

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)	CASE NO. AVU-U-23-01
CORPORATION’S APPLICATION FOR)	
AUTHORITY TO ENTER INTO CREDIT)	ORDER NO. 35792
FACILITIES UP TO \$600,000,000)	
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On May 4, 2023, Avista Corporation (“Company”) applied under *Idaho Code* §§ 61-901, *et seq.*, for authority to amend its current credit facility under which Avista may borrow an aggregate principal amount of up to \$500,000,000, with the ability to extend the authority by \$100,000,000, for a total amount of up to \$600,000,000. Application, 1. This requested authority would be for five years expiring in 2028 with an optional two-year extension. *Id.*

Pursuant to *Idaho Code* § 61-904, the Idaho Public Utilities Commission (“Commission”) has 30 days from the filing date to issue an order. At the Commission’s May 23, 2023, Decision Meeting, Commission Staff (“Staff”) recommended the Commission approve the requested authority to increase and extend the Company’s credit facility. Based on our review of the record, we issue this Order approving the Application as discussed below.

THE APPLICATION

The Company’s Application, if granted, would increase and extend its current authority to borrow up to \$500,000,000, with an option to increase an additional \$100,000,000 in authority, for a total amount of up to \$600,000,000, for a period of five years, with the option to extend the term up to an additional two years.

The Company represented the securities will be used for one or more of the following: (1) the Company’s acquisition, construction, completion, extension, or improvement of facilities; (2) the improvement or maintenance of service; (3) retirement or exchange of one or more outstanding stock, bond, or note issuances; (4) reimbursement to treasury for funds previously expended; and (5) for such purposes as may be permitted by law. The Company’s request will replace the current authorization in Order No. 34995, which will expire in 2026. *Id.* The Company would like to change from the London Interbank Offered Rate (“LIBOR”), which on May 12, 2023, had a one-month rate of 5.405%, to the Secured Overnight Financing Rate (“SOFR”) rate, which on May 12, 2023, had a 30-day rate of 4.901%. *Id.* at 2.

STAFF REVIEW AND RECOMMENDATION

Staff recommended the Commission approve the Company's request, and the option to extend both the amount and the two years' extension. Staff's May 23, 2023 Decision Memorandum. Staff recommended the Company notify the Commission of any extensions exercised under this authority by submitting to the Commission an informational letter. *Id.* Staff also expected the Company's senior secured debt ratings to remain at investment grade, and that the Company would follow the established procedure of notification if the Company's ratings were downgraded. *Id.*

FINDINGS AND DISCUSSION

The Company is a public utility in Idaho that operates as both gas and electric corporations that engage in the generation, purchase, transmission, distribution, and sale of electric energy and the purchase, distribution, and sale of natural gas. *Idaho Code* §§ 61-129, 61-117, 61-119. The Commission has jurisdiction over the Application under *Idaho Code* §§ 61-901, *et seq.*

After reviewing the Application and all submitted material, we find that the proposed transaction 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, and that the Company has paid all fees due under *Idaho Code* § 61-905. The Company has represented that public notice of its Application was made through the Lewiston Tribune and the Coeur d'Alene Press. Accordingly, we approve the Application and the proposed financing conditioned on the Company maintaining the investment grade ratings requirement specified above and in prior orders.

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. This 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 to increase and extend its current credit facility where it may borrow up to \$500,000,000, with an option to increase an

additional \$100,000,000 in authority, for a total amount of up to \$600,000,000, for a period of five years, with the option to extend the term up to an additional two years, is granted.

IT IS FURTHER ORDERED that the Company shall send the Commission an informational letter if any of the extensions are exercised.

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 Company continue to maintain investment grade ratings by Standard and Poor's and by Moody's Investor Services for the Company's senior secured debt.

IT IS FURTHER ORDERED that if the Company's senior secured debt rating falls below investment grade, the Company shall promptly notify the Commission in writing of the downgrade.

IT IS FURTHER ORDERED that should such a downgrade occur, the Company shall file a supplemental application with the Commission within seven days after the downgrade requesting a supplemental order ("Supplemental Order") authorizing the Company to continue to incur debt as provided in this Order, despite the downgrade. Until the Company receives the Supplemental Order, any debt incurred or issued by the Company during the Continued Authorization Period will become due or mature no later than the final date of the Continued Authorization Period.

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 25th day of May 2023.



ERIC ANDERSON, PRESIDENT

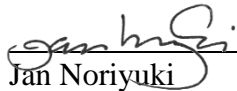


JOHN R. HAMMOND, JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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