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IDAHO PUBLIC
UTILITIES COMMISSION

November 9, 2018

State of Idaho
Idaho Public Utilities Commission
Statehouse
Boise ID 83720

AVU-11-18-01

Attention: Diane Hanian, Secretary

Avista Corporation filed a securities application on November 9, 2018. In that application, the Company requested to receive an Order of Approval from the Commission by December 9, 2018.

When complete, please send the executed copy of the Order of Approval to:

Patrice K. Gorton
Avista Corporation
1411 East Mission Avenue
Spokane WA 99202-2600

If any questions arise or additional information is needed, please do not hesitate to contact Karrie Wilson at 509-495-2345.

Sincerely,

Pat Gorton
Director of Finance

Enclosures

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IDAHO PUBLIC UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of)
AVISTA CORPORATION for an Order authorizing)
the offering and issuance 10,000,000 shares of)
Common Stock)

CASE NO. AVU-U-18-01

Application is hereby made to the Idaho Public Utilities Commission under the provisions of Section 61-901 and 61-902, Idaho Code (Laws of 1951, Chapter 143) for an Order authorizing the offering and issuance by Avista Corporation (hereinafter called "Applicant") of up to 10,000,000 authorized but unissued shares of its Common Stock per Article II Section 2.1(a) of the Agreement and Plan of Merger between Hydro One Ltd and the Applicant. This approval is contingent on the pending merger in Case No. AVU-E-17-09 and AVU-G-17-05.

The following information and specific exhibits are furnished in support thereof:

(a) Name and address of principal business office:

Avista Corporation
1411 East Mission Avenue
Spokane WA 99202-2600

Name of representative for service:

Mark Thies, Senior Vice President, CFO, and Treasurer

(b) State and date of incorporation:

Incorporated Washington Territory (now the State of Washington) on March 15, 1889. The term of incorporation is perpetual.

States in which qualified to do business:

Washington, Idaho, Montana, and Oregon.

(c) General description of business, property, and territory served:

The Applicant is a public utility which owns and operates property in Eastern Washington, Northern Idaho, Western Montana, and Central and Southwest Oregon.

The Applicant is engaged in the generation, transmission, distribution, and sale of electric energy, which it sells at retail to approximately 383,000 residential, commercial, and industrial customers in Eastern Washington and Northern Idaho, and at wholesale to public utilities, municipalities and others as of September 30, 2018. Its electric properties are operated as a unified system and are interconnected with adjacent electric utilities. The electric energy sold by the Applicant is generated in power stations, which it owns in whole or in part, or obtained by purchase or exchange from other utilities and governmental agencies.

The Applicant is also engaged in the distribution and sale of natural gas to approximately 349,000 residential, commercial and industrial customers in Eastern Washington, Northern Idaho, and Central & Southwest Oregon as of September 30, 2018.

(d) Description of securities, indebtedness or liabilities:

Pursuant to Rule 142 of the Rules of Practice and Procedure, the Applicant hereby Files the application filed with the Washington Utilities and Transportation Commission as Exhibit "D-1" in lieu of the application required by Rule 141. Applicant further states that:

- (1) Applicant has published or will have published within seven days of the date of filing this Application a notice in those newspapers listed in Rule 141.08 of the Rules of Practice and Procedure of the Idaho Public Utilities Commission that are in general circulation in Applicant's service area.

(2) Attached Exhibits:

- Exhibit D-1 Copy of Washington Application
- Exhibit D-2 Form of Idaho Order

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the matter of the request of)	Amended Application
AVISTA CORPORATION)	
for an order establishing compliance)	Docket No.
<u>with Chapter 80.08.040 RCW</u>)	

Avista Corporation (hereinafter called "Applicant") hereby requests the Washington Utilities and Transportation Commission to enter a written order establishing that the proposed issuance by the Applicant of up to 10,000,000 authorized but unissued shares of its Common Stock per Article II Section 2.1(a) of the Agreement and Plan of Merger Agreement between Hydro One Ltd (US Parent) and Avista Corporation is in compliance with the requirements of Chapter 80.08 RCW. The requested authority is contingent upon the approval of the merger in Docket U-170970.

The following information is furnished in support of this application, in accordance with the requirements of RCW 80.08.040:


(1) A Description of the Purposes for Which the Issuance is Made, Including a Certification By an Officer Authorized To Do So That the Proceeds From Any Such Securities Are For One Or More of the Purposes Allowed By Chapter 80.08 RCW.

The Applicant proposed to issue up to 10,000,000 shares of authorized but unissued Common Stock of which the Applicant plans to issue to the US Parent or as directed by the US Parent.

Article II, Section 2.1(a) of the Agreement and Plan of Merger states, "The shares will be issued in consideration for the US Parent paying or causing to be paid the Merger Consideration."

The undersigned certifies that he has read the foregoing information with respect to the proposed use of funds and knows the contents thereof and that the same are true to the best of his own knowledge or belief.

Done at Spokane, Washington this 9th day of November, 2018.

By: 

Mark Thies
Senior Vice President, CFO, and
Treasurer

(2) A Description of the Proposed Issuance Including the Terms of Financing.

See Section (1)

(3) Statement As To Why The Transaction Is In the Public Interest.

This transaction falls within the stated purpose, is necessary to effectuate the merger transaction and is in the public interest because the merger transaction to which this application relates provides benefits to customers as described in U-170970. As a result of the merger Avista will be retiring and canceling all currently issued shares. Hydro One will need to hold new shares as a shareholder. Once the merger is effectuated Avista will issue the shares to Hydro One. This authority in place at the time of closing is necessary.

(4) Text of a Draft Order Granting Applicant's Request for an Order.

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

In the Matter of the Application of)	DOCKET U-XXXXXX
AVISTA CORPORATION dba AVISTA)	ORDER 01
UTILITIES,)	
)	
Petitioner,)	
)	
For an Order Establishing Compliance with)	ORDER ESTABLISHING COMPLIANCE
the Provisions of RCW 80.08.040, with)	WITH RCW 80.08.040, RELATING TO
Respect to its Proposal to issue up to)	SECURITIES ISSUANCE
10,000,000 shares of Common Stock.)	
.....)	

BACKGROUND

On November 9th, 2018, the Applicant, filed an application with the Commission for an order establishing compliance under the provisions of Chapter 80.08.040 RCW, contingent upon the approval of the merger transaction in Docket U-170970. In its application, the Applicant's proposed issuance of Common Stock, for purposes permitted by law in a total amount of up to and including 10,000,000 authorized but unissued shares of Common Stock.

According to Avista's application and supporting documents, the proceeds of the financing are for one or more of the purposes allowed by RCW 80.08.030.

FINDINGS AND CONCLUSIONS

1. The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric and natural gas companies. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.*
2. The Applicant, Avista Corporation, a Washington corporation, is a public service company subject to the jurisdiction of this Commission under the provisions of Chapter 80.08 RCW.
3. The application Avista filed meets the requirements of *RCW 80.08* which concern the issuance of securities by public service companies.
3. The application in this Docket contains (a) a description of the purposes for which the proposed securities will be issued along with certification by an authorized officer that the proceeds from this financing will be used for the purpose allowed by Chapter 80.08 RCW; (b) a description of the proposed issuance, including the terms of financing; and (c) a statement as to why the proposed transactions are in the public interest.
4. An order finding the application and the proposed issuance of Common Stock by the Applicant is in compliance with the requirements of Chapter 80.08 RCW should be entered.

ORDER

THE COMMISSION ORDERS:

1. The application filed by Avista Corporation, and the proposed issuance of Common Stock by Avista Corporation as described in the application is in compliance with the requirements of Chapter 80.08 RCW.
2. Avista Corporation is directed to file a Report of Securities Issued as required by WAC 480-110-565. Avista Corporation is also required to file verified copies of any agreement entered into in connection with any transaction pursuant to this Order. Finally, Avista Corporation shall file a verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this Order.

This Order shall in no way affect the authority of the Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters that may come before it, or otherwise limit the discretion of the commission to approve the merger in Docket NO. U-170970, with or without conditions, or to reject it. Nor shall anything in this Order be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

DONE at Olympia, Washington, and effective this 9th day of November 2018.


WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Mark Johnson, Executive Secretary

Avista, having provided herewith all information and statements required by RCW 80.08.030, WAC 480-100-242 (1)-(4) and WAC 480-90-242 (1)-(4), respectfully request an order affirming compliance with such requirements as part of this planned securities transaction.

Done at Spokane, Washington this 9th day of November, 2018.

AVISTA CORPORATION

By: 

Mark Thies
Senior Vice President, CFO, and
Treasurer

Exhibit D-2

PROPOSED ORDER OF APPLICANT

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
AVISTA CORPORATION FOR AN ORDER)	CASE NO.
AUTHORIZING THE ISSUANCE)	
OF 10,000,000 SHARES OF COMMON)	ORDER NO.
STOCK)	

On November 9, 2018, Avista Corporation (Avista) filed an Application with the Idaho Public Utilities Commission (Commission) requesting an Order authorizing the offering and issuance by Avista of up to 10,000,000 shares of Common Stock. The Commission, having fully considered the Application and exhibits attached thereto, and all of the Commission's files and records pertaining to the Application, makes the following findings of fact and conclusions of law, and enters this Order approving Avista's Application contingent upon the approval of the merger transaction in case No.(s) AVU-E-17-09 and AVU-G-17-05.

THE APPLICATION

Avista proposes to receive authorization to issue up to 10,000,000 shares of authorized but unissued Common Stock as consideration for Hydro One Ltd (US Parent) paying or causing to be paid Merger Consideration. As a result of the merger Avista will be retiring and canceling all (?) currently issued and outstanding shares. Hydro One will need to hold new shares as a shareholder. Once the merger is effectuated Avista will issue the shares to Hydro One. This authority in place at the time of closing is necessary.

No person has received or will be entitled to receive from Avista any fee (1) for services in connection with the consummation of the issuance and sale of the above-referenced securities, other than fees for underwriting, private placement, legal, accounting or similar professional or technical services, or (2) for services in securing underwriters, sellers or purchasers of the securities. Avista is a Washington corporation qualified to do business in the State of Idaho.

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW**

Avista is a public utility engaged in the generation, purchase, transmission, distribution and sale of electric energy and the purchase, distribution and sale of natural gas. Avista is a gas corporation within the definition of *Idaho Code* § 61-117, an electric corporation within the definition of *Idaho Code* § 61-119, and a public utility within the definition of *Idaho Code* § 61-129. The Commission has jurisdiction over this

Application pursuant to the provisions of *Idaho Code* § 61-901, et seq. The Commission further finds that the Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure, IDAPA 31.01.01.141-150.

The Commission finds that the proposed issuance is for a lawful purpose and is within Avista's corporate powers.

The Commission further finds that the proposed transaction is in the public interest and a formal hearing on this matter is not required.

The Commission's approval of the issuance is not a finding of fact or a conclusion of law that the particular use to which these funds are to be put is approved by this Order. The issuance of an Order authorizing the proposed issuance does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it for determination in this case and, therefore, does not determine the effect of issuance on rates to be charged by Avista for gas or electric service to consumers in the State of Idaho. The Commission further finds that the proposed transaction is in the public interest and a formal hearing on this matter is not required. Avista has paid all lawful fees as provided by *Idaho Code* § 61-905.

ORDER

IT IS HEREBY ORDERED that Avista Corporation, as of November 9, 2018, is hereby authorized to offer and issue 10,000,000 shares of authorized but unissued Common Stock.

IT IS FURTHER ORDERED that Avista is hereby authorized to issue the Securities in the manner and for the purposes described in the Application, IT IS FURTHER ORDERED that Avista shall file the terms of the proposed issuance(s) of the Securities and any subsequent changes to the terms with Staff upon issuance. This informational filing should be made seven (7) days, or as soon as possible, prior to the Issuance.

IT IS FURTHER ORDERED that Avista shall file, as soon as they become available and update if any changes occur, the following:

- (a) The "Report of Securities Issued," and
- (b) Verified copies of any Agreement entered into pursuant to this Order.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of the Commission with respect to rates, utility capital structure, service accounts, valuation, estimates for determination of cost or any other matter which may come before this Commission pursuant to its jurisdiction and authority as provided by law. The order shall only become effective upon this Commission's approval of the merger in Case No.(s) AVU-E-17-09 and AVU-G-17-05.

IT IS FURTHER ORDERED that nothing in this Order and no provisions of Chapter 9, Title 61, Idaho Code, or any act or deed done or performed in connection therewith shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed under the provisions of Chapter 9, Title 61 Idaho Code.

IT IS FURTHER ORDERED that issuance of this Order does not constitute acceptance of Avista's exhibits or other material accompanying the Application for any purpose other than the issuance of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this XXth day of MONTH,
2018.

, COMMISSIONER

, COMMISSIONER

, COMMISSIONER


ATTEST:

Commission Secretary

WHEREFORE, the Applicant respectfully requests the Idaho Public Utilities Commission for an Order authorizing Avista Corporation (hereinafter called "Applicant") to issue up to 10,000,000 authorized but unissued shares of its Common Stock, effective November 9, 2018.


Dated to Spokane, Washington, this 9th day of November 2018.

AVISTA CORPORATION

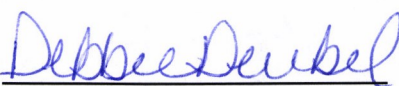
By 
Mark Thies
Senior Vice President, CFO, and Treasurer

STATE OF WASHINGTON)
County of Spokane)

I, Mark Thies, being duly sworn, under penalty of perjury deposes and says: That he is Treasurer of AVISTA CORPORATION; that he has read the foregoing application and knows the contents thereof; and that the same is true of her own knowledge and belief, and as to those matters he believes them to be true.


Mark Thies
Senior Vice President, CFO, and Treasurer

SUBSCRIBED AND SWORN to before me this
9th day of November, 2018.


Notary Public for Washington

