

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** TERRI CARLOCK

**DATE:** NOVEMBER 23, 2005

**RE:** IN THE MATER OF AVISTA CORPORATION'S APPLICATION FOR  
AUTHORITY TO ISSUE AN ADDITIONAL \$50,000,000 OF DEBT;  
CASE NO. AVU-U-05-1.


Order No. 29296 on October 20, 2005 granted Avista Corporation (Avista) authority to offer, issue and sale up to and including \$100,000,000 of secured or unsecured, fixed or floating rate bonds, notes or other form of indebtedness. The authorized issuances were completed November 17, 2005 for a 30-year term at a coupon interest rate of 6.25%. Within an hour of official announcement, the offer was more than 2 times over-subscribed. With the strong interest by investors and the favorable rate, Avista requests an amendment to authorize it to issue an additional \$50,000,000 under the same terms as granted in Order No. 29296.

### STAFF RECOMMENDATION

The additional request of \$50,000,000 debt like the original \$100,000,000 proposed debt issuance and redemptions provide an opportunity for Avista to reduce borrowing costs and to increase flexibility with future refinance options. Staff recommends approval of the additional \$50,000,000 debt authority with the remaining terms and conditions staying the same.

**COMMISSION DECISION**

Does the Commission accept Staff's recommendations to approve Avista's request for authority to issue and sell up to and including an additional \$50,000,000 debt.

  
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Terri Carlock

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