

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

In the Matter of the Application of)	DOCKET UE-060537
)	
Avista Corporation)	ORDER 01
)	
Petitioner,)	
)	
For an Order Establishing Compliance)	
with RCW 80.08.040, with Respect to its)	ORDER ESTABLISHING
Proposal to sell up to 5,000,000 shares of)	COMPLIANCE WITH RCW
its Common Stock)	80.08.040
.....)	

BACKGROUND

- 1 On April 7, 2006, Avista Corporation (“Avista” or “the Company”) filed a statement of its plan to sell securities with the Washington Utilities and Transportation Commission (Commission). The Company requested an order affirming that the Company is in compliance with the requirements of RCW 80.08.040. In its application the Company proposes to sell 5,000,000 shares of its common stock from time to time. The application is filed pursuant to Chapter 80.08 RCW and the requirements of WAC 480-90/100.
- 2 In the application and supporting materials, the Company asserts that the proceeds of the financing are for one or more of the purposes allowed by RCW 80.08.030. The Company asserts that the proposal to sell additional common equity is necessary for it to maintain a reasonable capital structure, and, therefore, in the public interest.

FINDINGS AND CONCLUSIONS

- 3 (1) Avista is an electric and natural gas company providing service 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.
- 4 (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 480-90/100 WAC.
- 5 (3) This matter was brought before the Commission at its regularly scheduled meeting on April 26, 2006.

- 6 (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 proposal to sell securities is in the public interest.

ORDER

THE COMMISSION ORDERS:

- 7 (1) Avista Corporation has complied with the requirements of RCW 80.08.040 with respect to the proposal set forth in its application to issue and sell 5,000,000 shares of common stock.
- 8 (2) The Company is directed to file a Report of Securities Issued as required by WAC 480-90/100. 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.
- 9 (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 RCW 80.08 directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective April 26, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary