

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE )      CASE NO. PAC-E-24-07**  
**APPLICATION OF ROCKY MOUNTAIN )**  
**POWER FOR AN ORDER INCREASING )      ORDER NO. 36171**  
**AND EXTENDING THE SHORT-TERM )**  
**DEBT AUTHORITIES FIVE YEARS )**  
**\_\_\_\_\_ )**

On April 5, 2024, Rocky Mountain Power (“Company”) applied under *Idaho Code* §§ 61-901, *et seq.*, for authority to increase and extend its current short-term debt authority. This requested authority would increase the Company’s short-term debt authority from \$2.0 billion to \$3.0 billion and extend the term for such authority until May 31, 2029.<sup>1</sup>

At the April 30, 2024, Decision Meeting, Staff recommended that the Commission approve the requested authority to increase and extend the Company’s credit authority.

Based on our review of the record, we issue this Order approving the Application as discussed below.

**THE APPLICATION**

The Company requested authority to increase and extend its current authority to borrow up to \$3.0 billion, through May 31, 2029 (“Line of Credit”).

To obtain an extension through May 31, 2029, for borrowing, the Company’s senior debt must maintain an investment grade credit rating by Standard and Poor’s Rating Services (“S&P”) and Moody’s Investor Services Inc. (“Moody’s”). The Company represented that the other terms and conditions will not be changed from prior authorities, and that the type (promissory notes, commercial paper, or revolving credit) and terms of issue, including interest rate, will be determined at the date of issue. The short-term debt may include:

[U]nsecured 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 \$3.0 billion in aggregate principal amount outstanding at any one time under one or more revolving credit agreements (Agreements); and, (b) not more than \$3.0 billion in aggregate principal amount outstanding at any time under other borrowing arrangements (Other Arrangements)... [and] commercial paper (Paper) in the U.S. or overseas, from time to time through May 31, 2029, in aggregate principal amounts not to exceed \$3.0 billion at any one time.

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<sup>1</sup> The Commission granted prior authority under Orders Nos. 27457, 28346, 28970, 29374, 29999, 32221, 33476, 34927, and 35630.

Application at 3-4. The Company also stated that its capital expenditures program had grown significantly due to adding renewable generation (and related infrastructure) and “investments in wildfire mitigation assets.” *Id.* at 4.

### **STAFF REVIEW AND RECOMMENDATION**

Staff recommended the Commission approve the Company’s request.

Staff recognized this authority to extend the term and increase the amount borrowed is conditioned on the Company maintaining an investment grade senior debt rating by S&P’s and Moody’s. Investment grade is BBB- or higher by S&P and Baa3 or higher by Moody’s. Staff verified that the Company’s current senior secured debt ratings are BBB+ by S&P and A2 by Moody’s—which both qualify as investment grade.

If the Company’s senior secure debt ratings fall below the investment grade level (“Downgrade”), Staff proposed that the Company’s authority not immediately terminate. Instead, Staff offered that if a Downgrade occur, the Company’s authority to borrow should continue for a period of 180 days from the date of the Downgrade (“Continued Authorization Period”) provided that the Company does the following:

1. Promptly notifies the Commission in writing of the Downgrade; and
2. Files a supplemental application with the Commission within seven days after the Downgrade requesting a supplemental order (“Supplemental Order”) authorizing PacifiCorp to continue to incur debt as provided in this Order, notwithstanding the Downgrade. Until PacifiCorp received the Supplemental Order, any debt incurred or issued by PacifiCorp during the Continued Authorization Period would become due or mature no later than the final date of the Continued Authorization Period.

Staff’s April 30, 2024, Decision Memorandum at 2. Staff stated that the reasonableness of the interest rate and all-in cost will be evaluated as part of the review of the issuance documents through this case and future Staff audits.

### **FINDINGS AND DISCUSSION**

The Company is an electrical corporation and public utility in Idaho as defined in *Idaho Code* §§ 61-119 and 61-129. The Commission has jurisdiction over the Application under *Idaho Code* §§ 61-901, *et seq.* We find that the proposed transaction is in the public interest and a formal hearing on this matter is not required. Further, we find that the proposed issuance is for a lawful purpose and is within the Company’s corporate powers, that the Application reasonably conforms

to Rules 141-150 of the Commission's Rules of Procedure, IDAPA 31.01.01.141-150, and that the Company has paid all fees due under *Idaho Code* § 61-905. Accordingly, we find that it is fair, just, and reasonable to approve the Company's Application to increase its short-term debt authority up to \$3.0 billion and extend the term for such authority until May 31, 2029, conditional on the Company maintaining the investment grade ratings requirement specified above and in prior orders.

The Commission's Order approving the proposed financing and the general purposes to which the proceeds may be put is not a determination that the Commission approves of the particular use to which these funds will be put. The Order also is not a Commission determination or approval of the type of financing or the related costs for ratemaking purposes. The Commission does not have before it for determination, and so does not determine, the effect of the proposed transaction on rates the Company will charge for electric service.

### **ORDER**

IT IS HEREBY ORDERED that the Company's Application to increase and extend its current authority to borrow up to \$3.0 billion through May 31, 2029, is granted.

IT IS FURTHER ORDERED that the Company must continue to file quarterly reports with the Commission setting forth the date of issuance, principal amount, interest rate, date of maturity, and identity of payee for all promissory notes issued during the quarter. The Company must continue to file its capitalization ratios with the quarterly reports.

IT IS FURTHER ORDERED that the Company continue to maintain investment grade ratings by S&P's and by Moody's Investor Services for the Company's senior secured debt. So long as it does so, the authority approved by this Order shall remain in effect through May 31, 2029.

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 days of the Downgrade requesting a supplemental order authorizing the Company to continue to incur debt as provided in this Order, despite the Downgrade. Until the Company receives this supplemental order, any debt incurred or

issued by the Company during the Continued Authorization Period will become due or mature no later than the final date of the Continued Authorization Period.

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.

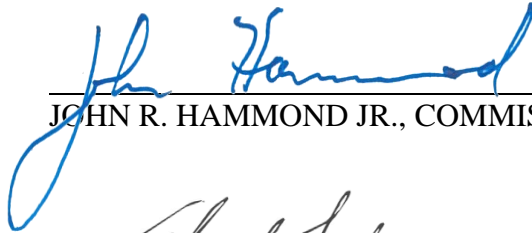
IT IS FURTHER ORDERED that nothing in this Order and no provisions of Chapter 9, Title 61, Idaho Code, or any act or deed done or performed in connection therewith shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed under the provisions of Chapter 9, Title 61, Idaho Code.

IT IS FURTHER ORDERED that issuance of this Order does not constitute acceptance of the Company's exhibits or other materials 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 about 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. *Idaho Code* § 61-626.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 6<sup>th</sup> day of May 2024.

  
ERIC ANDERSON, PRESIDENT

  
JOHN R. HAMMOND JR., COMMISSIONER

  
EDWARD LODGE, COMMISSIONER

ATTEST:

  
Monica Barrios-Sanchez  
Commission Secretary

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