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

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| IN THE MATTER OF THE APPLICATION OF  PACIFICORP FOR SHORT-TERM DEBT AUTHORITY | )  )  )  )  )  ) | CASE NO. PAC-E-98-1  ORDER NO.  27457 |

On March 10, 1998, PacifiCorp filed an Application pursuant to Chapter 9, Title 61, of the Idaho Code and the Commission’s Rules of Procedure, (IDAPA 31.01.01.141-150) requesting the Commission to issue an order amending the authorities granted it in Case No. PAC-S-94-3, relating to short-term debt, in Order Nos. 25696, 26542 and 27151.  Specifically PacifiCorp requests the following:

1)Authority to issue unsecured short-term promissory notes or commercial paper to and borrow from U.S. or foreign commercial banks

a)  not more than $1.5 billion in aggregate principal amount at any one time under one or more revolving credit agreements; and

b)  not more than $1.5 billion in aggregate principal amount at any one time under other borrowing agreements;

2)Authority to issue and sell its commercial paper in the U.S. or overseas, from time to time, through April 30, 2000, in an aggregate principal amount of not more than $1.5 billion outstanding at any one time, provided that the aggregate principal amount outstanding does not exceed $1.5 billion at any one time.

3)Such authorities remain effective through April 30, 2000.

FINDINGS OF FACT

PacifiCorp was incorporated under Oregon law in August 1987 for the purpose of facilitating consummation of a merger with Utah Power & Light Company, a Utah corpora­tion, and changing the state of incorporation of PacifiCorp from Maine to Oregon.  PacifiCorp uses the assumed business names of Pacific Power & Light Company and Utah Power & Light Company within their respective service territories located in the states of California, Idaho, Montana, Oregon, Utah, Washington and Wyoming.

The agreements are anticipated to have a final maturity of not more than five years.  The debt will be borrowed at current market rates based on (1) the higher of the agent’s prime rate or the federal funds rate plus .5%, (2) the bank certificate of deposit rate plus a margin not to exceed .75% or (3) LIBOR plus a margin not to exceed .6875% depending on the borrowing option utilized.  PacifiCorp will notify Staff of the anticipated terms and file the final terms as part of the “Report of Securities Issued” following issuance.  The borrowing expenses continue to be estimated at the $300,000 amount.

Proceeds from the short-term borrowings will be utilized for general utility purposes including improvement or maintenance of service or facilities, construction purposes, acquisition of utility property or to reimburse PacifiCorp’s treasury.  The short-term lines will allow PacifiCorp to time long-term issuances to meet needs at the least cost (as best predicted).

The protection clause for foreign investors allows for the gross-up for taxes at the investor level if tax laws change to require the payment of additional taxes on this interest.  The Commission in prior circumstances has reserved the regulatory treatment related to any gross-up paid by PacifiCorp of any issuances.  The Commission will continue to reserve the regulatory treatment related to any gross-up paid by PacifiCorp of any issuances until the situation occurs.

PacifiCorp has paid the fees required by Idaho Code § 61-905.

CONCLUSIONS OF LAW

PacifiCorp 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 Idaho Public Utilities Commission has jurisdiction over this matter pursuant to the provisions of Idaho Code § 61-901 et seq., and the amended Application reasonably conforms to Rules 141 through 150 of the Commission Rules of Procedure (IDAPA 31.01.01.141-150).

The method of issuance is proper.

The general purposes to which the proceeds will be put are lawful purposes under the Public Utility Law of the state of Idaho and are compatible with the public interest.  However, 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 construction program of PacifiCorp which may be benefitted 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 an Order authorizing the proposed financing 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.

The Application should be approved.

O R D E R

IT IS HEREBY ORDERED that PacifiCorp’s Application toissue unsecured short-term promissory notes or commercial paper to and borrow from U.S. or foreign commercial banks

a)not more than $1.5 billion in an aggregate principal amount at any one time under one or more revolving credit agreements; and

b)not more than $1.5 billion in an aggregate principal amount at any one time under other borrowing agreements;

is approved.

IT IS FURTHER ORDERED that PacifiCorp’s Application to issue and sell its commercial paper in the U.S. or overseas, from time to time, through April 30, 2000, in an aggregate principal amount of not more than $1.5 billion outstanding at any one time, provided that the aggregate principal amount outstanding do not exceed $1.5 billion at any one time is approved.

IT IS FURTHER ORDERED that these authorities remain effective through April 30, 2000.

IT IS FURTHER ORDERED that regulatory treatment of any gross-up provisions be deferred until the situation occurs.

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

IT IS FURTHER ORDERED that nothing in this Order and no provision 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 securities authorized, issued, assumed or guaranteed under the provisions of Chapter 9, Title 61, Idaho Code.

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

IT IS FURTHER ORDERED that PacifiCorp shall file the following documents with the Commission  as they become available:

a.The “Report of Securities” Issued required by 18 CFR 34.10.

b.Verified copies of any agreements entered into pursuant to this Order.

c.An annual verified statement describing in reasonable detail how the proceeds generated by any agreement are disbursed during each year of the respective agreement.

THIS IS A FINAL ORDER.  Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order.  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 April 1998.

DENNIS S. HANSEN, PRESIDENT

RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

O:pace981.cc

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 28, 1998