

Idaho Public Utilities Commission

Case No. AVU-U-13-01, Order No. 32991

March 12, 2014

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PUC approves Avista stock issuance

BOISE -- The Idaho Public Utilities Commission has approved an Avista Utilities application to issue up to 7,250,000 shares of common stock to fund Avista's purchase of Alaska Energy and Resources Company.

AERC includes Alaska Electric Light and Power, which serves about 16,000 customers in Juneau and the surrounding borough. It is the oldest and largest investor-owned utility in Alaska. In addition to the electric utility, AERC also owns AJT Mining Subsidiary, a mining company that is currently inactive.

When the transaction closes, expected by July 1, AERC will become a wholly owned subsidiary of Avista, headquartered in Spokane. The transaction will not affect rates for Avista's 125,000 customers in north Idaho.

The commission's order specifies that Avista maintain its own operating books, records and subaccounts separate from AERC records and that Idaho commission staff have access to all books and records related to the transaction. Avista must also exclude any costs related to the merger from Avista's Idaho customers and file status reports with the commission regarding any pertinent quarterly financial information.

Avista reports that the purchase price at closing will be about \$170 million, funded through the issuance of Avista common stock to the shareholders of AERC. In 2012, Alaska Electric Light and Power had annual revenues of \$42 million and 60 full-time employees. The utility has a firm retail peak load of 80 megawatts, nearly all of that generated by hydroelectric plants.

A full text of the commission's order, along with other documents related to this case, is available on the commission's Web site at www.puc.idaho.gov. Click on "File Room," then on "Multi-Utility Cases" under the "Cases" heading and scroll down to Case No. AVU-U-13-01.

Interested parties may petition the commission for reconsideration by no later than March 26. Petitions for reconsideration must set forth specifically why the petitioner contends that the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.