

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN)
POWER’S APPLICATION FOR AN) CASE NO. PAC-E-21-02
ORDER EXTENDING ITS SHORT-TERM)
DEBT AUTHORITY FOR FIVE YEARS.) ORDER NO. 34927
)

On January 25, 2021, Rocky Mountain Power, a division of PacifiCorp (“Company”), applied for a Commission order extending the Company’s short-term debt authority granted in Order No. 33476 (Case No. PAC-E-16-03) for five years, through April 30, 2026. Based on our review of the record, we approve the Application as noted below.

BACKGROUND

In February 2006, the Company applied to the Commission for authority to borrow up to \$1.5 billion aggregate principal in short-term debt through April 30, 2011. The Commission granted the Company’s 2006 request in Order No. 29999. On March 9, 2011, the Company asked the Commission to extend the authority for five more years. The Commission granted that request on condition that the Company’s senior secured debt be rated “investment grade.” Order No. 32221 at 3-4. On January 26, 2016, the Company applied for extension of the authority granted in Order No. 32221. The Commission granted the Company’s application on March 4, 2016. Order No. 33476.

THE APPLICATION

The Company requests the Commission extend its short-term debt authority for an additional five years—through April 30, 2026. Specifically:

The Company respectfully requests that the Commission extend [the Company’s short-term debt authority] an additional five years...by authorizing the Company to issue, from time to time, unsecured short-term promissory notes to and borrow from U.S. or foreign commercial banks (or their affiliates) under the following facilities: (a) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under one or more revolving credit agreements (Agreements); and (b) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under other borrowing arrangements (Other Arrangements). The Company also respectfully request[s] authorization to issue and sell its commercial paper (Paper) in the U.S. or overseas, from time to time through April 30, 2026, in aggregate principal amounts not to exceed \$1.5 billion outstanding at any one time; provided that

the aggregate principal amounts outstanding under the Agreements, Other Arrangements and Paper not exceed \$1.5 billion at any one time.

The Company states it has two revolving credit agreements totaling \$1.2 billion. These credit agreements are set to terminate on June 20, 2022. According to the Company, it needs the requested extension so it can use these existing revolving credit agreements and preserve its ability to issue commercial paper after April 30, 2021.

STAFF REVIEW

Staff recommended the Commission approve the Company's requested shelf debt of \$1.5 billion through April 30, 2026. Staff also recommended the Commission continue to condition its authorization on the Company maintaining a BBB- or higher senior secured debt rating by Standard and Poor's Rating Services, and a Baa3 or higher senior secured debt rating by Moody's Investor Services, Inc. ("investment grade"). Finally, Staff recommended continuing the existing procedures should the Company's senior secured debt ratings fall below the investment grade levels.

Staff also observed that the Company's prior commitments and obligations from other cases shall remain in effect. Staff confirmed the Commission received a correctly calculated application fee on February 3, 2021. *See Idaho Code* § 61-905.

COMMISSION FINDINGS AND DECISION

The Company is an electrical 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 matter pursuant to Title 61 of the Idaho Code. *See Idaho Code* §§ 61-901-902.

We find that an evidentiary hearing is unnecessary. The Application conforms to Commission Rules 141-146 (IDAPA 31.01.01.141-146), 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. We therefore find that the Company's Application should be approved as conditioned below.

As with our previous extension of authority (Order No. 33476), the Commission conditions this extension of debt authority upon the Company maintaining senior secured debt at an investment grade credit rating. Should the Company's senior secured debt be downgraded below investment grade after the issuance of the debt securities authorized in this Order, the

Company shall promptly notify the Commission in writing, and file a supplemental application requesting that the Commission grant continuing authority to issue debt securities and incur debt in the manner described in this Order. Finally, the Commission finds that the funds obtained through the proposed extension of authority for debt issuances will be used for general utility purposes including improvement or maintenance of service or facilities, construction purposes, acquisition of utility property, discharge or refunding of existing issuances or to reimburse the Company's treasury.

The Commission's approval of the extension is not a finding of fact or a conclusion of law that the particular use of these funds is approved by this Order. Nor does this Order constitute an 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 for extension of the debt authority granted in Order No. 33476 (Case No. PAC-E-16-03) for an additional five years, through April 30, 2026, is approved. As requested in the Application, the Company is authorized to issue and sell or exchange debt of up to \$1.5 billion in aggregate principal, and to enter into credit arrangements.

IT IS FURTHER ORDERED that the Company continue to maintain an investment grade rating, BBB- or higher by Standard & Poor's, and Baa3 or higher by Moody's Investor Services, for the Company's senior secured debt.

IT IS FURTHER ORDERED that if the Company's senior secured debt falls below investment grade, the Company shall promptly notify the Commission in writing of the downgrade.

IT IS FURTHER ORDERED that should such a downgrade occur, the Company shall file a supplemental application with the Commission within seven (7) days after the downgrade requesting a supplemental Order from the Commission authorizing the Company to continue to incur debt as provided in this Order, notwithstanding the downgrade. Until such a supplemental Order is issued, any debt incurred or issued by the Company during that period will become due or mature no later than the final date of the Continued Authorization Period.

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 regulatory authority of this Commission with respect to 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. For ratemaking purposes, the Commission shall reserve judgment on the reasonableness of the Company's capital costs, comparative underwriting analysis and any associated commissions and expenses incurred for any or all security issuances. In its next general rate case filing, the Company will be required to show that its capital cost, comparative underwriting analysis, embedded expenses, and methods of securities marketing are just and reasonable.

IT IS FURTHER ORDERED that the issuance of this Order does not constitute acceptance of the Company'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 (or in issues finally decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in 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 and 62-619.*

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd
day of February 2021.



PAUL KJELLANDER, PRESIDENT

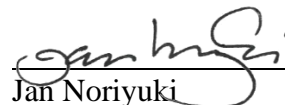


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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