

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR AUTHORITY TO ISSUE AND SELL UP TO \$500,000,000 IN FIRST MORTGAGE BONDS AND DEBT SECURITIES)))))))	CASE NO. IPC-E-19-09 ORDER NO. 34302
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On March 12, 2019, Idaho Power Company ("the Company") applied to the Commission for an Order authorizing the Company to sell bonds and debt securities with a total combined principal amount of up to \$500,000,000. The Company requests the authority be authorized through May 31, 2022.

After the Company filed its Application, Commission Staff recommended that the Commission approve the requested authority on certain conditions. Based on our review of the record, we issue this Order approving the Application as noted below.

THE APPLICATION

The Company is an Idaho-based public utility and electrical corporation serving customers in southern Idaho and eastern Oregon. With this Application, the Company seeks authority to issue and sell, from time to time, up to: (a) \$500,000,000 aggregate principal amount of one or more series of First Mortgage Bonds, which may be designated as secured medium-term notes (the "Bonds"); and (b) \$500,000,000 aggregate principal amount of one or more series of unsecured debt securities (the "Debt Securities"). The total outstanding combined principal amount of the Bonds and Debt Securities shall not exceed \$500,000,000. The Company asks the Commission to issue and sell the Bonds and Debt Securities through May 31, 2022, to align with the anticipated three-year life of the shelf registration at the Securities Exchange Commission (SEC).

The Company will issue the Bonds under one or more supplemental indentures to the Company's Indenture of Mortgage and Deed of Trust, dated as of October 1, 1937, as supplemented and amended, and will secure them equally with the Company's other First Mortgage Bonds. The Company, its agents, and designated underwriters may sell the Bonds and Debt Securities by public sale or private placement. The type and terms of issuance will be determined at the time of issuance. A copy of the shelf registration, any Prospectus, Prospectus

Supplements, Pricing Supplements, statement of net proceeds, and any agent information along with all final documents will be filed with the Commission. The Company also requests continued authority to enter interest rate hedging arrangements with respect to the Bonds and Debt Securities, including treasury interest rate locks, treasury interest rate caps, treasury interest rate collars, treasury options, forward starting interest rate swaps, and swaptions.

The Company states it will apply the net proceeds from selling the Bonds and Debt Securities 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 selling the Bonds or Debt Securities are not immediately so used, they will be temporarily invested in short-term discounted or interest-bearing obligations.

A shelf registration at the SEC allows a company to issue debt in one or more series and to take advantage of attractive market conditions efficiently and rapidly. This allows issuances to be made at lower cost and still facilitate ongoing review. The current shelf registration authority, approved by Commission Order No. 33513, dated April 27, 2016, extends until May 31, 2019. The Company currently has \$280,000,000 remaining under the existing shelf authority. The Company asks that this authority remain in effect for 21 days following the date of the Commission's Order when it would automatically expire if no petitions for reconsideration are received; provided, that the Company's total issuance authority under Order No. 33513 and under this Order would not exceed \$500,000,000 at any time. The Company's outstanding First Mortgage Bonds and unsecured senior debt are respectively rated A1 and A3 by Moody's Investors Service, and A- and BBB by Standard & Poor's Rating Service. The existing shelf authority provides that if any rating falls below investment grade (Baa3 for Moody's and BBB- for S&P), the Company will make a filing to support the continued authority of unissued amounts.

STAFF REVIEW AND RECOMMENDATION

Staff recommended that the Commission grant the Company's Application. Staff stated that allowing the Company to issue and sell the Bonds and Debt Securities through May 31, 2022, will align with the Company's issuance authority with the expected three-year life of the Shelf Registration at the SEC.

Staff also recommended the Commission continue to require the Company to file supplemental information if the Bonds and Unsecured Debt ratings fall below investment grade.

Last, Staff recommended that the Company continue to file at the time of issuance a copy of the shelf registration, any Prospectus, Prospectus Supplements, Pricing Supplements, statement of net proceeds, and any agent information along with all final documents. The Company should file the documents with the Commission, by letter, seven days, or as soon as possible, before issuing the securities.

FINDINGS AND DISCUSSION

The Company is an Idaho corporation with its principal office in Boise, Idaho. The Company is also an electric corporation as defined by *Idaho Code* § 61-119, and a public utility as defined in *Idaho Code* § 61-129. The Commission has jurisdiction over this matter pursuant to Title 61 of the Idaho Code, including *Idaho Code* §§ 61-501, and 61-901 through 61-909.

Based on our review of the record, we find that the Company's Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure (IDAPA 31.01.01.141-.150), and that the Company has paid all fees required by *Idaho Code* § 61-905.

We also find that the Company proposes to issue securities for lawful purposes under *Idaho Code* § 61-901, that the proposed issuance is within the Company's corporate powers and in the public interest, and that a formal hearing on this matter is not required. We find it reasonable to grant the Company's Application, which will enable the Company to take advantage of favorable market conditions and quickly and efficiently issue the securities at lower costs while allowing for ongoing Commission review.

As always, our approval of the issuance is not a finding of fact or a conclusion of law that the particular use to which these funds are to be put is approved by this Order. The issuance of an order authorizing the proposed issuance does not constitute agency determination or approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it for determination in this case, and therefore does not determine, the effect of issuance on rates to be charged by the Company for service to Idaho consumers.

ORDER

IT IS HEREBY ORDERED that the Company's Application is granted. The Company is authorized to issue and sell, from time to time through May 31, 2022, up to: (a) \$500,000,000 aggregate principal amount of one or more series of the Bonds; and (b) \$500,000,000 aggregate principal amount of one or more series of the Debt Securities. The total outstanding combined principal amount of the Bonds and Debt Securities shall not exceed \$500,000,000. The Company

may ask the Commission to extend this authorization by filing a request with the Commission before the authority expires.

IT IS FURTHER ORDERED that the Company must notify the Commission by letter within seven (7) days (or as soon as possible, if the required information is not available within seven (7) days) before issuing the Bonds and/or Debt Securities of the likely range of interest rates and other terms for the securities, unless, in the case of Bonds, the Bonds are issued as medium-term notes.

IT IS FURTHER ORDERED that Company must file a copy of the registration statement with the Commission, as promptly as possible after the Company files the registration statement with the SEC.

IT IS FURTHER ORDERED that the Company must file with the Commission, as promptly as possible after issuing each series of Bonds, a copy of the Prospectus Supplement showing the terms of the sale, and the names of the purchasers or underwriters or agents. If the Company issues Bonds designated as medium-term notes, the Company's reporting requirements shall consist of filing with the Commission a copy of the Prospectus Supplement for the medium-term notes as filed with the SEC. The Company shall also file with the Commission a copy of the Pricing Supplements filed with the SEC, setting forth the specific terms and conditions for each issuance of the medium-term notes.

IT IS FURTHER ORDERED that the Company's existing authority to issue bonds and debt securities, as specified in Order No. 33513 in Case No. IPC-E-16-05, will extend for a period of twenty-one (21) days from the service date of this Order, at which time the existing authority under Order No. 33513 will automatically expire if no petition(s) for reconsideration have been filed in this case.

IT IS FURTHER ORDERED that the authorization set forth in this Order is without prejudice to the Commission's authority over rates, utility capital structure, service accounts, valuation, estimates for determination of cost, or any other matter that may come before the Commission under its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this Order and no provisions of Chapter 9, Title 61, Idaho Code, or any act or deed done or 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 Chapter 9, Title 61 Idaho Code.

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

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this case 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 or in interlocutory Orders previously issued in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th day of April 2019.



PAUL KJELLANDER, PRESIDENT

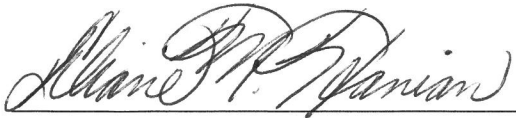


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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