

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of)	DOCKET NO. UE-061688
)	
Avista Corporation,)	ORDER NO. 01
)	
Petitioner,)	
)	
For an Order Establishing)	ORDER ESTABLISHING
Compliance with chapter 80.08 RCW,)	COMPLIANCE WITH CHAPTER
with Respect to its Proposal to sell up)	80.08 RCW
to \$150,000,000 in new Securities)	
.....)	
.)	

BACKGROUND

1 On November 3, 2006, Avista Corporation (Avista or the Company) filed a statement of its plan to issue securities with the Washington Utilities and Transportation Commission (Commission). The Company requested an order affirming that the Company has complied with the requirements of chapter 80.08 RCW.

DISCUSSION

2 In its application, the Company proposes to offer, issue and sell up to and including \$150,000,000 of secured, fixed rate bonds, notes and other evidences of indebtedness (the "Securities"). The application is filed pursuant to chapter 80.08 RCW and the requirements of WAC 480-90 and WAC 490-100.

3 According to the application and supporting materials filed by the Company, the proceeds of the financing are for one or more of the purposes allowed by RCW 80.08.030. The Applicant will use the proceeds from the issuance of the securities to refinance debt maturities and to repay funds borrowed under its corporate credit facility. Specifically, the Applicant has \$170 million of debt maturities in the next 5 months beginning in December 2006 that must be refinanced.

- 4 The securities may be sold to underwriters or through agents who in turn will offer the securities to investors, or may be sold directly to investors either with or without the assistance of a private placement agent.
- 5 In all series' issuances, the terms for the sale of each series will be determined at the time of issuance, and underwriters, agents, or other purchasers will be selected at that time. The terms for the issuance and sale of each series and the names of the underwriters, agents, or other purchasers will be supplied to the Commission at the time of issuance.
- 6 In its application, the Company states that the requested authority allows greater flexibility in managing its source of external funds in order to achieve lower financing costs. Since this enables the Company to manage its debt and capital structure in an efficient manner, the Company asserts that its request is in the public interest.

FINDINGS

- 7 (1) Avista is engaged in the business of providing electric service and natural gas within the state of Washington. As a public service company, it is subject to the jurisdiction of the Commission under the provisions of chapter 80.08 RCW.
- 8 (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. *Chapter 480-90 WAC and Chapter 480-100 WAC.*
- 9 (3) The Company's application 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; (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.

ORDER

THE COMMISSION ORDERS:

- 10 (1) Avista Corporation is in compliance with the notice requirements of RCW 80.08.040 with respect to the proposal set forth in its application to sell up to and including \$150,000,000 of first mortgage bonds.
- 11 (2) The Company is directed to file a Report of Securities Issued as required by WAC 480-90-242 and WAC 480-100-242. The Company is also required to file verified copies of any agreement entered into in connection with any transaction pursuant to this Order. Finally, the Company shall file a verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this Order.

The Commission, having determined this filing complies with the requirements of Chapter 80.08 RCW, enters this Order.

DATED at Olympia, Washington, and effective this 6th day of November, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary