

– BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH –

In the Matter of the Application of)	
PACIFICORP for authority to (1) issue its)	
promissory notes to and borrow from)	DOCKET NO.: 06-035-__27__
commercial banks for (a) not more than)	
\$1.5 billion under revolving credit agreements,)	
and (b) not more than \$1.5 billion under other)	APPLICATION
borrowing arrangements; and (2) issue and sell)	
its commercial paper in principal amounts not)	
to exceed \$1.5 billion outstanding at any one)	
time.)	
)	

PacifiCorp (Company) hereby applies for an order of the Public Service Commission of Utah (Commission) authorizing the Company to (1) issue, from time to time, its unsecured short-term promissory notes (Promissory Notes) to and borrow from U.S. or foreign commercial banks (or their affiliates) (Banks) under the following facilities:

- (a) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under one or more revolving credit agreement (Agreements); and
- (b) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under other borrowing arrangements (Other Arrangements);

and (2) issue and sell its commercial paper (Paper) in the U.S. or overseas, from time to time, in an aggregate principal amount not to exceed \$1.5 billion outstanding at any one time, provided that the aggregate principal amounts outstanding under the Agreements, Other Arrangements and Paper not exceed \$1.5 billion at any one time. This application is filed pursuant to Section 54-4-31, *Utah Code Annotated* 1953, as amended 1997 (Utah Code Ann.).

Nothing in this Application shall be construed to affect the Company's exemption from the provisions of Utah Code Ann. § 54-4-31(1), previously granted in Docket No. 00-035-16, until such time as the sale of all of the Company's issued and outstanding common stock to MidAmerican Energy Holdings Company (Transaction), as contemplated in Docket No. 05-035-54, has closed.

The Company respectfully represents that:

- (a) The official name of the applicant and address of its principal business office:

PacifiCorp
825 N.E. Multnomah, Suite 2000
Portland, OR 97232

- (b) The state and date of incorporation; each state in which it operates as a utility:

The Company was incorporated under Oregon law in August 1987 for the purpose of facilitating consummation of a merger with Utah Power & Light Company, a Utah corporation, and changing the state of incorporation of the Company from Maine to Oregon. The Company uses the assumed business names of Pacific Power & Light Company and Utah Power & Light Company within their respective service territories located in the states of California, Idaho, Oregon, Utah, Washington and Wyoming.

- (c) The name, address, and telephone number of persons authorized to receive notices and communications:

Bruce N. Williams, Treasurer
PacifiCorp
825 N.E. Multnomah, Suite 1900
Portland, OR 97232
Telephone: (503) 813-5662

Jeffery B. Erb, Assistant General Counsel
PacifiCorp
825 N.E. Multnomah, Suite 1900
Portland, OR 97232
Telephone: (503) 813-5029

The Commission is also requested to dispatch copies of all notices and communications to the following:

Gary R. Barnum
Stoel Rives LLP
900 S.W. Fifth Avenue, Suite 2600
Portland, OR 97204
Telephone: (503) 294-9114

It is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 800
Portland, Oregon 97232

By fax: (503) 813-6060

Informal questions should be directed to Dave Taylor at tel. (801) 220-2923.

(d) The date by which Commission action is requested:

The Company respectfully requests that the Commission issue its order before the earlier of the closing of the Transaction or March 15, 2006.

(e) A full description of the securities proposed to be issued:

(1) Type and nature of securities:

Unsecured notes or commercial paper to be issued from time to time as conditions permit. The unsecured notes include those issued pursuant to the \$800,000,000 Amended and Restated Credit Agreement, dated as of August 29, 2005, among the Company, the Banks party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Issuing Bank, and The Royal Bank of Scotland plc, as Syndication Agent (Current Credit Agreement).

(2) Amount of securities:

Not more than a total of \$1.5 billion in aggregate principal amounts outstanding at any one time under its Agreements (which include the Current Credit Agreement), Other Arrangements and Paper (in total, the Borrowing Options).

(3) Interest:

(i) Borrowing Options Under the Revolving Credit Agreements:

(a) Syndicated Loans:

The Agreements are expected to have a final maturity of not more than five years. It is anticipated that interest rates payable will vary depending on ratings for the Company's mortgage bonds. Set forth below are expected Borrowing Options under the Agreements, including estimated margins:

- (1) The Base Rate, which is the higher of the Agent's prime rate or the federal funds rate plus 0.50 percent per annum and may vary daily.
- (2) An Adjusted LIBOR Loan (LIBOR Loan) rate, which is equal to the rates per annum at which deposits in dollars are offered to certain Euro-Dollar Reference Banks in the London interbank market two Euro-Dollar Business Days before the first day of the interest period, plus a margin based on the ratings of the Company's senior unsecured debt, which margin is not expected to exceed 0.90 percent

per annum. The average rate will be adjusted to reflect the Euro-Dollar Reserve Percentage.

(b) Non-Syndicated Loans:

- (1) A Competitive Bid LIBOR Loan rate, which is determined through an auction procedure where the syndicate banks furnish bids based on LIBOR to the Agent.
- (2) A Competitive Bid Absolute Rate Loan rate, which is also determined through an auction procedure but is a fixed absolute rate.
- (3) If the bids are unacceptably high or are insufficient in amount, the Company may cancel the auction.

(c) Other Factors Affecting the Interest Cost of the Revolving Credit Agreements:

Set forth below are estimated fees and other costs expected to be incurred in connection with the Agreements:

- (1) An arrangement fee is expected to be payable to the Lead Arrangers at closing of an Agreement. The arrangement fee is expected not to exceed \$250,000, which is the fee paid by the Company under the Current Credit Agreement.
- (2) Participation fees are expected to be payable to the participant Banks under the Agreements. Such fees are expected not to exceed 0.075 percent per annum. The

Company paid \$600,000 in participation fees in connection with the Current Credit Agreement.

- (3) A facility fee is expected to be payable quarterly in arrears to the Banks on the entire commitment under an Agreement. The facility fee is expected not to exceed 0.20 percent per annum. In addition, there may be a commitment fee payable quarterly in arrears on the unused portion of the commitment. No such fee is payable under the Current Credit Agreement. Any such commitment fee is expected not to exceed 0.20 percent per annum.
 - (4) In addition to the facility and commitment fees payable to all Banks, an administrative fee is expected to be payable to the Agent. The administrative fee is expected not to exceed \$30,000 per annum.
 - (5) In the event of a Money Market Loan auction, the Agent is expected to receive an auction fee. The auction fee is expected not to exceed \$3,500 per auction.
 - (6) In the event that any letter of credit is issued pursuant to an Agreement, a letter of credit fronting fee is expected to be payable to the issuing Bank. Such fee is expected not to exceed 0.10 percent per annum.
- (ii) Under the Other Arrangements, a rate no greater than the Company would pay for borrowings under the Agreements. If the Company elects to enter

into committed arrangements, a commitment fee of not more than 0.20 percent of the unused portion of the commitment is expected to be payable quarterly in arrears.

- (iii) The Paper may or may not be interest bearing, but if non-interest bearing the Paper will be discounted from its face value to yield a market interest rate. To assure purchasers of the Company's Paper sold abroad that they will receive the return anticipated at the time of purchase, the Company may be required to agree to pay such purchasers who are United States aliens, if necessary, a "gross-up" amount. This gross-up amount would be paid as additional interest in an amount sufficient to provide any holder who is a United States alien a net payment, after withholding in respect of United States tax, not less than the amount provided in such note to be then due and payable on such note. This gross-up provision is substantially similar to provisions included in the Company's prior overseas borrowing agreements. While no gross-up for withholding is anticipated, the Company would, if such payments become required, cease issuing Paper to those purchasers that are affected. However, the Company could not retire any affected outstanding notes until maturity.

(4) Dates of issuance and maturity:

Issuance Dates: For all the Borrowing Options, from time to time as needed.

Maturity: (i) Promissory Notes: At the Company's option.

- (ii) Paper: Not more than 270 days from the date of issuance if issued in the U.S. and not more than one year if issued overseas.

(5) Institutional rating of the securities, or if not rated an explanation:

No rating is required on the Promissory Notes. The Company's commercial paper is currently rated as follows:

Moody's	P-2
Standard & Poor's	A-2
Duff & Phelps	Duff 2

(f) A description of the method of issuance and sale or procedure by which any obligation as guarantor will be assumed:

(1) Agreements:

The Company proposes to enter into Agreements pursuant to which it could issue, from time to time, its unsecured, short-term notes to certain foreign and domestic commercial banks (or their affiliates) in amounts not exceeding \$1.5 billion aggregate principal amount at any one time outstanding.

Syndicated Loan borrowings will occur in proportion to each Bank's commitment under the respective Agreements and at the rates and the fees set forth in subsection (e)(3)(i) supra.

Non-Syndicated Loan borrowings will occur on a competitive bid basis among the Banks participating in the Agreements. Non-Syndicated Loans are deemed to be usage of the facilities for the purpose of fees and availability. However, each Bank's advance shall not reduce such Bank's pro rata share of the remaining undrawn commitment.

The Company expects that the Agreements will allow it to borrow and reborrow from the Banks up to the amounts committed for a period of up to 5 years.

(2) Other Arrangements:

The Company also proposes to enter into Other Arrangements from time to time with various domestic or foreign commercial banks (or their affiliates) pursuant to which it would issue its unsecured, short-term notes for loans on an “as available” basis from a lender or, if the Company elects, on committed basis as evidenced by letters from the Banks. Borrowings under the Other Arrangements will be at a market rate of interest. There will be no fees associated with maintaining the Other Arrangements, unless the Company elects to obtain a committed line, in which case the fee is not expected to exceed 0.20 percent of the unused commitment.

The ability to enter into Other Arrangements will give the Company the flexibility to take advantage of loan offers from various banks. The Other Arrangements will not affect the fees paid under the Agreements.

(3) Paper:

The Paper will be issued to one or more commercial paper dealers (Dealers) who may be investment or commercial bankers. Prior to its expected issuance date, the Company will notify one or more Dealers of the date and the required amounts.

For each issuance, the following items will be negotiated:

- a. Amount
- b. Interest rate or discount rate
- c. Paper denominations
- d. Issuance date

- e. Maturity date
- f. Delivery instructions
- g. Delivery of issuance proceeds instructions
- h. Payment of face value of Paper at maturity instructions

The Dealers will resell the Paper at a higher price to afford them a commission which is expected not to exceed 0.20 percent of the principal amount of the Paper sold from time to time. In addition, other costs and expenses associated with the Paper are estimated to range between \$15,000 and \$25,000 per annum.

Purchasers of the Paper are expected to be the following:

- a. Industrial companies
- b. Insurance companies
- c. Investment funds
- d. College endowments
- e. Banks
- f. Other institutional investors

(4) Type of Authority Requested:

The Company generally views and intends to use the authorizations requested as short-term funding facilities. However, certain of the Other Arrangements (some banks commit for two years, others will only commit to one year at a time) may allow the Company to borrow and reborrow at its option for a period of up to two years. Similarly, a five-year Agreement would allow the Company to borrow and reborrow continuously, at its option, for up to the term of such Agreement.

- (g) (1) (i) The name and address of any person receiving a fee (other than a fee for technical services) for negotiating, issuing, or selling the securities or for securing an underwriter, sellers, or purchasers of securities except as related to a competitive bid:

Acting as Agent for the Agreements: An internationally recognized bank will act as Agent under the Agreements.

Not applicable for the Other Arrangements. No person will receive a fee for selling the Paper other than the Dealers.

(ii) The fee amount:

See subsections (e) and (f) supra.

(iii) The facts showing the reason for and reasonableness of the fee: An up-front arrangement fee of \$250,000 is not greater than the usual and customary fee prevailing currently in the market. This fee, the administrative fee and auction fee offset the Agent's costs including personnel time, travel and administrative costs associated with negotiating and administering the Agreements. The Company finds these fees not unreasonable given the services provided by the Agent. The Dealer fees, which are not expected to exceed 0.20 percent of the principal amount of the Paper sold from time to time, and the other estimated annual fees associated with the Paper are not greater than the usual and customary compensation and fees prevailing currently in the commercial paper market. Fees of these amounts or in the specified range are reasonable given the cost of rendering the services, which includes purchasing and marketing the Paper. The Company finds the fees not unreasonable given that it does not have the resources to search out and negotiate with individual purchasers of its Paper.

The Agent and the Dealers will be familiar with the Company and its short-term borrowing needs. They will be available for consultation on these matters and will assist the Company in evaluating market conditions and in formulating the exact terms of the Agreements. See subsection (f) supra.

- (2) All facts showing that the applicant is or is not controlled by or is or is not under the common control of the person listed in (g)(1)(i):

The Company will have no officer or director in common with any Agent or Dealer. Currently, all of the Company's issued and outstanding common stock is indirectly owned by Scottish Power plc. Upon closing of the sale of that stock to MidAmerican Energy Holdings Company (or a subsidiary thereof), as contemplated in the Docket No. 05-035-54 (Transaction), all of the Company's issued and outstanding common stock will be directly or indirectly owned by MidAmerican Energy Holdings Company. The Company is neither directly nor indirectly under control by or under common control with any potential Agents, Dealers or purchasers of the Paper. All interest rates will be determined by the market on the issuance dates as described in subsection (f) supra.

- (h) The purposes of the issuance:

The purpose of the proposed authority is to:

- (1) Secure sources of committed funds available to the Company to finance its short-term capital requirements and to serve as back-up for the issuance of its Paper.

- (2) Have the option to borrow under multiple facilities from a variety of competing sources to provide lower cost alternatives under differing market conditions.

The purposes for which securities are proposed to be issued in this matter are (1) the acquisition of property, (2) the construction, completion, extension or improvement of utility facilities, (3) the improvement of service, (4) the discharge or lawful refunding of obligations which were incurred for utility purposes or (5) the reimbursement of the Company's treasury for funds used for the foregoing purposes.

The Company keeps its accounts in a manner which enables the Commission to ascertain the amount of money expended and the purposes for which the expenditures were made.

If the funds to be reimbursed were used for the discharge or refunding of obligations, those obligations or their precedents were originally incurred in furtherance of the utility purposes listed above.

To the extent that the funds to be reimbursed were used for the discharge or refunding of obligations, those obligations or their precedents were originally incurred in furtherance of utility purposes (1), (2) and (3) supra.

The estimated expenses incurred in connection with the Company's entering into the Current Credit Agreement are as follows:

ESTIMATED EXPENSES

Regulatory agency fees	\$ 1,500
Arrangement fee	250,000
Participation fees	600,000
Company's counsel fees	10,000
Bank counsel fees	40,000

Bank meeting	15,000
Miscellaneous expenses	33,000
TOTAL	\$ <u>950,000</u>

- (i) Statement that applications for authority to finance are required to be filed with state governments:

The Company has previously filed applications with the Idaho Public Utilities Commission, the Oregon Public Utility Commission and the Washington Utilities and Transportation Commission. The California Public Utilities Commission and the Wyoming Public Service Commission have exempted the Company from their respective securities statutes. The Company will not be required to obtain new authorization from the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935, as amended (PUHCA 1935), or the Federal Energy Regulatory Commission (FERC) under the Public Utility Holding Company Act of 2005 (PUHCA 2005). The Company's entering into the Agreements and the Other Arrangements and the Company's issuance of the Paper have been authorized by the SEC in an order issued by it on May 28, 2004 (Financing Order).

Effective February 8, 2006, PUHCA 1935 was repealed and PUHCA 2005 became effective. In accordance with 18 C.F.R. § 366.6 (2005) under PUHCA 2005, Scottish Power plc and the Company filed their Financing Order with the FERC on February 6, 2005. Pursuant to Section 366.6 of PUHCA 2005, Scottish Power plc, the Company and their subsidiary companies are entitled to continue to rely on the terms and conditions of the Financing Order until December 31, 2007. Scottish Power plc and the Company will continue to notify the FERC of any financing transactions that they or their subsidiary

companies engage in pursuant to the Financing Order. Such notifications will be in the form of the reports previously submitted under Rule 24 of the PUHCA 1935 as is required under the Financing Order.

(j) A statement of the facts relied upon to show that the issuance is appropriate:

As a public utility, the Company is expected to acquire, construct, improve, and maintain sufficient utility facilities to serve its customers adequately and reliably at reasonable cost. The Agreements, Other Arrangements and Paper are part of a program to finance the Company's facilities, taking into consideration prudent capital ratios, earnings coverage tests and market uncertainties as to the relative merits of the various types of securities the Company could sell.

The proposed Agreements, Other Arrangements and Paper will allow the Company to maintain its financing flexibility, will enable it to satisfy its short-term borrowing needs at reasonable rates and will allow the borrowing of funds from a variety of sources under differing terms.

The Company believes that the proposed facilities provide an economic method of satisfying its short-term borrowing requirements.

Accordingly, the proposed issuances (1) are for lawful objects within the corporate purposes of the Company, (2) are compatible with the public interest, (3) are necessary or appropriate for or consistent with the proper performance by the Company of its service as a public utility, (4) will not impair its ability to perform that service, and (5) are reasonably necessary or appropriate for these purposes.

- (k) A summary of rate changes which occurred during or after or which will become effective after the period described by the income statement included as Exhibit F:

Please see the disclosures beginning on page 36 of the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2005, enclosed herewith as Exhibit H.

- (l) Exhibits:

The following exhibits are made a part of this application:

<u>Exhibit</u>	<u>Description</u>
A	Third Restated Articles of Incorporation effective November 20, 1996, as amended effective November 29, 1999
B	Bylaws, as amended effective May 23, 2005
C	Resolutions of the Board of Directors authorizing the proposed issuances
D	A statement (1) explaining the measure of control or ownership exercised over the applicant by a utility, bank, trust company, banking association, underwriter, or electrical equipment supplier, and (2) explaining that the applicant is not a member of any holding company system
E	Balance Sheet, actual and pro forma, dated September 30, 2005
F	Income Statement, actual and pro forma, for the 12 months ended September 30, 2005
G	Source and Uses of Treasury Funds, actual and pro forma, dated September 30, 2005
H	Quarterly Report on Form 10-Q for the quarter ended December 31, 2005 http://sec.gov/Archives/edgar/data/75594/000007559406000012/p10q123105.htm

REQUEST FOR RELIEF

The Company respectfully requests that the Commission, under and pursuant to the provisions of Utah Code Ann. § 54-4-31, issue its order in this matter, effective upon issuance, on the earlier of the closing of the Transaction or March 15, 2006, authorizing the Company to:

- (1) issue, from time to time, its unsecured short-term promissory notes to and borrow from U.S. or foreign commercial banks (or their affiliates) under the following facilities:
 - (a) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under one or more revolving credit agreements (Agreements); and
 - (b) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under other borrowing arrangements (Other Arrangements); and
- (2) issue and sell its commercial paper (Paper) in the U.S. or overseas, from time to time, in aggregate principal amounts not to exceed \$1.5 billion outstanding at any one time, provided that the aggregate principal amounts outstanding under the Agreements, Other Arrangements and Paper not exceed \$1.5 billion at any one time.

Dated at Portland, Oregon on February __, 2006.

PACIFICORP

By: _____
Bruce N. Williams
Treasurer

Gary R. Barnum for
Stoel Rives LLP
900 S.W. Fifth Avenue, Suite 2600
Portland, OR 97204
Telephone: (503) 294-9114
Attorneys for PacifiCorp

VERIFICATION

I, Bruce N. Williams, declare, under penalty of perjury, that I am the duly appointed Treasurer of PacifiCorp and am authorized to make this verification. The application and the attached exhibits were prepared at my direction and were read by me. I know the contents of the application and the attached exhibits, and they are true, correct, and complete of my own knowledge except those matters stated on information or belief which I believe to be true.

WITNESS my hand and the seal of PacifiCorp on this ____ day of February, 2006.

Bruce N. Williams