

million of securities. On October 11, 2005, the Commission granted the requested authority and issued Order No. 05-1081.

On November 16, 2005, Avista filed an application requesting the Commission amend Order No. 05-1081. The amendment revises the Company's security issuance amount, increasing it by \$50 million. The total issuance amount will be \$150 million, instead of the current \$100 million in Order 05-1081.

Under Order No. 05-1081, the Company has just completed the issuance of \$100 million of securities. Avista represents that the Company has a substantial amount of debt securities that will mature in the coming years, and this additional authority will allow the Company to issue securities in the current attractive interest rate market. The additional issuance of the requested authority allows the Company greater flexibility to manage its funds and reduce borrowing costs, and therefore, continue the Company's return to financial health.

The Company also represents that the expenses, interest rate and use of proceeds will adhere to the conditions in Order 05-1081.

Based on Staff's review, approval of Avista's application to amend Commission Order No. 05-1081 with the proposed conditions will provide reasonable access to the capital markets. The application appears reasonable, meets the appropriate statutory requirements, and is not contrary to the public interest.

PROPOSED COMMISSION MOTION:

Avista's request to amend Commission Order No. 05-1081 to issue an additional \$50 million of debt securities be approved with Staff's conditions.