

177 FERC ¶ 62,126
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

LS Power Grid California, LLC

Docket No. ES22-14-000

ORDER AUTHORIZING ISSUANCES OF SECURITIES

(Issued December 6, 2021)

On October 21, 2021, LS Power Grid California, LLC (Applicant) filed an application pursuant to section 204 of the Federal Power Act¹ requesting authorization to issue long-term debt securities in an amount not to exceed \$100 million at any one time.

Applicant also requests waiver from the Commission's competitive bidding and negotiated placement requirements at 18 C.F.R. § 34.2(a) (2020).

The filing was noticed on October 22, 2021, with comments, protests, or interventions due on or before November 12, 2021. None were filed.

On February 21, 2003, the Commission issued an order announcing four restrictions on all future public utility issuances of secured and unsecured debt.² First, public utilities seeking authorization to issue debt backed by a utility asset must use the proceeds of the debt for utility purposes. Second, if any utility assets that secure debt issuances are divested, the debt must follow the asset and also be divested. Third, if any of the proceeds from unsecured debt are used for non-utility purposes, the debt must follow the non-utility assets. Specifically, if the non-utility assets are divested, then a proportionate share of the debt must follow the divested non-utility asset. Finally, if utility assets financed by unsecured debt are divested to another entity, then a proportionate share of the debt must also be divested.

Applicant is authorized to issue the long-term debt securities subject to the interest rates as stated in the application. Applicant satisfies the two times interest coverage ratio; therefore, it can be reasonably expected that the proposed issuances of securities will not impair Applicant's ability to perform service as a public utility.

This authorization is based upon the terms and conditions and for the purposes specified in the application subject to the following conditions:

¹ 16 U.S.C. § 824c (2012).

² *Westar Energy, Inc.*, 102 FERC ¶ 61,186, *order on reh'g*, 104 FERC ¶ 61,018 (2003) (*Westar*).

- (1) This authorization is effective from December 6, 2021 through December 5, 2023;
- (2) The long-term debt securities are subject to the Commission's restrictions on secured and unsecured debt as outlined above and in *Westar*;
- (3) The requested waiver for the securities from the Commission's competitive bidding and negotiated placement requirements at 18 C.F.R. § 34.2 (2020) is granted;
- (4) Applicant must file a Report of Securities Issued, under 18 C.F.R. §§ 34.9, 131.43, and 131.50 (2020), no later than 30 days after the sale or placement of long-term debt securities;
- (5) This authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determination of cost or any other matter whatsoever now pending or which may come before this Commission; and
- (6) Nothing in this letter order shall be construed to imply any guarantee or obligation on the part of the United States with respect to any security to which this letter order relates.

This action is taken pursuant to the authority delegated to the Director, Division of Electric Power Regulation - West, under 18 C.F.R. § 375.307 (2020). This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713 (2020).

Steven T. Wellner, Director
Division of Electric Power
Regulation - West

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