avista Utilities nor its subsidiaries will, on a prospective basis, without prior notification to the Commission, make loans or transfer funds (other than dividends and payments for inter-company services provided as part of the normal course of business or routine cash management functions or current money pool arrangements) to AVA or its affiliates, or assume any obligation or liability as guarantor, endorser, surety or otherwise for AVA or its affiliates; provided that this condition will not prevent Avista Utilities from assuming any obligation or liability on behalf of a subsidiary of Avista Utilities. Any changes to current money pool arrangements will require Commission approval. AVA will not pledge any of the assets of the business of Avista Utilities as backing for any securities which AVA or its affiliates (but excluding Avista Utilities and its subsidiaries) may issue.



- 16.) Nothing in these restructuring commitments shall be interpreted as a waiver of Avista Utilities' or AVA's rights to request confidential treatment for information that is the subject of any commitments.
- 17.) Equity Building Mechanism: The Company agrees that it will increase the actual utility equity component to 35% by December 31, 2007 and to 38% by December 31, 2008. To the extent the Company incurs increased power supply or purchased gas costs that are not recovered in retail rates in a timely manner, it would impair the Company's ability to build equity. Accordingly, the calculations to determine whether the targets are met will be adjusted for any additional deferred power supply or purchased gas costs recorded on the Company's books after January 1, 2006, which have been approved for recovery, but over a period longer than proposed by the Company.

Failure to meet the first target will result in an automatic reduction in base utility rates (spread uniformly across all classes) of 2% effective April 1, 2008. Failure to meet the second target would result in a reduction of 2% effective April 1, 2009. If the Company fails to achieve the first target but meets the second one, the 2% reduction on April 1, 2008 would be reversed prospectively as of April 1, 2009. If it meets the first target but misses the second, the April 1, 2009 reduction would remain in effect until its next general rate case. If the Company misses both targets, the total reduction would equal 4%, which would remain in effect until the next general rate case.

- 18.) AVA and Avista Utilities commit that Avista Utilities will not make any dividends to AVA that will reduce Avista Utilities' common equity capital below 25% of its Total Adjusted Capital without Commission approval. This percentage will be adjusted, as necessary, to account for any changes to Generally Accepted Accounting Principles (GAAP) after approval of this transaction. For purposes of calculating the numerator of the percentage, common equity will not include any portion of Avista Utilities preferred stock issued and outstanding. Avista Utilities' Total Adjusted Capital is defined as common equity, preferred equity, long-term debt, short-term debt and capitalized lease obligations.
- 19.) Through December 31, 2016, Avista Utilities will provide the Commission notice when it increases the amount of any dividend payment by 10% or more over the previously-paid dividend.
- 20.) In the event of a credit rating downgrade of Avista Utilities, the Company will schedule a meeting with Staff within one month of the downgrade to discuss the reason for the downgrade and the Company's plans going forward.
- 21.) On or before April 1, 2008, and on or before every anniversary date thereafter, Avista Utilities will provide to the Commission an annual report for the preceding calendar year, in which it describes its compliance with the



provision of items 17, 18 and 19, concerning the equity building mechanism and payment of dividends.

- 22.) Avista Utilities is required to apply to the Commission for approval of security issuances pursuant to Idaho Code Title 61, Chapter 9. Avista Utilities will not seek an exemption from this requirement for twelve months following the closing of this transaction. Staff will evaluate the "all-in-cost" of issuances for inclusion in rates and the cost of any debt issuance recognized for ratemaking will not be higher than it otherwise would have been without the corporate reorganization.
- 23.) AVA and Avista Utilities will provide the Commission access to corporate minutes including Board of Director's minutes and all committee minutes, along with any related source documents that are relevant to the business and risk analysis of Avista Utilities. Avista Utilities and the Commission Staff will establish an agreeable procedure to review these confidential documents in Spokane, WA upon request.
- 24.) AVA and Avista Utilities will provide the Commission access to operational, internal and risk audit reports and documentation. Avista Utilities and the Commission Staff will establish an agreeable procedure to review these confidential documents upon request.
- 25.) AVA and Avista Utilities will provide the Commission and Staff with notification of all publicly announced proposals for divestiture, spin-off, or sale of any integral Avista Utilities function. AVA and Avista Utilities will also file for Commission approval of divestiture, spin-off, or sale of any integral Avista Utilities function, which is subject to IPUC jurisdiction. This condition does not limit any jurisdiction the Commission may have.
- 26.) Avista Utilities or AVA will notify the Commission prior to implementation of plans by Avista Utilities or AVA: (1) to form an affiliate for the purpose of transacting business with Avista Utilities' regulated operations; (2) to commence new business transactions between an existing affiliate and Avista Utilities; or (3) to dissolve an affiliate which has transacted substantial business with Avista Utilities.
- 27.) Avista Utilities or AVA will notify the Commission subsequent to AVA's or Avista Utilities' board approval and as soon as practicable following any public announcement of: (1) any acquisition of a regulated or unregulated business representing 5 percent or more of the capitalization of AVA; or (2) the change in effective control or acquisition of any material part or all of Avista Utilities by any other firm, whether by merger, combination, transfer of stock or assets.

- 28.) Avista Utilities will provide to the Commission, upon request, on an informational basis, credit rating agency news releases and final reports regarding Avista Utilities when such reports are known to Avista Utilities and are available to the public.
- 29.) AVA and Avista Utilities commit that in the event that Avista Utilities obtains a loan from its parent company or any affiliated company, Avista Utilities will, in any subsequent rate proceeding demonstrate that the debt obligation interest, terms, and conditions are comparable to or less than what Avista Utilities could have obtained in the market at the time the debt was obtained by Avista Utilities, that the loan is on reasonable terms and without markup to the holding company's cost of funds, and that the debt procurement will not interfere with any ring-fencing mechanisms that secure the utility.
- 30.) AVA and Avista Utilities will enter into an agreement that incorporates the ring-fencing provisions set forth herein, which agreement shall be binding upon AVA and Avista Utilities, and their respective Boards of Directors. This agreement will be filed with the Commission within three months of closing of the transaction. AVA and Avista Utilities commit that no amendments, revisions or modifications will be made to this agreement or any ring-fencing provisions without prior Commission approval for the sole purpose of addressing the ring-fencing provisions.
- 31.) Within three months of closing of the transaction, AVA commits to obtain a non-consolidation opinion that demonstrates that the ring-fencing around Avista Utilities is sufficient to prevent Avista Utilities from being pulled into an AVA bankruptcy. AVA commits to promptly file such opinion with the Commission. If the ring-fencing provisions of this agreement are insufficient to obtain a non-consolidation opinion, AVA agrees to promptly undertake the following actions:
- a) Notify the Commission of this inability to obtain a non-consolidation opinion.
  - b) Propose and implement, upon Commission approval, such ring-fencing provisions that are sufficient to prevent Avista Utilities from being pulled into an AVA bankruptcy.
  - c) Obtain a non-consolidation opinion.
- 32.) Unless another process is provided by statute, Commission regulations or approved Avista Utilities' tariff, AVA and Avista Utilities encourage the Commission to use the following process for administering the commitments. The Commission should give AVA and Avista Utilities written notification of any violation by either company of the commitments made in this application. If such failure is corrected within ten (10) business days for failure to file

reports, or five (5) business days for other violations, the Commission should take no action. The Commission shall have the authority to determine if the corrective action has satisfied or corrected the violation. AVA or Avista Utilities may request, for cause, an extension of these time periods. If AVA or Avista Utilities fails to correct such violations within the specified time frames, as modified by any Commission-approved extensions, the Commission may seek to assess penalties for violation of a Commission order, against either AVA or Avista Utilities, as allowed under state laws and regulations.

- 33.) The applicants agree that the Commission shall have an opportunity and the authority to consider and adopt in Idaho any commitments or conditions to which the Applicants agree or with which the Applicants are required to comply in other jurisdictions, even if such commitments and conditions are agreed to after the Commission enters its order in this docket. To facilitate the Commission's consideration and adoption of the commitments and conditions from other jurisdictions, the Parties urge the Commission to issue an order accepting this Stipulation as soon as practical, but to reserve in such order the explicit right to re-open to add commitments and conditions accepted or ordered in another state jurisdiction.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 15<sup>TH</sup> DAY OF JUNE 2006, SERVED THE FOREGOING **MOTION FOR APPROVAL OF STIPULATION AND STIPULATION**, IN CASE NO. AVU-E-06-1/AVU-G-06-1, BY E-MAILING A COPY THEREOF AND BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

DAVID J. MEYER  
SR VP AND GENERAL COUNSEL  
AVISTA CORPORATION  
PO BOX 3727  
SPOKANE WA 99220-3727  
E-mail [dmeyer@avistacorp.com](mailto:dmeyer@avistacorp.com)

KELLY NORWOOD  
VICE PRESIDENT – STATE & FED. REG.  
AVISTA UTILITIES  
PO BOX 3727  
SPOKANE WA 99220-3727  
E-mail [Kelly.norwood@avistacorp.com](mailto:Kelly.norwood@avistacorp.com)



\_\_\_\_\_  
SECRETARY