

approximately \$56,000,000 of short-term debt outstanding under its corporate credit facility in September 2005. These funds were for the Applicant's purchase price obligation upon the termination of the lease for the Applicant's generating facility located in Rathdrum, Idaho.

4 The debt securities may be sold to underwriters or through agents who in turn will offer the debt 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 the 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 proposal allows it 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 a more efficient manner, the Company asserts that its request is in the public interest.

FINDINGS AND CONCLUSIONS

7 (1) Avista is an electric and natural gas company 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 480-146 WAC.*

- 9 (3) This matter was brought before the Commission at its regularly scheduled meeting on October 12, 2005.
- 10 (4) 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[s] is[are] in the public interest.

ORDER

THE COMMISSION ORDERS:

- 11 (1) Avista Corporation is in compliance with the requirements of RCW 80.08.040 with respect to the proposals set forth in its application for the proposal to offer \$100,000,000 of debt securities.
- 12 (2) The Company is directed to file a Report of Securities Issued as required by WAC 480-146-340. 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.
- 13 (3) This Order shall in no way affect the authority of this Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.

The Commissioners, having determined this filing complies with the requirements of Chapter 80.08 RCW, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 12th day of October, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary