



March 10, 2021

State of Idaho  
Idaho Public Utilities Commission  
Statehouse  
Boise ID 83720

Attention: Jean D. Jewell, Secretary

RECEIVED  
2021 MAR 10 PM 2:25  
IDAHO PUBLIC UTILITIES COMMISSION

Avu-u-21-01

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 Karrie Wilson at 509-495-2345.

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 )  
a Credit Facility not to exceed \$500,000,000 )

CASE NO. AVU-U-21-01 )

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 amend, amend and restate, or replace its current credit facility with a credit facility under which Avista may borrow an aggregate principal amount of up to \$500,000,000 at any time outstanding, with an initial term of up to five (5) years, and also potentially including an option to extend the initial term prior to its expiration for up to two (2) additional years, and in connection therewith to offer, issue and sell certain secured or unsecured bonds (including First Mortgage Bonds issued under Avista's Mortgage and Deed of Trust, dated June 1, 1939, as amended and supplemented), notes and other evidences of indebtedness, including any refunding, extension, renewal or replacement of such credit facility or any of the foregoing (collectively, the "Credit Facility"). The Credit Facility may be secured and will replace Avista's current credit facility that expires in April 2022.

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  
1411 East Mission Avenue, MSC-7  
Spokane, Washington 99202-2600  
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, and Central & Southwest Oregon.

The Applicant is engaged in the generation, transmission, distribution, and sale of electric energy, which it sells at retail to approximately 400,000 residential, commercial, and industrial customers in Eastern Washington, Northern Idaho and Western Montana, 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 367,000 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 issue an Order authorizing Avista to amend, amend and restate, or replace its current credit facility with a Credit Facility under which Avista may borrow an aggregate principal amount of up to \$500,000,000 at any time outstanding, with an initial term of up to five (5) years, and also potentially including an option to extend the initial term prior to its expiration for up to two (2) 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, 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 9th day of March 2021

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 9 day of Mar 2021

Rae An Cornell  
Notary Public for Washington



BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of	)	Application
AVISTA CORPORATION	)	
for an Order Establishing Compliance	)	Docket No.
with RCW 80.08.040 with Respect to Proposed	)	
issuance of up to \$500,000,000 of debt	)	
<u>securities under a new credit facility</u>	)	

Avista Corporation (hereinafter called "Applicant") hereby requests the Washington Utilities and Transportation Commission enter a written order authorizing the Applicant to amend, amend and restate, or replace its current credit facility with a revolving credit facility under which Applicant may borrow an aggregate principal amount of up to \$500,000,000 at any time outstanding, with an initial term of up to five (5) years, and also potentially including an option to extend the initial term prior to its expiration for up to two (2) additional years, and in connection therewith to issue 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 under the credit facility, all for the purposes permitted by and under the authority of RCW 80.08, including any refunding, extension, renewal or replacement of such credit facility or any of the foregoing (collectively, the "Credit Facility"), and confirming compliance with the requirements of RCW 80.08.040.

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 borrowed under the new Credit Facility for one or more of the following purposes: (a) investments in the Applicant's utility plant facilities to enhance service and system reliability, to replace aging infrastructure, and, generally, for the acquisition of property or the construction, completion, extension or improvement of its utility facilities, and improvement or maintenance of its utility service, all as contemplated in its then-current integrated resource plan as filed with the Commission, (b) the retirement of maturing long-term debt, the repayment of short-term debt and the discharge or refunding of other obligations, (c) the reimbursement of moneys actually expended from income or from any other moneys in the treasury of the Applicant for any of the purposes described in (a) and/or (b) above (to the extent permitted by RCW 80.08.030), (d) for any other proper purposes not in violation of any provision of RCW 80.08 or any other law and/or (e) to provide liquidity for its daily operational cash requirements in respect of or resulting from payments or reimbursements related to the purposes described in (a), (b), (c) and/or (d) above and for such other purposes, as may be permitted by law.

The purposes described in the preceding paragraph are allowed by RCW 80.08.

(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 2022. This existing credit facility provides the Applicant with \$400,000,000 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 existing credit facility with an amended, or amended and restated, or replacement revolving credit facility.

The Credit Facility will amend, amend and restate, 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. While the principal amount of each borrowing will be payable at the end of the interest period for such borrowing, the Applicant, at its option, will be able, subject to the terms

of the Credit Facility, to rollover 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. Borrowings under the Credit Facility will have maturities of less than one year. The aggregate principal amount of borrowings outstanding under the Credit Facility will be limited to not more than \$500,000,000 at any time outstanding. Similar to the existing credit facility, interest will be charged under the Credit Facility at rates set by the term 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 non-transferrable First Mortgage Bonds issued under the Applicant's Mortgage and Deed of Trust, dated as of June 1, 1939, as amended and supplemented. The Applicant's obligations on these First Mortgage Bonds would be deemed to be satisfied to the extent the obligations under the Credit Facility are satisfied. The First Mortgage Bonds would have an initial maturity date equal to the initial term of the Credit Facility, and would be subject to potential extension if the maturity date of the Credit Facility is extended. 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: an aggregate principal amount of up to \$500,000,000 at any time outstanding.

Date of Issue and Maturity: The Credit Facility is expected to have an initial term of up to five years and also potentially including an option to extend the initial term prior to its expiration for up to two additional 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 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).

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%	0.800%	0.000%	0.800%
II	0.100%	0.900%	0.000%	0.900%
III	0.125%	1.000%	0.000%	1.000%
IV	0.175%	1.075%	0.000%	1.075%
V	0.225%	1.275%	0.275%	1.275%
VI	0.275%	1.475%	0.475%	1.475%

<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). 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.

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

The requested authority will provide the Applicant the liquidity necessary for it to carry out the purposes described in paragraph 1 above and, thus, to continue to conduct its operations as an



electric and gas utility company on a reliable basis for the benefit of its customers. Without such liquidity, the Applicant could not continue to conduct its operations as such. Accordingly, the Applicant believes that the requested authority is in the public interest.

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

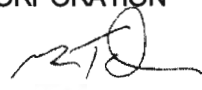
A copy of a draft order granting the Applicant's request for an order is attached hereto as "Exhibit A".

Wherefore, the undersigned, an authorized agent of the Applicant, requests that the Washington Utilities and Transportation Commission issue an order as requested herein.

Done at Spokane, Washington this 9th day of March 2021.

AVISTA CORPORATION

By:



\_\_\_\_\_  
Mark T. Tiiies  
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 9th day of March 2021.

By:



Mark T. Thies  
Executive Vice President, CFO and Treasurer

SUBSCRIBED AND SWORN to before me this  
9th day of Mar 2021

Rae An Cornell

Notary Public for Washington

My Commission Expires: 1-30-2022



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 A CREDIT FACILITY	)	
NOT TO EXCEED \$500,000,000	)	ORDER NO.

On [DATE], Avista Corporation ("Company" or "Avista") applied to the Idaho Public Utilities Commission for an Order authorizing Avista to amend, amend and restate, or replace its current credit facility with a revolving credit facility under which the Company may borrow an aggregate principal amount of up to \$500,000,000 at any time outstanding, with an initial term of up to five (5) years, and also potentially including an option to extend the initial term prior to its expiration for up to two (2) additional years, and in connection therewith to issue certain secured or unsecured bonds (including First Mortgage Bonds issued under the Company's Mortgage and Deed of Trust, dated June 1, 1939, as amended and supplemented), notes and other evidences of indebtedness under the credit facility, including any refunding, extension, renewal or replacement of such credit facility or any of the foregoing (collectively, the "Credit Facility").

The Commission, having considered the record, enters this Order approving the Application.

**THE APPLICATION**

Avista is a Washington corporation qualified to do business in the State of Idaho. It generates, transmits, distributes, and sells electricity in northern Idaho, eastern Washington, and western Montana. It also distributes and sells natural gas in eastern Washington, northern Idaho, and central and southwest Oregon.

With this Application, Avista asks the Commission to authorize it to amend, amend and restate, or replace its current credit facility with the Credit Facility under which Avista may borrow an aggregate principal amount of up to \$500,000,000 at any time outstanding. The initial term of the Credit Facility will be for up to five years, and also potentially including an option to extend the initial term prior to its expiration for up to two additional years. In

connection with the Credit Facility, Avista may issue secured or unsecured bonds (including First Mortgage Bonds issued under the Company's Mortgage and Deed of Trust, dated June 1, 1939, as amended and supplemented), notes and other evidences of indebtedness under the Credit Facility. Avista proposes that such credit facility or any of the foregoing may be refunded, extended, renewed, or replaced within the authorized timeframe. The requested authority will replace current credit facilities set to expire in April 2022.

Avista indicates it will use the proceeds for one or more of these purposes: (1) investments in the Applicant's utility plant facilities to enhance service and system reliability, to replace aging infrastructure, and, generally, to acquire property or construct, complete, extend, or improve its facilities, and to improve or maintain its service, all as contemplated in its then-current integrated resource plan as filed with the Commission; (2) the retirement of maturing long-term debt, the repayment of short-term debt and to discharge or refund its obligations; (3) to reimburse money actually expended for these purposes from income or other money in the treasury not secured or obtained from the issue, assumption or guarantee of securities; or (4) to provide liquidity for its daily operational cash requirements in respect of or resulting from payments or reimbursements related to the purposes described in (1), (2) and/or (3), and for such other purposes, as may be permitted by law.

The estimated fees and borrowing spreads will be based on the Company's current senior secured debt rating and current market information. Avista's current senior secured debt ratings are A-/A3 based on industry metrics.

The Company also requests authority to issue, refund, extend, renew, or replace indebtedness under the Credit Facility without further Commission approval. The issuance would allow the Company greater flexibility to manage its cash funds and reduce borrowing costs, thereby permitting the Company to better manage its debt and capital in a more efficient and cost-effective manner.

Documents filed with the Application indicate that no person has received or will be entitled to receive from Avista any fee for services in connection with the consummation of the above-referenced transactions, other than underwriting/arranging fees, syndication fees, commitment fees, agency fees, upfront fees and fees for legal, accounting, or similar professional or technical services.

### STAFF RECOMMENDATION

Staff recommended approval of the proposed Credit Facility under which the Company may borrow in an aggregate principal amount of up to \$500,000,000 at any time outstanding. Staff also recommended the authority be for an initial term of up to five years, and also potentially including an option to extend the initial term prior to its expiration for up to two additional years. If the extensions are exercised, Staff recommended the Company be required to file an informational letter notifying the Commission of any extensions under this authority. In addition, Staff recommended that the authority under this initial approval be continuing (without further order required) for the initial term of up to five years plus any extensions up to two additional years.

### COMMISSION FINDINGS AND DISCUSSION

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 an electric corporation within the definition of *Idaho Code* § 61-119, a gas corporation within the definition of *Idaho Code* § 61-117, and a public utility within the definition of *Idaho Code* § 61-129. The Commission has jurisdiction over this Application under *Idaho Code* § 61-901, *et. seq.*

The Company's Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure (IDAPA 31.01.01.141-150), and the Company has paid all fees required by *Idaho Code* § 61-905.

The Company's 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 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 issuance does not constitute agency determination or approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it for determination, and does not

determine, the effect of issuance on rates to be charged by the Company for gas or electric services to customers 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 the Credit Facility under which Avista may borrow an aggregate principal amount of up to \$500,000,000 at any time outstanding, with an initial term of up to five years, and also potentially including an option to extend the initial term prior to its expiration for up to two additional years, is granted.

IT IS FURTHER ORDERED that Avista shall promptly notify the Commission in writing if it exercises any of the extensions referenced above.

IT IS FURTHER ORDERED that this authorization will remain in place for five years from the date of execution of the credit agreement for the Credit Facility, plus any extensions exercised up to two additional years.

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 days, or as soon as possible, after the closing of the Credit Facility.

IT IS FURTHER ORDERED that Avista shall file the following as they come available: (1) The "Report of Securities Issued;" and (2) Verified copies of any credit agreement entered pursuant to this Order.

IT IS FURTHER ORDERED that this authorization is without prejudice to the Commission's regulatory authority regarding rates, utility capital structure, service accounts, valuation estimates for determination of costs or any other matter which may come before the Commission pursuant to its jurisdiction as provided by law.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed performed in connection with this Order 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 this Order.

IT IS FURTHER ORDERED that issuing 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], 2021.

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

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

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

ATTEST:

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