

PROPOSED ORDER

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION TO ISSUE UP)
TO \$300,000,000 OF DEBT SECURITIES)
_____)**

CASE NO.

ORDER NO.

On _____, 2024, Avista Corporation applied to the Idaho Public Utilities Commission for an Order allowing Avista to issue up to \$300,000,000 of Debt Securities. The requested authority is in addition to the authority previously granted by the Idaho Public Utilities Commission for the issuance of Debt Securities in Order No. 35286, in Case No. AVU-U-21-03 entered January 6, 2022, under which \$60,000,000 remains authorized but unissued. The Commission’s Staff has reviewed the Application and recommends that the Commission approve the requested offering.

Based on our review of the record, we issue this Order approving the Application as noted below.

BACKGROUND

Idaho Code §§ 61-901 through 61-909 govern the issuance of securities by public utilities. In summary, “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 file an application and pay a statutory fee. *Idaho Code* §§ 61-902 and -905. The Commission then must dispose of the application within thirty 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, for good cause shown, that the proposed issuance would be (1) inconsistent with the public interest and not necessary or appropriate for or consistent with the applicant's proper performance of its service as a public utility or (2) 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

Avista is a Washington corporation that is qualified to do business in the State of Idaho. It is a public utility that provides electric and natural gas service to customers in northern Idaho, eastern Washington and central and southwest Oregon.

With this Application, Avista requests the Commission issue an Order authorizing Avista Corporation (hereinafter called "Applicant") to issue and sell up to and including \$300,000,000 in Debt Securities (such being in addition to \$400,000,000 previously authorized by the Commission in Order No. 35286 in Case No. AVU-U-23-01 entered January 6, 2022, under which \$60,000,000 remains authorized but unissued, for a total of \$360,000,000). Avista explains it would use the net proceeds from the issuances for one or more of the following purposes: (1) 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, (2) the retirement of maturing long-term debt, the repayment of short-term debt and the discharge or refunding of other obligations, (3) the reimbursement of moneys actually expended from income or from other moneys in the treasury of the Applicant (to the extent not secured by or obtained from the issue, assumption or guarantee of securities) for any of the purposes described in (1) or (2) above and/or (4) such other purposes as may be permitted by law.

STAFF REVIEW

Commission Staff reviewed Avista's Application. Based on that review, Staff recommended the Commission allow Avista to issue \$300,000,000 of debt securities as requested. Staff observed the proposed issuance would not significantly affect Avista's capital structure and would not impair the Company's ability to maintain its debt- to-equity ratio. Staff thus recommended the Commission approve the Application.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Commission finds that Avista Corporation is a Washington corporation that is qualified to do business in Idaho. The Company 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. The Company is a gas corporation within the definition of *Idaho Code* § 61-117, an electrical 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.*

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

The proposed issuance is for a lawful purpose, is within Avista'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 have before it for determination in this case and therefore does not determine the effect of issuance on rates to be charged by Avista for gas or electric service to consumers in the State of Idaho.

ORDER

IT IS HEREBY ORDERED that Avista Corporation, as of _____, is hereby authorized to offer, issue and sell up to and including \$300,000,000 in Debt Securities (such amount being in addition to \$400,000,000 previously authorized by the Commission in Order No. 35286, in Case No. AVU-U-23-03 entered January 6, 2022, under which \$60,000,000 remains authorized but unissued, for a total of \$360,000,000).

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

1. The "Report of Securities Issued" required by 18 C.F.R. § 34.10; and
2. Verified copies of any Agreement entered into pursuant to this Order.

IT IS FURTHER ORDERED that the issuance of this Order does not constitute acceptance of Avista'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 the Order (or in issues decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order and in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code §§ 61-626 and 62-619.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this ____ day of _____, 2024.

Eric Anderson, COMMISSIONER

John R. Hammond, Jr., COMMISSIONER

Edward Lodge, COMMISSIONER

ATTEST:

Jan Noriyuki
Commission Secretary