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

|  |  |  |
| --- | --- | --- |
| IN THE MATTER OF THE APPLICATION OF THE WASHINGTON WATER POWERCOMPANY FOR AN ORDER AUTHORIZINGTHE ISSUANCE AND SALE OF PREFERREDSTOCK, UNSECURED DEBT SECURITIES, OR SUBORDINATED DEFERRABLE INTEREST SECURITIES, IN ONE OR MORE SERIES, WITH AN AGGREGATE STATED VALUE OF UP TO AND INCLUDING $150,000,000. | ))))))))))) | CASE NO. WWP-U-96-1ORDER NO.  26669 |

On September 26, 1996, The Washington Water Power Company (Water Power) filed an Application with the Idaho Public Utilities Commission for an Order authorizing the issuance and sale of preferred stock, unsecured debt securities, or subordinated deferrable interest securities pursuant to Chapter 9, Title 61 of the Idaho Code and Rules 141 through 150 of the Commission Rules of Procedure.  Water Power specifically seeks an Order authorizing Water Power to (a) issue and sell from time to time shares of no par value Preferred Stock, unsecured debt securities, or subordinated deferrable interest securities, in one or more series, with an aggregate stated value of up to and including $150,000,000, the stated value of each series to be an amount determined by Water Power with the price, redemption provisions and distribution provisions to be determined at the time of any such sale, and (b) utilize the net proceeds therefrom to retire or exchange one or more outstanding stock, bond, or note issuances, to fund Water Power’s construction, facility improvement, and maintenance programs, to reimburse the treasury for funds previously expended, or for such other purposes as may be permitted by law.

The Commission, having fully considered the Application and exhibits attached thereto, and all of the Commission’s files and records pertaining to this Application, now makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

The Washington Water Power Company is a Washington corporation qualified to do business within the State of Idaho. Water Power is a public utility engaged in the generation, purchase, transmission, distribution and sale of electric energy and the purchase, distribution and sale of natural gas.

Water Power proposes to receive the authorization to issue and sell from time to time shares of no par value Preferred Stock, unsecured debt securities, or subordinated deferrable interest securities, in one or more series, with an aggregate stated value of up to and including $150,000,000, the stated value of each series to be an amount determined by Water Power with the price, redemption provisions and distribution provisions to be determined at the time of any such sale.

The net proceeds of the issuance and sale of the Preferred Stock, unsecured debt securities, or subordinated deferrable interest securities will be used for the construction, facility improvement, and maintenance programs, to reimburse the treasury for funds previously expended, or for such other purposes as may be permitted by law.

No person has received or will be entitled to receive from Water Power any fee (1) for services in connection with the consummation of the issuance and sale of the Preferred Stock, unsecured debt securities, or subordinated deferrable interest securities, other than fees for legal, accounting or similar professional or technical services, or (2) for services in securing underwriters, sellers or purchasers of common stock.

CONCLUSIONS OF LAW

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

The method of issuance is proper.

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 Idaho Public Utilities Commission does not have before it for determination, and therefore does not determine, any effect of the proposed transactions on rates to be charged by Water Power for electricity to consumers in the state of Idaho.

The proposed issuance of Preferred Stock, unsecured debt securities, or subordinated deferrable interest securities by Water Power under its various equity plans and programs, as authorized by this Order, will be for a lawful purpose in accordance with and permitted by the provisions of the governing statutes under which the application is made, in that the proposed transaction is consistent with the public interest and necessary or appropriate for the proper performance by Water Power of service as a public utility.

Water Power shall file with the Commission all reports regarding each proposed transaction required under the Commission's Rules of Practice and Procedure.

All lawful fees have been paid by Water Power as provided by Idaho Code § 61-905.

The Application should be approved.

O R D E R

IT IS THEREFORE ORDERED that the Application authorizing The Washington Water Power Company to issue and sell from time to time shares of no par value Preferred Stock, unsecured debt securities, or subordinated deferrable interest securities, in one or more series, with an aggregate stated value of up to and including $150,000,000, the stated value of each series of such shares to be an amount determined by Water Power with the price per share, redemption provisions and distribution provisions to be determined at the time of any such sale is hereby approved for the purposes specified in said Application.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of the Commission with respect to rates, utility capital structure, service, accounts, valuation, estimates for determination of cost or any other matter which may come before this Commission pursuant to 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 therewith 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 Water Power shall contact the Commission Staff as soon as possible prior to any issuance for the purpose of reporting the estimated terms of the issuance.

IT IS FURTHER ORDERED that issuance of this Order does not constitute acceptance of Water Power’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 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 November 1996.

                                                                                                                                       RALPH NELSON, PRESIDENT

                                                                                            MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

cm/O:wwpu961.tc

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

November 1, 1996