

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN)	
POWER'S APPLICATION FOR)	CASE NO. PAC-E-14-05
AUTHORITY TO: (1) ISSUE AND SELL OR)	
EXCHANGE UP TO \$1,575,000,000 OF)	
DEBT, AND (2) ENTER INTO CREDIT)	ORDER NO. 33083
SUPPORT ARRANGMENTS)	

On June 30, 2014, PacifiCorp dba Rocky Mountain Power (Company) applied to the Idaho Public Utilities Commission for an Order allowing it to: (1) issue and sell or exchange, in one or more public offerings or private placements, fixed or floating rate debt (Debt) in the aggregate principal amount not to exceed \$1,575,000,000 or, if the Debt is issued at an original issue discount, such greater amount as shall result in an aggregate offering price of not more than \$1,575,000,000, and (2) enter into letter of credit arrangements with one or more banks or such other agreements or arrangements as may be necessary or appropriate, from time to time, to provide additional credit support for the payment of the principal of, interest on and premium (if any) on such Debt. Based on our review of the record, we issue this Order approving the Application as noted below.

THE APPLICATION

The Company is an Oregon corporation that provides electric service as a public utility to customers in Idaho, Utah, and Wyoming.

With this Application, the Company seeks authority to incur Debt up to \$1,575,000,000 aggregate principal amount at any one time. The Company also requests authority to enter into letter of credit arrangements to provide additional credit support. The Company asks that this additional Debt authority remain effective through June 30, 2019, so long as the Company's bond ratings for senior secured debt remain investment grade; i.e., BBB- or higher by Standard & Poor's Rating Services ("S&P") and Baa3 or higher by Moody's Investors' Service, Inc. ("Moody's"). The Company's current senior secured debt ratings are A by S&P and A1 by Moody's.

The Company explains that the requested authority will supplement the financing flexibility previously authorized in Case No. PAC-E-10-02, Order No. 31018, approving a \$2 billion authority. The Company has issued \$1.875 billion under that authority. It does not

expect to use the remaining \$125 million if the current request is granted, and says that remaining authority could be withdrawn if the Commission so orders.

The Company states that if the Commission approves its Application, the securities would be issued in one or more transactions and consist of securities issued or exchanged as public or private placements in the form of secured or unsecured debt. The maturity, other terms and interest rate for each issue would be determined at the time of issuance. The Company notes that the issuance(s) may be at a fixed rate set at the time of issuance or variable interest rate based on a published index of short-term rates such as Treasury bills, commercial paper or the London Interbank Offered Rate (LIBOR). Fees will be charged based on the type of security issued but are expected to average 1% - 3% of the outstanding balance. Any First Mortgage Bonds issued will be issued under the PacifiCorp Mortgage. The Commission has previously authorized the Company to incur the lien of the PacifiCorp Mortgage in Case No. U-1046-15, Order No. 22157. The variety of funding options requested will allow the Company to evaluate the all-in cost of each option after considering all associated fees so the issuances result in borrowings at lower costs.

The Company explains that the requested financing authority will provide funds for one or more utility purposes. These include capital requirements for the following purposes: (1) the acquisition of property, (2) the construction, completion, extension or improvement of utility facilities, (3) the improvement of service, (4) the discharge or lawful refunding of obligations which were incurred for utility purposes or (5) the reimbursement of the Company's treasury for funds used for the foregoing purposes.

STAFF REVIEW

Staff recommended the Commission approve the Company's requested shelf authority of \$1.575 billion Debt for the period through June 30, 2019. Staff notes that the Company's prior commitments and obligations from other cases shall remain in effect. For example, the Company shall continue to apply the cost test described in Case No. PAC-E-99-3 and will not use foreign transactions for ratemaking unless and until the Company can show that the all-in costs are not more than the all-in cost of similar domestic borrowings. The Company's commitments and obligations from Case No. PAC-E-10-02, Order No. 31018, also remain in effect. Staff also recommended, as a condition of granting the requested authority, the Commission require the Company's senior secured debt to be rated at investment grade, and that

the Company file Quarterly Financing Activity Reports and credit rating reports in this case to the extent they are not filed in the MidAmerican Energy Holdings Company acquisition case, Case No. PAC-E-05-8.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Commission finds that the Company is an Oregon corporation that is qualified to do business in Idaho. The Company is an electric corporation within the definition of *Idaho Code* § 61-119, and a public utility within the definition of *Idaho Code* § 61-129. The Commission has jurisdiction over this Application pursuant to the provisions of *Idaho Code* § 61-901, *et seq.*

The Commission finds that the Company's Application should be approved. 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 the Company has paid all fees required by *Idaho Code* § 61-905. Further, the proposed issuance is for a lawful purpose, is within the Company's corporate powers, and is compatible with the public interest.

The Commission's 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 electric service to consumers in the State of Idaho.

ORDER

IT IS HEREBY ORDERED that the Company's Application is approved. As requested in the Application, the Company is authorized to issue and sell or exchange Debt in the aggregate principal amount of up to \$1,575,000,000, and to enter into such arrangements as may be needed to provide additional credit support for the payment of the Debt.

IT IS FURTHER ORDERED that the authority approved by this Order shall remain in effect through June 30, 2019, so long as the Company maintains an investment grade rating (i.e., a senior secured debt rating of at least BBB- or higher by Standard & Poor's Rating Services and Baa3 or higher by Moody's Investors' Service, Inc.).

IT IS FURTHER ORDERED that the Company will continue to meet the following requirements: (1) keep its commitments and perform its duties as expressed in this Commission's prior orders; (2) file Quarterly Financing Activity Reports and credit rating reports with the Commission, to the extent not otherwise filed in Case No. PAC-E-05-08; (3) meet the all-in cost test commitment for foreign transactions; (4) provide the anticipated details of the transaction as soon as possible prior to the issuance; and (5) file the "Report of Securities Issued," and verified copies of any credit arrangement entered into pursuant to this order as soon as they become available.

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

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.

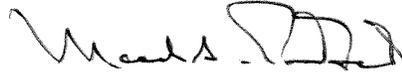
IT IS FURTHER ORDERED that this authorization is without prejudice to the Commission's regulatory authority regarding rates, service, accounts, evaluation estimates or determination of costs or any other matter which may come before the Commission pursuant to its jurisdiction and authority as provided by law.

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. 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.*

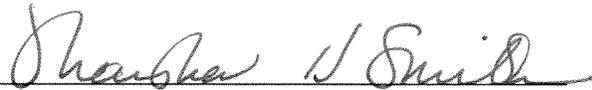
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th
day of July 2014.



PAUL KJELLANDER, PRESIDENT



MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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