

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER RAPER
COMMISSION SECRETARY
LEGAL
WORKING FILE**

FROM: TERRI CARLOCK

DATE: SEPTEMBER 4, 2015

**SUBJECT: IDAHO POWER COMPANY'S APPLICATION FOR AUTHORITY TO
BORROW UP TO \$450,000,000 IN SHORT-TERM DEBT;
CASE NO. IPC-E-15-23**

On August 14, 2015, Idaho Power Company applied for authority to borrow short-term debt up to \$450,000,000 aggregate principal amount at any one time. Idaho Power's current short-term borrowing authority was granted by Order No. 32343, dated August 30, 2011. This requested authority could extend the authority through November 30, 2022. The required fees have been received.

The borrowings under the requested authority may consist of 1) loans evidenced by unsecured notes or other evidence of indebtedness and 2) unsecured promissory notes and commercial paper. Any note issued will have a maturity of not longer than one year and a set interest rate or discount rate. Idaho Power intends to obtain new unsecured lines of credit or extend exist unsecured lines of credit. Each line of credit will provide a specific dollar amount be available to draw upon for a fee. Uncommitted credit facilities may also be utilized on an "as available" basis at negotiated interest rates. Idaho Power expects the initial Credit Agreement will be for \$300,000,000 with the option to increase the limit to \$450,000,000. Idaho Power will provide the Commission with written notification in the event it increases the limit above \$300,000,000.

Idaho Power requests the short-term borrowing authority be authorized initially through November 30, 2020 with the ability to extend the time period for two one-year extensions through November 30, 2022. Idaho Power will provide written notification to the Commission if

it elects to exercise either of the one-year extensions beyond November 30, 2020. In no event will any borrowings under this authority extend beyond November 30, 2022.

Idaho Power requests this borrowing authority be continuing through November 30, 2022 so long as Idaho Power’s senior secured debt rating is investment grade, at least BBB- or higher by Standard & Poor’s and Baa3 or higher by Moody’s Investors Service. If Idaho Power’s rating falls below investment grade, Idaho Power will follow the current Commission approved filing process to establish its ongoing borrowing authority.

The net proceeds will be used to obtain temporary capital for one or more of the following purposes: (a) the Company’s acquisition, construction, completion, extension or improvement of facilities, (b) the improvement or maintenance of service, (c) discharge or refunding of obligations, and (d) for general corporate purposes.

STAFF RECOMMENDATION

Staff recommends approval of the proposed short-term borrowing authority up to \$450,000,000 in total, for the period through November 30, 2022. Staff recommends the proposed filing requirements be adopted. Staff also recommends the authority under this initial approval be continuing (without further order required) provided Idaho Power maintains senior secured debt ratings that are investment grade, BBB-/Baa3.

COMMISSION DECISION

1. Does the Commission wish to approve Idaho Power’s request for short-term borrowing authority up to \$450,000,000?
2. Does the Commission approve the borrowing authority for the period through November 30, 2022 as proposed?
2. Does the Commission wish to allow its authority under this Order to be continuing during the authorized term provided the senior secured debt rating levels remain investment grade?
3. Does the Commission adopt the identified filing requirements?


Terri Carlock