

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 \$600,000,000)	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 credit facility under which the Company may borrow an aggregate principal amount of up to \$500,000,000 at any time outstanding, with an option to increase such amount to \$600,000,000, 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 five (5) 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 with an option to increase such amount to \$600,000,000. 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 five 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 June of 2026.

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 with an option to increase such amount to \$600,000,000. 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 five 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 five 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 option to increase such amount to \$600,000,000, 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 five 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 five 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], 2023.

, COMMISSIONER

, COMMISSIONER

, COMMISSIONER

ATTEST:

Commission Secretary