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

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| IN THE MATTER OF THE PROCEDURAL REQUIREMENTS TO EXEMPT CERTAIN SECURITIES OR PUBLIC UTILITIES FROM THE PROVISIONS OF THE SECURITIES ISSUANCE LAW PURSUANT TO IDAHO  CODE § 61-909. | )  )  )  )  )  )  ) | CASE NO. GNR-U-97-1  PROCEDURAL  ORDER NO.  26959 |

During the 1997 legislative session House Bill No. 294 added a new section to the security issuance laws for public utilities, Idaho Code, Title 61, Chapter 9.  Idaho Code § 61-909  (effective July 1, 1997), authorizes the Public Utilities Commission to exempt certain securities or public utilities from provisions of the securities issuance law if the Commission finds that such an exemption is in the public interest.   Idaho Code § 61-909 provides that

The commission may from time to time by order or rule, and subject to such terms and conditions as may be prescribed herein, exempt any security or any class of securities for which an application is required under this chapter or any public utility or class of public utility from the provisions of this chapter if it finds that the application thereof to such security, class of securities, public utility or class of public utility is not required by the public interest.

We believe it is appropriate to set procedural guidelines concerning applications for exemptions.

Our current rules for Applications for Approval to Issue Securities, Rules 141 through 150, IDAPA 31.01.01.141-150, do not address the procedure for filing for exemption from Chapter 9, Title 61, Idaho Code.

Pursuant to our authority under Idaho Code § 61-909 to make terms and conditions for an application for exemption by order or rule, we believe a more efficient manner to allow for exemptions is by order.  Any changes to the existing securities rules prompted by adoption of this procedural order will be handled in a separate proceeding.  When public utilities file for an exemption, we anticipate the securities requested for exemption may be particular to each company or industry.  Therefore, the applications for exemption will be evaluated at the time each utility files for an exemption.

We find that any utility applying for an exemption pursuant to Idaho Code §  61-909 must submit an application with the following information:

1.     A general description of the application.

2.  A description of the exemption being requested including any securities, class of securities or provisions of Chapter 9, Title 61, Idaho Code, to which the proposed exemption pertains.

3.A statement explaining why the proposed exemption is consistent with the public interest.

4.A statement that notice of the application has been published in those newspapers in general circulation in the applicant’s service territory in Idaho or nearest applicant’s service area in Idaho or will be published within seven (7) days of the application.  The Commission may require the applicant to furnish further necessary information.

5.A proposed order granting the application, captioned proposed order of applicant, suitable for adoption by reference if the application is granted.

We find that the above requirements are consistent with our authority pursuant to Idaho Code § 61-909 and are fair, just and reasonable.

Idaho Code § 61-905 establishes the fees to be paid prior to the issuance of an order and security authorization.  Staff proposes that no fee be assessed on exempted securities only.  Staff believes that monitoring exempted securities to assess a fee would be time consuming and would not be cost effective.  We find this to be reasonable.

O R D E R

IT IS HEREBY ORDERED that applications by public utilities to exempt certain securities or class of securities shall comply with the filing requirements as outlined in this Order.

IT IS FURTHER ORDERED that a fee will not be assessed on exempted securities.

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 May 1997.

DENNIS S. HANSEN, PRESIDENT

RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

May 30, 1997