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Docket No.: ES23-53

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184 FERC ¶ 62,086  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

NorthWestern Corporation

Docket No. ES23-53-000

ORDER AUTHORIZING ISSUANCES OF SECURITIES

(Issued August 11, 2023)

On June 29, 2023, NorthWestern Corporation filed an application pursuant to section 204 of the Federal Power Act<sup>1</sup> requesting authorization to issue long-term debt and equity securities in an amount not to exceed \$1.75 billion at any one time, consisting of \$600 million in equity securities, \$550 million in secured debt, and \$600 million in unsecured debt.

NorthWestern Corporation also requests waiver from the Commission's competitive bidding and negotiated placement requirements at 18 C.F.R. § 34.2(a) (2022).

The filing was noticed on June 30, 2023, with comments, protests, or interventions due on or before July 20, 2023. 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.<sup>2</sup> 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.

NorthWestern Corporation is authorized to issue the securities subject to the interest rates as stated in the application. Although NorthWestern Corporation does not meet the two times interest coverage ratio threshold, NorthWestern Corporation has

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<sup>1</sup> 16 U.S.C. § 824c (2012).

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

provided other factors that provide an alternative basis upon which it can be reasonably expected that the proposed issuances of securities will not impair its ability to perform service as a public utility.<sup>3</sup>

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

- (1) This authorization is effective from August 15, 2023 through August 14, 2025;
- (2) The 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 (2022) is granted;
- (4) NorthWestern Corporation must file a Report of Securities Issued, under 18 C.F.R. §§ 34.9, 131.43, and 131.50 (2022), no later than 30 days after the sale or placement of long-term debt securities or equity securities, or the entry into guarantees or assumption of liabilities;
- (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 (2022). 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 (2022).

Amery S. Poré, Director  
Division of Electric Power  
Regulation - West

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<sup>3</sup> *AEP West Virginia Transmission Company, Inc.*, 152 FERC ¶ 61,153 (2015).