

152 FERC ¶ 62,057
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Public Utility District No. 1 of Snohomish County,
Washington

Project Nos. 13994-004
13948-004

ORDER APPROVING DOCUMENTATION OF PROJECT FINANCING

(Issued July 24, 2015)

1. On June 30, 2015, the Public Utility District No. 1 of Snohomish County, Washington, licensee for the Hancock Creek Project No. 13994, and the Calligan Creek Project No. 13948, filed documentation of project financing pursuant to Article 206 of the licenses.¹ The Hancock Creek Project is located on Hancock Creek and the Calligan Creek Project is located on Calligan Creek. Both projects are located in King County, Washington.

Background

2. Article 206 of both licenses requires the licensee to provide the Commission with documentation showing that it has sufficient funds, or commitment of funds, to construct, operate, and maintain the projects in accordance with the licenses. The documentation is required to include a balance sheet, income statement, and statement of cash flows and is required to be prepared in accordance with generally accepted accounting principles and be signed by an independent certified public accountant.

Licensee's Filing

3. In its June 30, 2015 filings, the licensee estimates that the Hancock Creek Project would cost approximately \$29 million to construct and \$260,000 annually to operate and maintain, including compliance with environmental protection measures required by the license. The licensee also predicts the Calligan Creek Project would cost approximately \$24 million to construct, and \$243,000 to operate and maintain with mandated protection measures. Although the licensee shows that it has sufficient cash reserves to fund construction of both projects, it states that intends to finance construction through the issuance of up to \$70 million in municipal bonds. The licensee also presented

¹ *Public Utility District No. 1 of Snohomish County, Washington*, 151 FERC ¶ 62,199 (2015), and *Public Utility District No. 1 of Snohomish County, Washington*, 151 FERC ¶ 62,204 (2015), respectively.

information showing that its net annual income from power sales would be sufficient to service its debt while providing for the annual operation, maintenance, and environmental protection costs of both projects. Additionally, the licensee included an independent auditor's report stating that the financial statements provided by the licensee accurately reflect its financial position.

Discussion

4. The documentation provided by the licensee shows that it is in a financial position to feasibly construct both projects. The licensee also indicated that its annual cash flows are sufficient to recompense the municipal bondholders and pay for operation and maintenance of the projects while providing funds for the environmental protection measures required by the licenses. Therefore, the documentation of project financing for the Hancock Creek and Calligan Creek projects should be approved.

The Director orders:

(A) The documentation of project financing, filed on June 30, 2015 for the Hancock Creek Project No. 13994 and the Calligan Creek Project No. 13948, is approved.

(B) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in section 313(a) of the Federal Power Act, 16 U.S.C. § 8251 (2012), and the Commission's regulations at 18 C.F.R. § 385.713 (2014). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. The licensee's failure to file a request for rehearing shall constitute acceptance of this order.

Kelly Houff
Chief, Engineering Resources Branch
Division of Hydropower Administration
and Compliance