

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
IDAHO POWER COMPANY FOR AN ORDER )  
AUTHORIZING UP TO \$300,000,000 )  
AGGREGATE PRINCIPAL AMOUNT AT ANY )  
ONE TIME OUTSTANDING SHORT-TERM )  
BORROWINGS )**

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**CASE NO. IPC-E-05-4**

**ORDER NO. 29736**

On February 14, 2005, Idaho Power Company filed an Application requesting authority to incur up to \$300,000,000 aggregate principal amount of short-term debt at any one time outstanding. The authorization period requested is five years beginning April 1, 2005 and ending March 31, 2010. Having fully considered the Application and the attached exhibits, the Commission issues this Order approving the Application as set forth in greater detail below.

**THE APPLICATION**

Idaho Power submits this Application pursuant to *Idaho Code* § 61-901 *et seq.* and procedural Rules 141-150. IDAPA 31.01.01.141-150. Idaho Power requests authority over a five-year period to incur not more than \$300,000,000 in short-term indebtedness at any one time. Because this five-year authorization period is longer than the two-year periods provided in previous authorizations, Idaho Power has included a condition where the five-year authority remains in place so long as bond ratings remain investment grade (BBB- or higher by Standard & Poor's Rating Service and Baa3 or higher by Moody's Investors' Service, Inc.).

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<sup>1</sup>, 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 with a maximum maturity of up to five years. In no event will the varying maturities have a final

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<sup>1</sup> LIBOR: London Interbank Offered Rates.

maturity beyond March 31, 2010. 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 \$200,000, an annual fee estimated at \$30,000, and a facility fee as a percentage of each bank's commitment. It is expected that commercial paper dealers or agents will sell the paper to receive a commission not to exceed 1/8<sup>th</sup> of 1 percent of the principal amount of each note.

The funds will be obtained for temporary, interim capital requirements for the following purposes: acquisition or construction of new plant along with the improvement or maintenance of existing generation, distribution, transmission and general plant; refunding of financing instruments; or other corporate purposes.

#### **STAFF REVIEW**

Staff recommended approval of Idaho Power's Application. Staff accepts the proposed requirement to maintain investment grade ratings as a condition of the five-year authority. In addition, Staff recommended that Idaho Power submit quarterly debt reports including all credit rating agency reports related to Idaho Power and IDACORP issued during the quarter. Idaho Power has accepted these requirements.

#### **FINDINGS OF FACT**

Idaho Power was incorporated on May 6, 1915 and migrated its state of incorporation to the State of Idaho on June 30, 1989. Idaho Power is duly qualified to do business in the State of Idaho and its principal place of business is located in Boise, Idaho.

Based on the representations in the Application, we find that the funds obtained through the short-term indebtedness will be used by Idaho Power for the acquisition or construction of new plant along with the improvement or maintenance of existing generation, distribution, transmission and general plant; refunding of financing instruments; and other corporate purposes.

#### **CONCLUSIONS OF LAW**

Idaho Power is an electric corporation within the definition of *Idaho Code* § 61-119 and is a public utility within the definition of *Idaho Code* § 61-129. The Public Utilities Commission has jurisdiction over this matter pursuant to Title 61, Idaho Code, Chapters 1 and 9, and specifically *Idaho Code* §§ 61-119, 61-129, 61-901, and 61-902.

After examining the Application and Staff's comments, the Commission finds that an evidentiary hearing in this matter is not required and would serve no public purpose.

The Commission further finds that the Application for authority to incur up to \$300,000,000 aggregate principal amount at any one time outstanding of short-term borrowing is for a lawful purpose, is within Idaho Power's corporate powers, and is generally compatible with the public interest. The Commission further finds that the method of issuance is proper.

This general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular program of the Company which may be benefited by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of this Order does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until the appropriate proceeding.

All fees have been paid by Idaho Power in accordance with *Idaho Code* § 61-905.

#### **ORDER**

IT IS HEREBY ORDERED that Idaho Power is authorized, during the period from April 1, 2005 to and including March 31, 2010 to make short-term borrowings and to issue unsecured notes, for the purposes herein set forth, in an amount not to exceed \$300,000,000 aggregate principal amount of short-term promissory notes or other evidence of indebtedness to be outstanding at any one time, with a final maturity of no later than March 31, 2010. Idaho Power is further authorized to the extent permissible under applicable governmental statutes and regulations to substitute commercial paper borrowings for the Lines of Credit, or other borrowing arrangements, up to the limit of \$300,000,000 aggregate principal amount at any one time outstanding as herein set forth. No additional authorization is required to carry out this transaction and no Supplemental Order will be issued.

IT IS FURTHER ORDERED that such authority exists only as long as the Company's bond ratings remain investment grade (BBB- or higher by Standard & Poor's Rating Service and Baa3 or higher by Moody's Investors' Service, Inc.).

IT IS FURTHER ORDERED that Idaho Power file with the Commission on a quarterly basis debt reports including any debt authorized by this Order and all credit rating agency reports related to Idaho Power Company and IDACORP issued during the quarter.

IT IS FURTHER ORDERED that Idaho Power shall file with the Commission pursuant to the Commission's Rule 143, as soon as available, final verified copies of any agreement entered into in connection with the execution of this authority. IDAPA 31.01.01.143.

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 regulatory authority of this Commission with respect to 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.

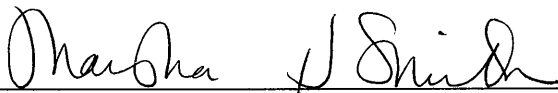
IT IS FURTHER ORDERED that the issuance of this Order does not constitute acceptance of Idaho Power's exhibits or other material accompanying this Application for any purpose other than the issuance of this Order.

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 IPC-E-05-4. 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.*

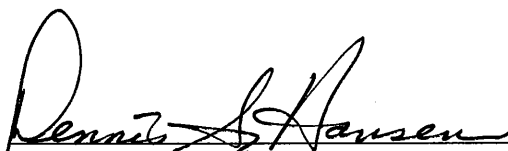
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28<sup>th</sup>  
day of March 2005.



PAUL KJELLANDER, PRESIDENT

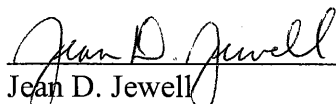


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell  
Commission Secretary

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