

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF ROCKY MOUNTAIN</b>	)	
<b>POWER'S APPLICATION FOR</b>	)	<b>CASE NO. PAC-E-20-15</b>
<b>AUTHORITY TO ISSUE AND SELL OR</b>	)	
<b>EXCHANGE NOT MORE THAN</b>	)	
<b>\$3,000,000,000 OF DEBT, AND ENTER</b>	)	<b>ORDER NO. 34831</b>
<b>INTO CREDIT SUPPORT</b>	)	
<b>ARRANGEMENTS</b>	)	

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On October 14, 2020, PacifiCorp dba Rocky Mountain Power (“Company”) applied for authority to allow it to incur debt up to \$3,000,000,000 aggregate principal amount at any one time. *Application* at 1. The Company also requests authority to enter letter of credit arrangements to provide additional credit support. *Id.* The Company requested this additional authority remain in effect through September 30, 2025, so long as the Company’s bond rating for senior secured debt remains investment grade.

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 Rocky Mountain Power to customers in Idaho, Utah, and Wyoming, and as Pacific Power in California, Oregon, and Washington.

The Company seeks authority to issue and sell or exchange, in one or more public offerings or private placements, fixed or floating rate debt ("Debt"). The aggregate principal amount of Debt not to exceed \$3,000,000,000 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 \$3,000,000,000. The Company also requests authority to enter into letter of credit arrangements with one or more banks or such other agreements or arrangements as may be necessary or appropriate, to provide additional credit support for the payment of principal, interest, and the premium of the Debt. *Id.*

The Company requested this additional authority remain in effect through September 30, 2025, so long as the Company's bond rating for senior secured debt remains investment grade. *Id.* Investment grade is BBB- or higher by Standard & Poor's Rating Services (“S&P”) and Baa3 or higher by Moody's Investors' Service, Inc. ("Moody's"). *Id.* The Company's current secured debt ratings are A+ by S&P and A1 by Moody's.

The Company explained that the requested authority will amend and supersede the authority granted in Order No. 34205 (Case No. PAC-E-18-10). *Id.* at 2. Under current authority, the Company has issued all \$2,000,000,000 in debt authorized in Order No. 34205. The securities will be issued in one or more tranches and will consist of securities issued or exchanged as public or private placements in the form of secured or unsecured debt. *Id.* at 2-4. The maturity, other terms, and interest rate for each issue will be determined at the time of issuance. *Id.* at 3-4. The issuance(s) may be at a fixed rate set at the time of issuance or a 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). *Id.* at 3, 5-6. Fees will be charged based on the type of security issued but are not expected to exceed 1% of the outstanding balance. *Id.* at 5-6. Any First Mortgage Bonds will be issued under the PacifiCorp Mortgage. *Id.* The Commission previously authorized the Company to incur the lien of PacifiCorp Mortgage by Order No. 22157 (Case No. U-1045). *Id.* 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 the lowest cost.

The Company explained 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. *Id.* at 8. Over \$2,000,000,000 in long-term debt will mature by the time the requested authority expires.

#### **STAFF RECOMMENDATION**

Staff recommended the Commission approve the Company's requested shelf authority of up to \$3,000,000,000 in debt for the period through September 30, 2025. Staff noted that since Case No. PAC-E-99-03, the Company has committed to a cost test under which foreign transactions will not be used for ratemaking unless and until the Company can show that the all-in costs for the foreign transactions do not exceed the all-in costs of similar domestic borrowings.

Staff recommended the commitments and terms from prior cases, up to and including Case No. PAC-E-14-05, Order No. 33083 remain in effect. This includes, but is not limited to, that PacifiCorp's senior secured debt rating will remain at investment grade and will follow the

established procedure of notification if the ratings are downgraded; and PacifiCorp will file quarterly financing activity reports and credit rating reports, to the extent that they are not filed with the MEHC Acquisition Case (Case No. PAC-E-05-08, Order No. 29998).

Staff also noted the Company's Application Fee of \$1,000 was submitted under a separate cover on October 19, 2020. Staff confirmed the Application Fee was correct and received.

### **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 under *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 \$3,000,000,000, 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 September 30, 2025, so long as the Company's bond rating for senior secured debt remains investment grade. Investment grade is BBB- or higher by Standard & Poor's Rating Services (S&P) and Baa3 or higher by Moody's Investors' Service, Inc. (Moody's).

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 before 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.

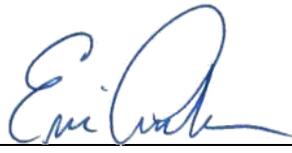
IT IS FURTHER ORDERED that this authorization is without prejudice to the Commission's regulatory authority regarding rates, service, accounts, evaluation estimates or determination of costs or any other matter which may come before the Commission pursuant to its jurisdiction and authority as provided 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 12<sup>th</sup>  
day of November 2020.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Jan Noriyuki  
Commission Secretary

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