

## DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL  
WORKING FILE**

**FROM: TERRI CARLOCK**

**DATE: MARCH 19, 2004**

**RE: IDAHO POWER COMPANY'S SHORT-TERM BORROWING REQUEST  
OF \$250 MILLION – CASE NO. IPC-E-04-6.**

On February 26, 2004, Idaho Power Company (Idaho Power) filed an Application requesting authority to incur up to \$250,000,000 aggregate principal amount at any one time of short-term debt. An order is requested by March 31, 2004.

The securities will consist of loans issued as public or private placements in the form of unsecured notes, unsecured promissory notes, commercial paper or other indebtedness. The terms and interest rate for each issue will be determined at the time of issuance. The debt issuance(s) may be at a fixed or variable interest rate based on LIBOR, the applicable prime rate, or other established rate and may be based on Idaho Power's first mortgage bond credit rating. The length of the issuance series may also vary with the borrowing(s) issued during the one-year period from April 1, 2004 through March 31, 2005. The varying maturities will not be longer than one year with the final maturity not beyond March 31, 2005. Each note will have a fixed maturity with no provision for automatic roll over.

Fees will be charged by a syndicated facility for credit line arrangement estimated at \$250,000, an annual fee estimated at \$30,000, and a facility fee as a percentage of each bank's commitment. Commercial paper dealers or agents will charge a commission not to exceed 1/8 of 1 percent of the principal amount of each note.

The funds will be obtained for temporary, interim capital requirements for the following purposes: renewal of short-term notes of indebtedness; power supply costs; construction of new plant along with the upgrade of existing generation, distribution, transmission and general plant;

retirement of maturing debt; refinancing of certain debt or preferred stock; or other corporate purposes.

**STAFF RECOMMENDATION**

Staff recommends approval of the \$250 million short-term debt authority. Idaho Power will continue to file its periodic debt reports for review.

**COMMISSION DECISION**

Should the \$250 million short-term debt line be approved?

  
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Terri Carlock

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