

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	CASE NO. AVU-U-22-02
CORPORATION’S APPLICATION FOR)	
AN ORDER AUTHORIZING THE)	ORDER NO. 35626
ISSUANCE OF AN ADDITIONAL)	
\$250,000,000 IN SHORT-TERM)	
SECURITIES)	
)	

On December 13, 2022, Avista Corporation (“Company”) applied under *Idaho Code* §§ 61-901, *et seq.*, for authority to secure an additional \$250,000,000 in short-term securities. Application at 1. The Company requested an order be issued by December 13, 2022. *Id.* The Company represented that there is an “emergent” need, as the Company is facing gas and power prices that are “5 to 8 times higher than normal” with “significant margin calls associated with future commodity sales and hedging arrangements.” *Id.*

Pursuant to *Idaho Code* § 61-904, the Commission has 30 days from the filing date to issue an order. At the Commission’s December 13, 2022, Decision Meeting, Staff recommended that the Commission issue an order approving the requested authority due to the Company’s emergent need. Based on our review of the record, we issue this Order approving the Application as discussed below.

THE APPLICATION

The Company seeks authority to increase its current authority to borrow up to \$250,000,000, for a period of 12 months (“Line of Credit”) *Id.* The Line of Credit includes (1) a term loan credit facility in the initial principal amount of \$100,000,000, with an option to request an additional \$50,000,000 (“Bridge Loan”); (2) a \$50,000,000 increase to its existing unsecured revolving credit facility (“Accordion Loan”); and (3) a \$50,000,000 bilateral uncommitted letter of credit facility (“LC facility”) for a period of 12 months.

The Loan proceeds will be used for “(a) the Company’s acquisition, construction, completion, extension, or improvement or facilities; (b) the improvement or maintenance of service; (c) retirement or exchange of one or more outstanding stock, bond, or note issuances; (d) reimbursement to treasury for funds previously expended; and (e) other purposes permitted by law.” *Id.*

STAFF REVIEW AND RECOMMENDATION

Staff recommended the Commission approve the Company's request, and waive the public notice requirement in Commission Rules of Procedure 141-146, IDAPA 31.01.01.141-146, and waive the timing of the receipt of payment prior to the Order being issued under *Idaho Code* § 61-909, because expediting the approval is in the public interest. Staff verified that the Company's current senior secured debt ratings are A- by Standard & Poor's Rating Services ("Standard & Poor's") and A3 by Moody's Investor Services, Inc. ("Moody's"), and that the Company's expected loan will have fees, interest rates, and expenses that are competitive with market prices for similar transactions. Staff recommended that the Company notify the Commission of any credit rating changes that may occur over the 12-month period.

FINDINGS AND DISCUSSION

The Company is a public utility in Idaho as defined by *Idaho Code* § 61-129 through its operations of gas and electric corporations as defined by *Idaho Code* §§ 61-117 and 61-119 respectively, and engages in the generation, purchase, transmission, distribution, and sale of electric energy and the purchase, distribution, and sale of natural gas. The Commission has jurisdiction over the Company's Application under *Idaho Code* §§ 61-901, *et seq.* We find that the Company's requested permission for authority to secure additional securities is in the public interest and a formal hearing on this matter is not required. Further, we find that the proposed issuance is for a lawful purpose and is within the Company's corporate powers, that the Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure, IDAPA 31.01.01.141 *et. seq.*, with the exception that we direct the Company to remit all required fees due under *Idaho Code* § 61-905 as soon as possible. Additionally, we find it noteworthy to memorialize our exemption of the public notice requirement under Commission Rule 141.08, IDAPA 31.01.01.141.08, in this expedited review, pursuant to Commission Rules 13 and 147, IDAPA 31.01.01.13 and 147. Accordingly, given the urgency with which we are making a decision on this matter we find that the Application is approved and the request for authority to obtain additional financing is allowed. While we approve the Application with this Order, we direct the Company to report any changes to its credit ratings in the next 12 months.

The Commission's Order approving the proposed financing and the general purposes to which the proceeds may be put is not a determination that the Commission approves of the particular use to which these funds will be put. The Order also is not a Commission 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 so does not determine, the effect of the proposed transaction on rates the Company will charge for electric service.

ORDER

IT IS HEREBY ORDERED that the Company's Application for authority to borrow up to \$250,000,000, for a twelve-month period, is granted.

IT IS FURTHER ORDERED that the public notice requirements under Commission Rule of Procedure 141.08, IDAPA 31.01.01.141.08, are waived pursuant to Commission Rules of Procedure 13 and 147, IDAPA 31.01.01.13 and 147, because under the facts and timeline of this case this requirement is impactable and the public interest will not be affected.

IT IS FURTHER ORDERED that the *Idaho Code* § 61-905 requirement that all fees shall be paid prior to the issuance of an order and security authorization is waived due to the facts of present in this case. The Company shall remit all required fees arising from this Application to the Commission as soon as possible. *See Idaho Code* §§ 61-905 and 61-909.

IT IS FURTHER ORDERED that the Company shall notify the Commission of any credit rating changes that occur over the 12-month period.

IT IS FURTHER ORDERED that the Company must continue to file quarterly reports with the Commission setting forth the date of issuance, principal amount, interest rate, date of maturity, and identity of payee for all promissory notes issued during the quarter. The Company must continue to file its capitalization ratios with the quarterly reports.

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 the Company's exhibits or other materials 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 13th day of December 2022.



ERIC ANDERSON, PRESIDENT

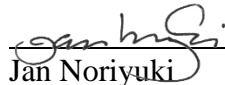


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND, JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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