

## DECISION MEMORANDUM

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

**FROM: TERRI CARLOCK**

**DATE: APRIL 3, 2013**

**RE: IDAHO POWER COMPANY'S REQUEST TO ISSUE AND SELL UP TO  
\$500 MILLION SHELF AUTHORITY FOR FIRST MORTGAGE BONDS  
AND DEBT SECURITIES – CASE NO. IPC-E-13-05.**

On March 8, 2013, Idaho Power Company (Idaho Power, Company) filed an Application requesting authority to issue and sell from time to time (a) up to \$500,000,000 aggregate principal amount of one or more series of First Mortgage Bonds, which may be designated as secured medium-term notes, (b) up to \$500,000,000 aggregate principal amount of one or more series of unsecured debt securities. The total outstanding combined principal amount of the Bonds and the principal amount of the Debt Securities to be issued and sold shall not exceed \$500,000,000.

A shelf registration allows a company to issue the debt in one or more series and to take advantage of attractive market conditions efficiently and rapidly. This shelf registration is requested for a two-year period from the date of approval by Commission Order. It is the same format as previously authorized for other shelf issuances.

The Bonds will be issued pursuant to one or more supplemental indentures to the Mortgage and will be secured equally with the other First Mortgage Bonds of Idaho Power. The Company is also requesting authority to enter interest rate hedging arrangements with respect to the Bonds including treasury interest rate locks, treasury interest rate caps, treasury interest rate collars, treasury options, forward starting interest rate swaps and/or swaptions.

The Bonds and/or Debt Securities may be sold by public sale or private placement, directly by Idaho Power or through agents designated from time to time or through underwriters or dealers. The type and terms of issuance will be determined at the time of issuance. Any required Prospectuses will be filed prior to issuance. If any agents or any underwriters are involved in the sale of the Bonds and/or Debt Securities, the names of such agents or underwriters, the initial price

to the public (if applicable), any applicable commissions or discounts, and the net proceeds to the Applicant will be filed by the Applicant with the Commission. If the Bonds are designated as medium-term notes and sold to an agent or agents as principal, the names of the agents, the price paid by the agents, any applicable commission or discount paid by the Applicant to the agents and the net proceeds to the Applicant will be filed with the Commission. All final documents will also be filed.

Idaho Power's First Mortgage Bonds are currently rated **A2** by Moody's Investors Service and **A-** by Standard & Poor's Rating Service. Idaho Power's outstanding unsecured senior debt is currently rated **Baa1** by Moody's Investors Service and **BBB** by Standard & Poor's Rating Service.

Net proceeds from the sale of the Bonds and/or Debt Securities will be used for the acquisition of property; the construction, completion, extension or improvement of its facilities; the improvement or maintenance of its service; the discharge or lawful refunding of its obligations; and for general corporate purposes. To the extent that the proceeds from the sale of the Bonds or Debt Securities are not immediately so used, they will be temporarily invested in short-term discounted or interest-bearing obligations.

#### **STAFF RECOMMENDATION**

Staff recommends approval of the requested two-year authority for the \$500 million shelf registration.

Staff recommends Idaho Power file copies of all Prospectuses, Prospectus Supplements, Agent, Underwriter and Dealer agreement terms, and Pricing notice of issuances with the terms. All final documents will also be filed. Idaho Power will file by letter seven days or as soon as possible prior to issuance the terms of issuance.

The required securities fees have been submitted.

#### **COMMISSION DECISION**

Does the Commission approve the two-year authority for the \$500 million shelf registration with the reporting requirements?

  
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Terri Carlock