

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION FOR AN) CASE NO. AVU-U-24-01
ORDER AUTHORIZING THE OFFERING,)
ISSUANCE AND SALE OF DEBT) ORDER NO. 36079
SECURITIES NOT TO EXCEED \$300,000,000)
)

On January 4, 2024, Avista Corporation (“Avista” or “Company”) applied for authority to offer, issue, and sell up to \$300,000,000 of secured or unsecured Debt Securities (“Debt”). Having reviewed the record, the Commission enters this Order granting the Company’s request.

THE APPLICATION

Avista is a Washington corporation qualified to do business in the State of Idaho. It is a public utility providing electric and natural gas service to customers in northern Idaho, eastern Washington, and central and southwest Oregon. The Company requests authority to offer, issue, and sell up to \$300,000,000 of Debt. The requested authority is in addition to previous authorizations given by the Commission, of which \$60,000,000 remains.¹ The Debt’s maturity will be established with each issuance and will not be less than one-year nor more than fifty years. The interest rate will be decided at the time of issuance. If the Company issues Debt with a floating rate, the interest rate will be reset periodically based on an index, generally LIBOR, commercial paper, or Treasury Bills. If the Company issues Debt with a fixed rate it will be at a rate based upon the maturity period of that Debt as shown on the table below:

Debt Maturity Period		Maximum Spread Over Benchmark Treasury Yield	
Greater Than	Less and or Equal to	Secured (bps)	Unsecured (bps)
1 Year	2 Year	190	220
2 Year	3 Year	195	225
3 Year	4 Year	200	230
4 Year	5 Year	205	235
5 Year	7 Year	210	240
7 Year	8 Year	215	245
8 Year	9 Year	220	250

¹ See Order No. 35286.

9 Year	10 Year	230	260
10 Year	15 Year	265	295
15 Year	20 Year	240	270
20 Year	25 Year	245	275
25 Year	30 Year	245	275
30 Year	Or More	255	285

COMMISSION STAFF REVIEW AND RECOMMENDATION

The Commission Staff (“Staff”) believed that the proposed debt met the requirement under *Idaho Code* §§ 61-901, *et seq.* and that the filing complied with the IDAPA 31.01.01.141. Consistent with standard reporting requirements established by prior orders, Staff recommended that Avista file the terms of the proposed debt issuance(s) and subsequent changes to the terms with Staff. Staff recommended that this informational filing(s) be made seven days, or as soon as possible, before the issuance. Staff also recommended that Avista file with the Commission the “Report or Securities Issued” and verified copies of any agreement entered into under this Order for these issuances as soon as they become available and update if any changes occur.

Access to the debt markets is vital to capital intensive industries like Avista. Avista is rated Baa2 by Moody’s and BBB by S&P Global ratings. Staff verified that prudent use of these proposed issuances would have minimal risk to changing the capital ratios significantly. Based on the foregoing, Staff recommended the Commission authorize the Company to issue an additional \$300,000,000 of Debt. Additionally, Staff recommended that the authority granted by the Commission be continual—provided Avista maintains senior secured debt ratings that are investment grade (Baa3 for Moody’s or BBB- for S&P) and that the all-in coupon rate does not exceed 8.0%.

COMMISSION FINDINGS AND DISCUSSION

The Company is a Washington corporation qualified to do business in Idaho. It is a public utility engaged in the generation, purchase, transmission, distribution, and sale of electric energy and natural gas. *See Idaho Code* § 61-129.

The Commission has jurisdiction over the Application under *Idaho Code* §§ 61-901, *et seq.* We find that the proposed issuance is in the public interest and a formal hearing on this matter is not required. We further find that the proposed issuance is for a lawful purpose and is within the Company’s corporate powers, that the Application conforms to Rules 141 through 150 of the Commission’s Rules of Procedure, IDAPA 31.01.01-141-150, and that the Company has paid all

fees due under *Idaho Code* § 61-905. We find that the Application should be approved, and the proposed financing should be allowed.

The Commission's Order approving the proposed debt 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 public utility service.

ORDER

IT IS HEREBY ORDERED that the Company's Application to offer, issue, and sell up to \$300,000,000 in additional Debt is granted. Such amount is in addition to \$400,000,000 previously authorized by the Commission in Order No. 35386, under which \$60,000,000 remains authorized but unissued.

IT IS FURTHER ORDERED that the authority under this Order will continue during the authorized term provided the senior secured debt rating levels remain investment grade and the all-in coupon rate remains below 8.0%.

IT IS FURTHER ORDERED that the Company must file the terms of the proposed debt issuance(s) and subsequent changes to the terms with Staff. The informational filing must be made seven days, or as soon as possible, before the issuance.

IT IS FURTHER ORDERED that the Company must file with the Commission the "Report or Securities Issued" and verified copies of any agreement entered into under this Order as soon as they become available and update the Commission if any changes occur.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of the Commission regarding rates, utility capital structure, service accounts, valuation, estimates for determination of cost or any other matter which may come before this Commission under 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 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 material accompanying the Application for any purpose other than issuing 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 1st day of February 2024.


ERIC ANDERSON, PRESIDENT


JOHN R. HAMMOND, JR., COMMISSIONER


EDWARD LODGE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

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