

CACD/RHG

Decision 92 05 027 MAY 08 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
THE WASHINGTON WATER POWER COMPANY )  
(U-907-G) for an Order authorizing )  
the issuance and sale of up to and )  
including 750,000 shares of Common )  
Stock, no par value, under a Periodic )  
Offering Program. )

Application 91-09-054  
(Filed January 9, 1992)

S U P P L E M E N T A L O P I N I O N

Summary of Decision

Decision (D.) 91-10-031 granted The Washington Water Power Company (WWPC) the authority to issue and sell not more than 750,000 shares of common stock and attached preferred share purchase rights (Common Stock), no par value, under a Periodic Offering Program.

WWPC requests a modification of D.91-10-031 to allow an exemption under the Public Utilities (PU) Code §829 for the issuance of certain short-term notes for which it had received approval of all public utilities commissions having jurisdiction prior to September 30, 1991, the date on which WWPC acquired the South Lake Tahoe gas system from CP National Corporation.

Notice of the filing appeared on the Commission's Daily Calendar on January 22, 1992. No protests have been received. This decision grants the requested exemption.

Background

WWPC is a corporation organized and existing under the laws of the State of Washington. WWPC is based in Spokane, Washington, and has been serving utility customers for over a hundred years. WWPC is engaged in the business of distributing and selling natural gas in South Lake Tahoe, California, as a public utility subject to the jurisdiction of this Commission since September 30, 1991. WWPC is also engaged in the business of

distributing and selling natural gas in certain portions of Washington, Idaho, and Oregon, along with the generation, transmission, distribution, and sale of electric energy in certain portions of Eastern Washington and Northern Idaho.

On September 30, 1991, WWPC acquired the South Lake Tahoe gas system from CP National pursuant to D.91-09-062, dated September 25, 1991.

Modification Sought

Prior to September 30, 1991, WWPC had received approval to issue the following short term notes (collectively, the Bank Lines of Credit) from all public utilities commissions having jurisdiction thereof:

| <u>Bank Lines of Credit</u>             | <u>Maximum Amount</u> |
|---|-----------------------|
| Unsecured Promissory Notes to Banks     | \$70,000,000          |
| Seattle First National Bank, Agent Bank |                       |
| Commitment Fee : 3/16% #                |                       |
| Expiration Date: September 30, 1993 °   |                       |
| Types of Rates : Prime *                |                       |
| CD **                                   |                       |
| Money Market **                         |                       |
| Unsecured Promissory Notes to Banks     | \$50,000,000 †        |
| Security Pacific Bank, Agent Bank       |                       |
| Commitment Fee : 3/16% #                |                       |
| Expiration Date: April 1, 1994 °        |                       |
| Types of Rates : Domestic **            |                       |
| CD **                                   |                       |
| Eurodollar **                           |                       |

# of average unused commitment

° may be extended for successive one year periods by mutual consent of the parties

† support facility for commercial paper program (amount available for borrowing is less any commercial paper outstanding)

\* basis plus spread with a \$100,000 minimum

\*\* basis plus spread with a \$1 million minimum

These Bank Lines of Credit were described in Exhibit B(e) to Application 91-09-054 and have been previously authorized by the utility commissions in the states of Washington, Idaho and Oregon. WWPC requests authority, under PU Code §829, for exemption from

§§816 through 819, §§821 through 823, §§825 through 827, and §830 for the issuance of the notes. In support of its request, WWPC asserts that in D.91-12-022 this Commission granted relief similar to that sought here, and exempted WWPC from the provisions of PU Code §829 for the issuance of certain short-term notes, in a situation where all public utilities commissions having jurisdiction prior to September 30, 1991 had approved such issuance.

The Commission Advisory and Compliance Division (CACD) has reviewed and analyzed WWPC's Petition. CACD concludes that the requested exemption is reasonable and for proper purposes, and would not be adverse to the public interest. CACD recommends that WWPC's request for exemption from PU Code §§816 through 819, §§821 through 823, §§825 through 827, and §830 for the Bank Lines of Credit be granted. The Commission will adopt CACD's recommendation.

WWPC is placed on notice by this decision that the Commission by granting the exemption under PU Code §829 for the Bank Lines of Credit does not find that these Bank Lines of Credit will be exempt from inclusion and review in future cost of capital proceedings, nor is this authorization a finding of the value WWPC's stock, debt, or property.

#### Findings of Fact

1. WWPC, a Washington corporation, operates as a public utility subject to the jurisdiction of this Commission.
2. The proposed exemption is reasonable and would be for proper purposes and would not be adverse to the public interest.
3. WWPC had received the necessary regulatory commission approvals for the Bank Lines of Credit prior to September 30, 1991, the date on which WWPC acquired the South Lake Tahoe gas system from CP National Corporation.
4. In D.91-12-022 based on facts similar to those posed here, the Commission granted WWPC exemption under the Public Utilities Code §829 for the issue, sale and delivery of certain securities for which WWPC had received approval of all public

utilities commissions having jurisdiction prior to September 30, 1991.

5. There is no known opposition to the Petition for Modification to D.91-10-031 and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.

2. The Petition for Modification should be granted to the extent set forth in the supplemental order which follows.

3. The application of PU Code §§816 through 819, §§821 through 823, §§825 through 827, and §830 to the Bank Lines of Credit is not necessary in the public interest.

4. This authorization is not a finding of the value of WWPC's stock, debt, or property, nor does it exempt the Bank Lines of Credit from inclusion and review in cost of capital or general rate proceedings.

5. The following supplemental order should be effective today.

S U P P L E M E N T A L   O R D E R

IT IS ORDERED that:

1. Pursuant to §829 of the Public Utilities Code, (PU Code), the Commission hereby exempts The Washington Water and Power Company (WWPC) from PU Code §§816 through 819, §§821 through 823, §§825 through 827, and §830 for the issuance of the Bank Lines of Credit, which were approved prior to September 30, 1991 and described in Exhibit B(e) to the Application.

2. WWPC's Petition for Modification is granted as set forth above.

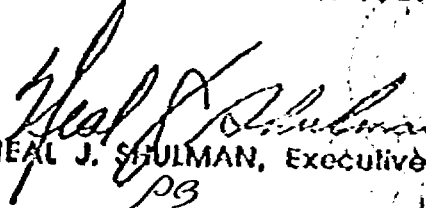
3. In all other respects, Decision (D.) 91-10-031, as modified by D.91-12-022 and D.91-12-028, remains in full force and effect.

This supplemental order is effective today.

Dated MAY 08 1992, at San Francisco, California

DANIEL Wm. FESSLER  
President  
JOHN B. OHANIAN  
PATRICIA H. ECKERT  
NORMAN D. SHUMWAY  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY

  
NEAL J. SHULMAN, Executive Director