

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE REQUEST OF )  
ATLANTA POWER COMPANY TO ISSUE A ) CASE NO. ATL-E-04-1  
PROMISSORY NOTE IN THE AMOUNT OF )  
\$57,000 ) ORDER NO. 29642  
\_\_\_\_\_ )**

On November 19, 2004, the Commission issued Order No. 29636 approving Atlanta Power Company's ("Atlanta Power" or "Company") November 2, 2004 Application for authority to execute a Promissory Note ("Note") in the amount of \$57,000 payable to Mr. Eric Alberdi with 14% interest annually. The Company subsequently submitted a Revised Note and asked the Commission to approve the payment terms that have changed from those approved in Order No. 29636. After reviewing the Revised Promissory Note and the Staff's comments, we approve the Revised Note as conditioned below.

**THE REVISED PROMISSORY NOTE**

As described in Order No. 29636, the purpose of the requested Promissory Note is to improve the Company's cash flow in light of its recent ownership transition and system improvements. Atlanta Power has asked that the payment terms previously approved be amended such that Atlanta Power pay approximate monthly installments of principal and interest until the Revised Note's maturity date of November 30, 2011 as follows: \$765.00 in Year One, \$751.00 in Year Two, \$737.00 in Year Three, and \$1,459.23 in Years Four through Seven. See Revised Note ¶ 1. The initial payment date has been changed from the first day of January 2005 (Original Note ¶ 1.1) to the first day of December 2004 (Revised Note ¶ 1.1). The Company's Revised Note also changes the "Date of Making" from January 1, 2005 to an unspecified date<sup>1</sup> in 2004.

The Revised Note states that the Maker (Israel Ray) has the right of prepayment during the first three (3) years of the Revised Note provided that he pays the Holder (Eric Alberdi) \$23,436.00 (less interest actually paid prior to date of prepayment), said amount being the equivalent of all interest that would be due at the end of three (3) years of the Note. Thereafter, Atlanta Power has the right of prepayment without penalty or interest during the final

<sup>1</sup> A date presumably after this Order approving the Revised Promissory Note is issued.

four (4) years of the Revised Note. The purposes for which the proceeds will be spent, the lock box agreement, and the Note's default provisions have not changed from the Original Note.

#### **STAFF COMMENTS**

After reviewing the Revised Promissory Note, Staff asserted that the revised estimated monthly payments are still reasonable if Atlanta Power appropriately focuses on monthly cash management. As a result, Staff recommends that the Revised Note provisions be approved subject to the same conditions described in Commission Order No. 29636.

#### **DISCUSSION AND FINDINGS OF FACT**

The Commission finds that Atlanta 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. Therefore, the Commission has jurisdiction over this Application pursuant to the provisions of *Idaho Code* §§ 61-901 *et seq.* The Commission further finds that the Application reasonably conforms to Rules 141 through 150 of the Commission's Rules of Procedure (IDAPA 31.01.01.141-150).

After examining the Application and Staff's evaluation of it, the Commission finds that an evidentiary hearing in this matter is not required. The Commission further finds that the proposed transaction is consistent with the public interest and Atlanta Power's proper performance of its duties as a public utility.

The Commission finds that the general purposes to which the loan funds will be utilized are lawful purposes under the public utilities laws and are compatible with the public interest. 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 Promissory Note 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 in this case and, therefore, does not determine the effect of issuance on rates to be charged by Atlanta Power to consumers in the State of Idaho.

Having reviewed the provisions of the Revised Promissory Note and the comments of the Commission Staff, the Commission finds it is just and reasonable to approve the revised terms of the Promissory Note previously approved in Order No. 29636. We also find that this revised loan approval is in lieu of, and not in addition to, the original approval granted in Order

No. 29636. This approval continues to be conditioned upon Atlanta Power providing the Commission with copies of all executed versions of the Promissory Note and any and all renegotiated or resale contracts for the Note within seven (7) days of execution.

**ORDER**

IT IS HEREBY ORDERED that Atlanta Power Company's request to execute a Promissory Note in the amount \$57,000 is approved as conditioned in the body of this Order and Order No. 29636.

IT IS FURTHER ORDERED that the Promissory Note's interest rate of 14% will not be used to establish the Company's revenue requirement or customer rates.

IT IS FURTHER ORDERED that the planned expenditures funded by the proceeds of the Promissory Note shall not be used to establish customer rates until a finding of prudence and a dollar amount for recovery is established for each item in Atlanta Power Company's next rate case.

IT IS FURTHER ORDERED that the Commission's review and approval of this matter shall not 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 Idaho Code, Title 61, Chapter 9 (*Idaho Code* §§ 61-901 *et seq.*).

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. ATL-E-04-1 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. ATL-E-04-1. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

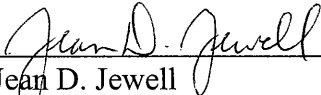
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29<sup>th</sup>  
day of November 2004.

  
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PAUL KJELLANDER, PRESIDENT

**Out of the Office on this Date**  
MARSHA H. SMITH, COMMISSIONER

  
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DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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