

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF AVISTA )  
CORPORATION’S APPLICATION TO ) CASE NO. AVU-U-22-01  
ISSUE UP TO 3,500,000 SHARES OF )  
COMMON STOCK ) ORDER NO. 35373  
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On March 21, 2022, Avista Corporation (“Company”), applied to the Commission for an order authorizing it to offer, issue, and sell up to 3,500,000 shares of authorized but unissued common stock. Having considered the record, including the recommendations of Commission Staff (“Staff”), we approve the Application as noted below.

**BACKGROUND**

*Idaho Code* §§ 61-901 through -909 govern the issuance of securities by public utilities. In sum, “when authorized by order of the commission and not otherwise, [public utilities] may issue stocks and stock certificates and may issue, assume or guarantee bonds or other securities payable at periods of more than twelve (12) months after the date thereof . . . .” *Idaho Code* § 61-901. The statutes permit utilities to issue securities for the following purposes: acquiring property; building, completing, extending, or improving utility facilities; improving or maintaining utility service; discharging or lawfully refunding utility obligations; reimbursing money that the utility has expended to accomplish these purposes from income or other money in the treasury that is not secured by or obtained from the issue, assumption or guarantee of securities; and accomplishing any other Commission-approved purpose. *Idaho Code* § 61-901.

To obtain the Commission’s order, the utility must apply and pay a statutory fee. *Idaho Code* §§ 61-902 and -905. The Commission then must dispose of the application within 30 days, absent an earlier finding of good cause to issue a later order. *Idaho Code* § 61-904. The Commission must grant the application unless it finds the proposed issuance would be: (1) inconsistent with the public interest; (2) unnecessary, inappropriate for, or inconsistent with the applicant’s proper performance of its service as a public utility; or (3) for an impermissible purpose. *Idaho Code* § 61-902.

If the utility obtains the Commission’s authorization to issue securities, then the utility may issue the authorized securities for the limited purposes expressed in the statute or allowed by the Commission. *Idaho Code* § 61-901.

### **THE APPLICATION**

The Company asked the Commission to authorize it to issue and sell up to 3,500,000 shares of authorized but unissued common stock through the Company’s Periodic Offering Program, direct sales, or underwritten transactions. The requested authorization would be in addition to the authorization in Order No. 35036, in Case No. AVU-U-21-02 entered May 6, 2021.<sup>1</sup> The Company explained it would use the net proceeds from the issuances to: (1) improve or maintain its service; (2) discharge or lawfully refund its obligations; (3) reimburse money expended for the above mentioned purposes from income or from other money in the treasury not secured by or obtained from the issue, assumption, or guarantee of securities; or (4) accomplish any other purpose approved by the Commission or authorized by law.

The Company stated that the only fees associated with issuing the securities would be for underwriting, private placement, legal, accounting, or similar professional or technical services.

### **STAFF REVIEW**

Staff reviewed the Company’s Application and recommended the Commission allow the Company to issue and sell 3,500,000 shares of common stock, as requested. Staff observed the proposed issuance and sale of common stock would not significantly affect the Company’s capital structure and would allow the Company to maintain its debt-to-equity ratio.

Staff noted the Company’s concern that, due to the volatility in stock prices, it would be difficult to comply with the requirement in Order No. 35036 that the Company file the terms of its proposed securities “within seven days, or as soon as possible, before the issuance occurs.” Staff recommended the Commission allow the Company to notify the Commission within seven days prior to issuance or as soon as possible if the required information was not available within seven days. *See* Order No. 34302 at 3.

### **COMMISSION FINDINGS AND DISCUSSION**

The Company is a Washington corporation qualified to do business in Idaho. The Company is a public utility engaged in the generation, purchase, transmission, distribution, and

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<sup>1</sup> The Company stated that of the 3,000,000 shares authorized in Order No. 35036, 1,272,375 shares remained authorized but unissued.

sale of electric energy and natural gas. The Company 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 under *Idaho Code* § 61-901, *et seq.*

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

The proposed issuance is for a lawful purpose, is within the Company's corporate powers, and is compatible with the public interest.

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 or approval of the type of financing or the related costs for ratemaking purposes. The Commission does not determine the effect of the issuance on rates to be charged by the Company for gas or electric service to consumers in the State of Idaho.

### **ORDER**

IT IS HEREBY ORDERED that the Company's Application for authority to issue and sell up to 3,500,000 authorized but unissued shares of common stock is granted.

IT IS FURTHER ORDERED that the Company shall file the following as they become available:

1. The "Report of Securities Issued" required by 18 C.F.R. § 34.9; and
2. Verified copies of any agreement entered in connection with the Company's sales and issuances of common stock under this Order.

IT IS FURTHER ORDERED that the Company shall file the terms of the proposed issuances of securities, and any subsequent change to the terms, with the Commission within seven days, or as soon as possible, before the issuance occurs.

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

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 the provisions of this Order.

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

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within 21 days of the service date of this Order. Within seven 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 19<sup>th</sup> day of April 2022.



ERIC ANDERSON, PRESIDENT



JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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