(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF  IDAHO POWER COMPANY FOR AN ORDER AUTHORIZING THE ISSUANCE AND SALE OF UP TO $200,000,000 OF APPLICANT’S FIRST MORTGAGE BONDS AND SERIAL PREFERRED STOCK, WITHOUT PAR VALUE | )  )  )  )  )  ) | CASE NO. IPC-E-98-6  ORDER NO. 27519 |

On April 23, 1998, pursuant to Chapter 9, Title 61, of the Idaho Code and the Commission’s Rules of Procedure, (IDAPA 31.01.01.141-150), Idaho Power Company filed an Application requesting the Commission issue an order amending the authorities granted it in Case No. IPC-E-93-27, relating to issuance of bonds and preferred stock, in Order Nos. 25292 and 26258.  Specifically, Idaho Power requests an extension of its authority to issue and sell from time to time:

(a)  up to $200,000,000 aggregate principal amount of one or more series of Idaho Power’s First Mortgage Bonds, which may be designated as secured medium-term notes (“Bonds”), and

(b)  up to $200,000,000 in gross proceeds to Idaho Power of one or more series of its Serial Preferred Stock, Without Par Value (“Preferred Stock”).

The Commission previously approved Idaho Power’s issuance of the Bonds and Preferred Stock under certain terms and conditions in Order No. 25292, which was issued on December 9, 1993, in Case No. IPC-E-93-27.  The original term of the Commission’s Order expired December 9, 1995.  The Commission’s approval was renewed in Order No. 26258 dated December 1, 1995, in the same case.  Pursuant to that Order, Idaho Power’s authority expired December 9, 1997.

Idaho Power is requesting an additional extension of the Commission’s approval for the issuance of the Bonds and Preferred Stock through December 31, 1999, under the same terms and conditions established by the Commission in Order Nos. 25292 and 26258.  The Commission, having fully considered this Application and attached exhibits, its files and records relating to this Application and the previous applications in Case No. IPC-E-93-27 and the applicable laws and rules, grants the Application.

BACKGROUND

In its Application, Idaho Power requests the Commission extend its authority to issue the Bonds and Preferred Stock for an additional two-year period, through December 31, 1999.  Idaho Power states that the description of the Bonds and Preferred Stock, the methods of issuance, and the use of proceeds for the Bonds and Preferred Stock, are described in Idaho Power’s original Application in Case No. IPC-E-93-27.  Namely, in that Application, Idaho Power stated that

a.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.

b.The price or prices, issuance date or dates, maturity or maturities, interest rate or rates (which may be fixed or variable) and/or the method of determining such rate or rates, time of payment of interest, whether all or a portion of the Bonds will be discounted, whether all or a portion of the Bonds will be issued in global form, repayment terms, redemption terms, if any, and any other special terms of the Bonds have not yet been determined and may be different for each issuance.

c.The series designation, aggregate amount of the issue, purchase price or prices, retirement date or dates, sinking fund provisions, if any, dividend rate or rates (which may be fixed or variable) and/or the method of determination of such rate or rates, time of payment of dividends, redemption terms, if any, and any other special terms of the Preferred Stock have not yet been determined and may be different for each issue.

d.The Bonds may be designated as secured medium-term notes.  The medium-term notes could have maturities from nine months to forty years or more.  Before issuing medium-term notes, Idaho Power will file a Prospectus Supplement with the SEC and this Commission setting forth the general terms and conditions of the medium-term notes to be issued.  Upon each issuance of the medium-term notes pursuant to the Prospectus Supplement, Idaho Power will file a Pricing Supple-ment with the SEC and this Commission providing a specific description of the terms and conditions of each issuance of the medium-term notes.

e.The Bonds and/or Preferred Stock 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.  If any agents of Idaho Power or any underwriters are involved in the sale of the Bonds and/or Preferred Stock, 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 Idaho Power will be filed by the Idaho Power with the Commission.  If the Bonds are designated as medium-term notes and sold to an agent or agents as principal, the name of the agents, the price paid by the agents, any applicable commission or discount paid by Idaho Power to the agents and the net proceeds to the Idaho Power will be filed with the Commission.

f.The net proceeds to be received by Idaho Power from the sale of the Bonds and/or Preferred Stock 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 and/or Preferred Stock are not immediately so used, they will be temporarily invested in short-term discounted or interest-bearing obligations.

Pursuant to Order Nos. 25292 and 26258, Idaho Power issued $30,000,000 of the Bonds on July 29, 1996 (in the form of $15,000,000 of 6.93% 2001 Series A Medium-Term Notes and $15,000,000 of 6.93% 2001 Series B Medium-Term Notes) and $27,000,000 of the Bonds on October 2, 1996 (in the form of $15,000,000 of 6.85% 2002 Series B Medium-Term Notes and $12,000,000 of 6.85% 2002 Series B Medium-Term Notes).

FINDINGS OF FACTAND CONCLUSIONS OF LAW

The Commission has jurisdiction pursuant to Title 61, Idaho Code, Chapters 1 and 9.  The Idaho Power Company is incorporated under the laws of the state of Idaho and is qualified to do business in the states of Oregon, Nevada, Montana and Wyoming, with its principal office in Boise, Idaho.  The Commission finds it previously granted Idaho Power authority to issue the Bonds and Preferred Stock under certain terms and conditions in Order Nos. 25292 and 26258. The Commission finds that Idaho Power filed its securities report with the Commission for both of these issuances.

The Commission finds that the proposed issuance and sale of the Bonds and/or Preferred Stock are for a lawful purpose and are within Idaho Power’s corporate powers.  However, this is only a general approval and 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 financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes.  The Commission does not have before it for determina­tion and, therefore, does not determine the effect of the Bonds and/or Preferred Stock on rates to be charged by Idaho Power for electric service to consumers in the state of Idaho.  The Commission further finds that the proposed transaction is in the public interest and a formal hearing on this matter would serve no public purpose.

The Commission finds that all fees have been paid by Idaho Power in accordance with Idaho Code § 61-905.

O R D E R

IT IS THEREFORE ORDERED that the second supplemental Application of Idaho Power Company to issue and sell from time to time up to $200,000,000 aggregate principal amount of one or more series of the Bonds and $200,000,000 in gross proceeds to Idaho Power of one or more series of the Preferred Stock, in the ways and for the purposes set forth in its second supplemental Application be, and the same is hereby granted; provided that the total principal amount of the Bonds and gross proceeds to Idaho Power of the Preferred Stock to be issued and sold (including the $57,000,000 of Bonds previously issued by Idaho Power under its shelf-registration  in IPC-E-93-27) shall not exceed $200,000,000.  This authorization shall be through December 31, 1999.  Idaho Power may request an extension of this authorization by letter filed with the Commission prior to December 31, 1999.

IT IS FURTHER ORDERED that Idaho Power notify the Commission by letter within seven days (or as soon as possible, if the required information is not available within seven days) before the issuance of the Bonds or Notes and/or Preferred Stock of the likely range of interest rates or dividend rates and other terms for the securities.

IT IS FURTHER ORDERED that Idaho Power file, as promptly as possible after the issuance of each series of the Bonds and/or Preferred Stock, a copy of the Prospectus Supplement showing the terms of the sale, and the names of the purchasers or underwriters or agents with the Commission.  If Idaho Power issues Bonds designated as medium-term notes, Idaho Power shall file with the Commission a copy of the Prospectus Supplement for the medium-term notes as filed with the SEC.  Idaho Power 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.  Additionally, within thirty (30) days after June 30 and December 31 of each year in which Idaho Power issues bonds in the form of medium-term notes, Idaho Power shall file a report with the Commission indicating the cumulative amounts, terms and conditions of the medium-term notes issued during the prior six (6) months.

IT IS FURTHER ORDERED that nothing in 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.  See Idaho Code § 61-906.

IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this Commission with respect to rates, services, accounts, evaluation, estimates or determination of costs, or any other matter that may come before this 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 Company’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 this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. IPC-E-98-06 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 No. IPC-E-98-06.  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           day of May 1998.

DENNIS S. HANSEN, PRESIDENT

RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

O:IPC-E-98-6.cc

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

May 19, 1998