



1411 East Mission Avenue  
PO Box 3727  
Spokane, WA 99220-3727

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IDAHO PUBLIC  
UTILITIES COMMISSION

February 26, 2020

State of Idaho  
Idaho Public Utilities Commission  
Statehouse  
Boise ID 83720

AVU-20-01

Attention: Jean D. Jewell, Secretary

Transmitted herewith are the processing check of \$1,000 and copies of the legal notices published in the Lewiston Tribune and the Coeur d'Alene Press related to our application requesting authorization to enter into a credit facility of up to \$500,000,000. If other applicable data or documents become available, they will be forwarded to your attention.

If any questions arise or additional information is needed, please do not hesitate to contact Megan Thilo at 509-495-2149.

Sincerely,

Jason E. Lang  
Assistant Treasurer

Enclosures

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application of )  
AVISTA CORPORATION for an Order authorizing )  
the offering, issuance and sale of Debt Securities )  
not to exceed \$500,000,000 )

CASE NO. Avu- u- 20. 01

Application is hereby made by Avista Corporation ("Avista" or "Applicant") 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 Avista to enter into a credit facility of up to \$500,000,000 with a term of up to 5 years, subject to extensions not to exceed two additional years, and in connection therewith to offer, issue and sell certain secured or unsecured bonds (including First Mortgage Bonds issued under Applicant's Mortgage and Deed of Trust, dated June 1, 1939, as amended and supplemented), notes and other evidences of indebtedness, including, without limitation, assumption of any obligation or liability as guarantor, indorser, surety or otherwise in respect of such securities, and any refunding, extension, renewal or replacement of such credit facility or any of the foregoing (collectively, the "Credit Facility").

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:

Jason Lang, Assistant Treasurer  
Avista Corporation  
P.O. Box 3727  
1411 East Mission Avenue, MSC-7  
Spokane, Washington 99220-3727  
Phone: (509) 495-2930

(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, Central & Southwest Oregon.

The Applicant is engaged in the generation, transmission, distribution, and sale of electric energy, which it sells at retail to approximately 393,000 residential, commercial, and industrial customers in Eastern Washington, and Northern Idaho, and at wholesale to public utilities, municipalities and others. 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 362,000 residential, commercial and industrial customers in Eastern Washington, Northern Idaho, and Central & Southwest Oregon.

(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

WHEREFORE, the Applicant respectfully requests the Idaho Public Utilities Commission for an Order authorizing a Credit Facility of up to \$500,000,000 with a term of up to 5 years, subject to extensions not to exceed two additional years, and in connection therewith to offer, issue and sell certain secured or unsecured bonds (including First Mortgage Bonds issued under Applicant's Mortgage and Deed of Trust, dated June 1, 1939, as amended and supplemented), notes and other evidences of indebtedness, including, without limitation, assumption of any obligation or liability as guarantor, indorser, surety or otherwise in respect of such securities, for the purposes described in this Application, with continuing authority to refund, extend, renew or replace the same without further order of the Commission.

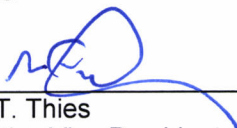
Dated to Spokane, Washington, this 25<sup>th</sup> day of February 2020

AVISTA CORPORATION

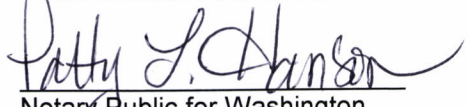
By   
Mark T. Thies  
Executive Vice President, CFO and Treasurer

STATE OF WASHINGTON )  
County of Spokane )

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

  
Mark T. Thies  
Executive Vice President, CFO and Treasurer

SUBSCRIBED AND SWORN to before me this 25 day of February 2020

  
Notary Public for Washington





BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the matter of the request of	)	Application
AVISTA CORPORATION	)	
for an order establishing compliance	)	Docket No.
with Chapter 80.08 RCW	)	

Avista Corporation (hereinafter called "Applicant") hereby requests the Washington Utilities and Transportation Commission enter a written order authorizing the Applicant to amend, or amend and restate, or replace a credit facility of up to \$500,000,000 with a term of up to 5 years, subject to extensions for up to two additional years, and in connection therewith to offer, issue and sell certain secured or unsecured bonds (including First Mortgage Bonds issued under Applicant's Mortgage and Deed of Trust, dated June 1, 1939, as amended and supplemented), notes and other evidences of indebtedness, including, without limitation, assumption of any obligation or liability as guarantor, endorser, surety or otherwise in respect of such securities, and any refunding, extension, renewal or replacement of such credit facility or any of the foregoing (collectively, the "Credit Facility") in compliance with the requirements of Chapter 80.08 RCW.

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 will use the funds from the proposed Credit Facility for one or more of the following purposes: (a) The acquisition of property, or the construction, completion, extension, or improvement of its facilities, or (b) the improvement or maintenance of its service, or (c) the issuance of stock dividends, or (d) the discharge or refunding of its obligations, or (e) the reimbursement of moneys actually expended from income or from the treasury of the Applicant to the extent permitted by RCW 80.08.030, or (f) for other purposes permitted by law.

The Applicant will utilize the proposed Credit Facility for lawful purposes as outlined in RCW 80.08.030. Specifically, the Applicant anticipates using the Credit Facility to provide liquidity for its operations, including daily operational requirements.

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

Overview:

The Applicant has an existing credit facility that will expire in April 2021. This existing credit facility provides the Applicant with \$400 million of liquidity and is its primary liquidity source for purposes allowed by Chapter 80.08 RCW. The requested authority will allow the Applicant to amend, or amend and restate, or replace the facility with an amended, or amended and restated, or replacement revolving credit facility.

The Credit Facility will amend, or amend and extend or replace the existing credit facility and provide the Applicant with the continued ability to borrow and repay these amounts as needed for daily operational requirements. The Applicant, at its option, can rollover these borrowings at revised interest rates during the term of the Credit Facility without the initial borrowings being repaid in cash until the expiration of the term of the Credit Facility. The aggregate borrowings outstanding under the Credit Facility will be limited to \$500,000,000. Similar to the existing credit facility, interest will be charged under the Credit Facility at rates set by the tenure of the requested borrowings and the applicable interest rate spread. The Credit Facility will also include the ability to issue letters of credit, similar to the provisions of the existing credit facility. The Applicant anticipates that the Credit Facility will be secured by First Mortgage Bonds issued under the Applicant's Mortgage and Deed of Trust, dated as of June 1, 1939, as amended and supplemented. Substantially all of the Applicant's utility properties are subject



to the lien of the Mortgage and Deed of Trust. The existing facility is similarly secured with First Mortgage Bonds.

Amount: \$500,000,000 in aggregate.

Date of Issue and Maturity: The Credit Facility is expected to have an initial term of five years expiring in 2025 with an option to extend the term up to two more years if the Applicant and the banks agree.

Compensation to any bank or agent for their services in connection with the handling of the Credit Facility is not expected to exceed 1%, including fees for co-lead arrangers (fee paid for organizing the syndication of the Credit Facility, expected to range from 0.075% to 0.10%) and upfront fees (fee paid for the banks' initial commitment of capital upon closing the Credit Facility, expected to range from 0.12% to 0.30%), and agency fees (annual fee paid to the lead bank for administering the Credit Facility expected to range from \$40,000 to \$50,000 annually), and such fees do not exceed the customary fees for such services in arm's-length transactions and are reasonable.

Estimated fees and borrowing spreads, based on the Applicant's current senior secured debt rating and current market information, are as follows:

Pricing Level	Facility Fee	Eurodollar Margin <sup>(1)</sup>	ABR Margin <sup>(2)</sup>	LC Participation Fee
I	0.075%	0.675%	0.000%	0.675%
II	0.100%	0.775%	0.000%	0.775%
III	0.125%	0.875%	0.000%	0.875%
IV	0.175%	0.950%	0.000%	0.950%
V	0.200%	1.050%	0.050%	1.050%
VI	0.250%	1.250%	0.250%	1.250%

<sup>1</sup> Eurodollar Margin applies for borrowings with a term of at least two weeks. The rate will be the applicable LIBOR rate plus the Eurodollar Margin.

<sup>2</sup> Alternate Base Rate Margin applies for borrowings of less than two weeks. The rate is reset daily to whichever is the greatest of (a) Prime Rate, (b) the Federal Funds Rate plus the Base Rate Margin, (c) 30 day LIBOR rate plus 1.00%.

As noted above the fees are based upon the Applicant's current senior secured debt rating. The Applicant's senior secured debt ratings are currently A-/A3 (i.e. Pricing Level III). The credit facility agreement indicates that in the event the Applicant's senior secured debt ratings are split by one level, the higher rating will apply. In the event the ratings are split by more than one level, the level that is one level below the higher rating will apply.

The Applicant will only enter into transactions where the fees, interest rates and expenses charged or incurred by the Applicant in connection with the transactions, and any refunding, extensions, renewals or replacements thereof, are competitive with market prices for similar transactions.

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

The requested authority will allow the Applicant to continue to manage its daily cash needs consistent with purposes allowed by Chapter 80.08 RCW. Accordingly, the Applicant believes the requested authority is in the public interest.

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

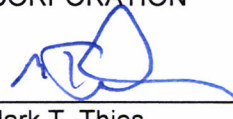
A copy of a draft order granting the Applicant's request for an order is attached hereto as "Exhibit A".

Wherefore, the undersigned, an authorized agent of the Applicant, requests that the Washington Utilities and Transportation Commission issue its order affirming that the applicant has complied with the requirements of RCW 80.08.040.

Done at Spokane, Washington this 27 day of February 2020.

AVISTA CORPORATION

By:

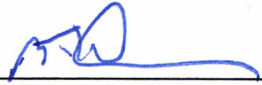


\_\_\_\_\_  
Mark T. Thies  
Executive Vice President, CFO and  
Treasurer

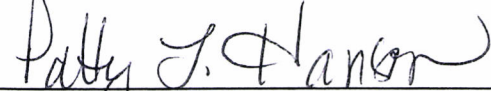
STATE OF WASHINGTON )  
County of Spokane )

The undersigned certifies under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct to the best of my knowledge and belief, and that the proposed issuance of securities will be used for the purposes allowed by Chapter 80.08 RCW.

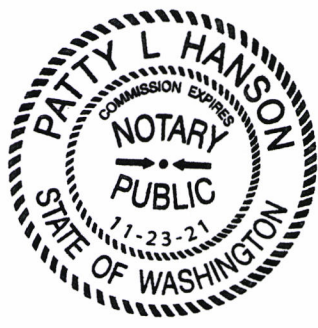
Done at Spokane, Washington this 15 day of February 2020.

By:   
Mark T. Thies  
Executive Vice President, CFO and  
Treasurer

SUBSCRIBED AND SWORN to before me this  
15 day of February 2020

  
Notary Public for Washington

My Commission Expires: 11/23/2021





PROPOSED ORDER OF APPLICANT

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<b>IN THE MATTER OF THE APPLICATION OF</b>	)	
<b>AVISTA CORPORATION FOR AN ORDER</b>	)	<b>CASE NO.</b>
<b>AUTHORIZING A CREDIT FACILITY NOT TO</b>	)	
<b>EXCEED \$500,000,000</b>	)	<b>ORDER NO.</b>

On [DATE], Avista Corporation (Avista) filed an Application with the Idaho Public Utilities Commission (Commission) requesting an Order authorizing Avista to amend, or amend and restate, or replace its existing credit facility with a credit facility of up to \$500,000,000 in aggregate principal amount at any time outstanding with a term of up to 5 years expiring in 2025, subject to extensions not to exceed two additional years, and in connection therewith to offer, issue and sell certain secured or unsecured bonds (including First Mortgage Bonds issued under Applicant's Mortgage and Deed of Trust, dated June 1, 1939, as amended and supplemented), notes and other evidences of indebtedness, including, without limitation, assumption of any obligation or liability as guarantor, indorser, surety or otherwise in respect of such securities, and any refunding, extension, renewal or replacement of such credit facility or any of the foregoing (collectively, the "Credit Facility"). The Credit Facility will amend, or amend and restate, or replace the existing credit facility that will expire in April 2021. 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.

**THE APPLICATION**

Avista proposes to receive authorization to amend, or amend and restate, or replace its existing credit facility including, without limitation, continuing authority for any refunding, extension, renewal or replacement of the Credit Facility. The net proceeds of the Credit Facility will be used for (a) the acquisition of property, or the construction, completion, extension or improvement of its facilities, (b) the improvement or maintenance of its service; (c) the discharge or lawful refunding of its obligations; (d) the reimbursement of moneys actually expended for said purposes from income or from other moneys in the treasury not secured by or obtained from the issue, assumption or guarantee of securities; or (e) any other purpose approved by the Commission or authorized by law.

No person has received or will be entitled to receive from Avista any fee (1) for services in connection with the consummation of the above-referenced transactions, other than underwriting/arranging fees, commitment fees, agency fees, and fees for legal, accounting or similar professional or technical services, or (2) for services in securing lenders in the Credit Facility.

**FINDINGS OF FACT AND  
CONCLUSIONS OF LAW**

Avista is a Washington corporation qualified to do business in the State of Idaho. 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.

Avista has paid all lawful fees as provided by *Idaho Code* § 61-905.

The Commission finds that the proposed Credit Facility 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 Credit Facility 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 Credit Facility 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.

**ORDER**

IT IS HEREBY ORDERED that Avista's Application for authority to amend, amend and restate, or replace its current credit facility with a Credit Facility of up to \$500,000,000 in aggregate principal amount at any time outstanding with a term of up to 5 years, subject to extensions not to exceed two additional years, and in connection therewith to offer, issue and sell certain secured or unsecured bonds[(including First Mortgage Bonds issued under Applicant's Mortgage and Deed of Trust, dated June 1, 1939, as amended and supplemented)], notes and other evidences of indebtedness, including, without limitation, assumption of any obligation or liability as guarantor, indorser, surety or otherwise in respect of such securities, for the purposes described in this Application, with continuing authority to refund, extend, renew or replace the same without further order of the Commission, under the terms and conditions and for the purposes set forth in the Application and this Order is granted.

IT IS FURTHER ORDERED that this authorization will remain in place for seven years from the date of execution of the credit agreement, provided that the Company maintains at least Pricing Level VI as indicated in the application. If Avista's senior secured debt rating falls below Pricing Level VI ("Downgrade"), the Company's authority to incur borrowings provided in this Order will not terminate, but



instead such authority will continue for a period of 364 days from the date of the Downgrade (the "Continued Authorization Period"), provided that Avista: (1) promptly notifies the Commission in writing of the Downgrade; and (2) files a supplemental application with the Commission within fourteen (14) days after the Downgrade, requesting a supplemental order (a "Supplemental Order") authorizing the Company to continue to make borrowings as provided in the Order, notwithstanding the Downgrade. Until the Company receives a Supplemental Order, any borrowings made by Avista during the Continued Authorization Period will become due or mature no later than the final date of the Continued Authorization Period. Subject to the foregoing proviso regarding a Downgrade, no additional authorization is required to carry out this transaction and no Supplemental Order will be issued.

IT IS FURTHER ORDERED that Avista shall file the terms of the proposed issuance(s) of securities in connection with the Credit Facility, 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, after the closing of the Credit Facility.

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 Credit 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.

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 XX day of MONTH, 2020.

\_\_\_\_\_  
, COMMISSIONER

\_\_\_\_\_  
, COMMISSIONER

\_\_\_\_\_  
, COMMISSIONER

ATTEST:

\_\_\_\_\_  
Commission Secretary