

Service Date: November 21, 1975

BEFORE THE UTILITY DIVISION  
DEPARTMENT OF PUBLIC SERVICE REGULATION  
MONTANA PUBLIC SERVICE COMMISSION

In the matter of the application of )  
PACIFIC POWER & LIGHT COMPANY ) DOCKET NO. 6350  
for an order authorizing (1) the Issuance of )  
unsecured promissory notes pursuant to ) DEFAULT ORDER NO. 4226  
Lines of Credit in an aggregate principal )  
amount not exceeding \$75,000,000 at any )  
one time outstanding, and (2) the issuance )  
of unsecured promissory notes in the form )  
of Commercial Paper in an aggregate )  
principal amount not exceeding )  
\$60,000,000 at any one time outstanding )

On October 1, 1975, PACIFIC POWER & LIGHT COMPANY, (hereafter referred to as Applicant) filed with the Montana Commission its verified application requesting an order for authority to issue its unsecured promissory notes pursuant to Lines of Credit in an aggregate principal amount not exceeding \$75,000,000 at any one time outstanding and to issue its unsecured promissory notes in the form of Commercial Paper in an aggregate principal amount not exceeding \$60,000,000 at any one time outstanding. The application is supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utility companies operating within Montana. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to its annual reports on file with the Commission.

The application sets forth Counsel who will pass upon the legality of the proposed issue, the other regulatory authorizations required and the propriety of the proposed issue.

At a regular open session of the Montana Public Service Commission, held in its office at 1227 11th Avenue, Helena, Montana, on November 20, 1975, there being present Chairman

Gordon E. Bollinger, P. J. Gilfeather, Commissioner, Thomas G. Monahan, Commissioner, James R. Shea, Commissioner, and George Turman, Commissioner, there came before the Commission for final action the matters and things in Docket No. 6350, and the Commission, having fully considered the application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, makes the following:

#### FINDINGS OF FACT

1. Applicant, Pacific Power & Light Company, is a corporation organized and existing under and by virtue of the laws of the State of Maine and is qualified to transact business in the State of Montana.

Applicant's principal executive office is in the Public Service Building, Portland, Oregon, and its principal Montana office is in Kalispell; Applicant is duly qualified to do business in the States of Montana, Oregon, Washington, California, Wyoming and Idaho.

2. Applicant is operating as a public utility as defined in Section 70-103, RCM 1947, and as such is engaged in furnishing electric and water service in Montana.

3. The Commission has jurisdiction over the subject matter of said application under Sections 70-117.1 through 70-117.6, RCM 1947.

4. Public notice of the filing of application and opportunity for public hearing was given on October 16, 1975, in The Western News, Libby, Montana, on October 11, 1975, in The Missoulian, Missoula, and October 10, 1975, in The Daily Inter Lake, Kalispell, Montana, and no protests for a formal hearing were received by November 14, 1975.

5. The securities proposed to be issued are as follows:

(1) Applicant has established Lines of Credit in the amount of \$75,000,000 with certain banks as shown by Exhibit D to the application.

Pursuant to oral arrangements, borrowings under the Lines of Credit will be evidenced by unsecured promissory notes in an aggregate principal amount not

exceeding \$75,000,000 at any one time outstanding. Each note will be dated the day of issuance, will mature three months after its date or on June 30, 1977, whichever is earlier, and will bear interest at a rate per annum equivalent to the prime commercial rate of interest charged by the payee Bank from time to time. Applicant shall have the right to prepay, without Lines of Credit. The term of the Lines of Credit is for 18 months terminating June 30, 1977, but any or all of the Banks may terminate its or their participation upon notice of Applicant.

(2) Unsecured promissory notes in an aggregate principal amount not exceeding \$60,000,000 at any one time outstanding will be issued and sold by Applicant to one or more Commercial Paper dealers. Each note issued as Commercial Paper will be dated the day of issuance, will have a maturity of not more than 270 days from the date thereof, and will be discounted at the rate prevailing at the time of issuance for Commercial Paper of comparable quality maturity. Each note will have a fixed maturity and will not contain any provision for automatic extension, renewal or "roll over," and the proceeds from the sale of the notes will be used to finance current transactions, including the interim financing of Applicant's construction program. To conform to the current interpretation of the exemption provided by Section 3(a) of the Securities Act of 1933, Applicant intends not to issue such Commercial Paper if the issuance thereof would cause the aggregate principal amount of Applicant's Commercial Paper to be then outstanding to exceed 25% of Applicant's gross operating revenues for the preceding 12-month period.

6. Gross proceeds to be received by Applicant from the issuance of notes under the Lines of Credit and in the form of Commercial Paper will not at any one time exceed \$135,000,000 in an aggregate principal amount.

7. Estimates as to various items of expense to be incurred in connection with the proposed borrowings are set forth in the application; the total estimated expense is \$15,000.

8. All of the proceeds from the sale of the notes, less expenses of issuance, will be used to temporarily finance current transactions, including Applicant's construction expenditures, which for 1976 are presently estimated at \$334,743,000 (Exhibit F).

9. The balance of funds required to meet estimated construction expenditures is

expected to come, in part, from funds to be generated internally and from the issuance of promissory notes pursuant to a Letter Agreement dated as of September 18, 1975, with certain banks named therein providing for a revolving standby Loan Facility not exceeding \$50,000,000 at any one time outstanding as authorized by the Commission's Default Order No. 4212 issued September 10, 1975 (Docket No. 6345), and from permanent financing of a type and magnitude not yet finally determined.

10. Applicant requests that it be authorized to make said borrowing and that such order be made effective upon issuance.

#### CONCLUSIONS OF LAW

The securities transactions proposed by Applicant, as hereinafter authorized, will be for a lawful purpose and consistent with the public interest; the same is necessary, appropriate and consistent with the proper performance by Applicant of service as a public utility; and the aggregate amount of securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of Applicant.

#### ORDER

IT IS ORDERED BY THE COMMISSION:

1. The application of Pacific Power & Light Company for authority to issue and sell:
  - (1) unsecured promissory notes pursuant to Lines of Credit (Exhibit D) in an aggregate principal amount not exceeding \$75,000,000, and to bear interest at a rate per annum equivalent to the prime commercial rate of interest charged by the payee bank from time to time, and
  - (2) unsecured promissory notes in the form of Commercial Paper in an aggregate principal amount not exceeding \$60,000,000 at any one time outstanding and to be discounted at the rate prevailing at the time of issuance for Commercial Paper of comparable quality and maturity,

pursuant to Sections 70-117.1 through 70-117.6, inclusive, RCM 1947, and to use the proceeds for the purposes set forth in its application and hereinabove, is approved subject to the provisions of this order.

2. Pacific Power & Light Company shall file with copies of all such reports as are required to be filed by Applicant with the Federal Power Commission (FPC) under applicable rules and regulations of the FPC, as now in effect or as hereafter amended relating to the issuance, sale and use of proceeds from the sale of securities authorized to be issued by this order.

3. Issuance of this order does not mean acceptance of Applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this order.

4. Approval of this issue shall not be construed as precedent to prejudice any future action of this Commission.

NOTE: Section 70-117.6 RCM 1947 provides that neither the issuance of securities by Applicant pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

DONE in open session at Helena, Montana, on November 20, 1975.

BY ORDER OF THE PUBLIC SERVICE COMMISSION

---

GORDON E. BOLLINGER, Chairman

---

P.J. GILFEATHER, Commissioner

---

THOMAS G. MONAHAN, Commissioner

---

JAMES R. SHEA, Commissioner

---

GEORGE TURMAN, Commissioner

ATTEST:

GAIL E. BEHAN  
Secretary

(SEAL)