

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FALLS WATER)	CASE NO. FLS-W-21-02
COMPANY INC’S. APPLICATION FOR)	
AUTHORITY TO INCUR DEBT TO)	
ACQUIRE REAL PROPERTY)	ORDER NO. 35381
)	

On November 5, 2021, Falls Water Company, Inc. (“Falls Water” or “Company”) applied to the Commission for authority to incur debt to buy real property it leased (“Application”). On December 6, 2021, the Commission issued Order No. 35249, approving the Application, and authorizing the Company to “incur up to \$691,500 in debt under the terms and conditions and for the purposes set forth in the Company’s Application.” Order No. 35249 at 4.

On April 15, 2022, the Company filed a Request for Amended Order (“Request”), indicating that the near finalized terms of the loan were different from the terms originally proposed and approved in Order No. 35249 and remain subject to further change prior to closing. The Company requested Order No. 35249 be amended to reflect the Commission’s authorization to incur debt under terms and conditions that fall within the terms set forth in the Company’s Request. Specifically, the Company requested to change the terms approved in Order No. 35249 to reflect: (1) an increase in the principal loan amount to \$700,000; (2) increases in the interest rates during three variable periods of the loan; and (3) \$5,000 for loan origination and other fees. The Company requested expedited consideration of its request so that it could close on the property.

At the Commission’s April 19, 2022, Decision Meeting, Staff recommended the Commission approve the Company’s Request and issue an amended order memorializing its approval. Staff noted that Rule 326 allows the Commission to amend a final order if “[c]ircumstances have changed or new information has become available since the order was issued, or other good and sufficient reasons exist to rescind, alter, or amend the order.” IDAPA 31.01.01.326.01(b).

Having reviewed the Company’s Request and Staff’s recommendation, we now issue this amended order authorizing the Company to incur debt within the updated terms set forth in the Request.

COMMISSION DISCUSSION AND FINDINGS

The Commission finds that the Company is an Idaho corporation, a water corporation within the definition of *Idaho Code* § 61-125, 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 has authority to amend its orders for changed circumstances. *Idaho Code* § 61-624; IDAPA 31.01.01.326.01(b).

We appreciate the Company seeking amendment of Order No. 35249 to reflect the current borrowing requirements necessary to facilitate the purchase of the real property that the Company plans to purchase for use as its offices among other things. The Commission hereby approves the Company's Request for an amended order. We recognize interest rates have risen significantly since we issued Order No. 35249 in December 2021 and what was anticipated when that Order was issued has changed.

We find that if the Company receives a loan in the amount it anticipates borrowing to facilitate the purchase of the real property under the conditions it expects, then its capital structure approved in Case No. FLS-W-20-03 will not be negatively impacted.

We direct the Company to file the final loan documents (showing the actual amount borrowed and all other terms of the loan) within seven days of those documents becoming available to the Company.

We remind the Company that the issuance of this Order amends the amount of proposed financing authorized but does not constitute Commission determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until a future ratemaking proceeding.

The Commission's approval of the Company's proposed debt incurrence is not an approval of how the Company spends any funds obtained from the loan. The Commission also does not have before it, and therefore does not determine, the effect of incurring the debt on rates to be charged by the Company for water service to its consumers.

ORDER

IT IS HEREBY ORDERED that Order No. 35249 is amended to approve Falls Water incurring debt under terms and conditions within the terms set forth in the Request for Amended Order.

IT IS FURTHER ORDERED that the Company shall file with the Commission the final loan documents (showing the amount borrowed and all other terms of the loan) within seven days of those documents becoming available to the Company.

IT IS FURTHER ORDERED that the foregoing amended authorization to incur debt is without prejudice to the regulatory authority of the Commission regarding rates, utility capital structure, service accounts, valuation, estimates for determination of cost or any other matter which may come before this Commission under its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this amended authorization and no provisions of Chapter 9, Title 61, Idaho Code, or any act or deed done or 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 Chapter 9, Title 61 Idaho Code.

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 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.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd day of April 2022.



ERIC ANDERSON, PRESIDENT

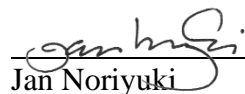


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary