

February 23, 2006

Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, UT 84110

Attn: Ms. Julie Orchard
Commission Secretary

Re: In the Matter of the Application of
PACIFICORP for authority to (1) issue its
promissory notes to and borrow from
commercial banks for (a) not more than
\$1.5 billion under revolving credit agreements,
and (b) not more than \$1.5 billion under other
borrowing arrangements; and (2) issue and sell
its commercial paper in principal amounts not to
exceed \$1.5 billion outstanding at any one time

Docket No.: 06-035-__27__

Dear Commissioners:

Pursuant to Commitment U12 of Appendix A to the Stipulation referred to in the Commission's Order in Docket No. 05-035-54 approving the pending sale of all of the issued and outstanding common stock of PacifiCorp (Company) to MidAmerican Energy Holdings Company (Transaction), the Company agreed to apply to the Commission for approval of securities issuances, including debt securities, and not to seek an exemption from this requirement for at least 12 months after the closing of the Transaction. As noted in the enclosed application, the requested authority will only be required upon the closing of the Transaction, at which time the Company will relinquish the exemption from the provisions of Subsection 54-4-31(1), *Utah Code Annotated* 1953, as amended 1997 (Utah Code Ann.), previously granted by the Commission in Docket No. 00-035-16.

Accordingly, the Company hereby files its application in the named matter requesting short-term debt authority. An original and five copies are tendered. The Company is filing this application now in order to be able to include short-term debt among its financing options as soon as possible after the closing of the Transaction, at which time the Company's current exemption issued in Docket No. 00-035-16 pursuant to Utah Code Ann. § 54-4-31(1) shall become ineffective.

Prayer

The Company respectfully requests that the Commission enter its order, effective upon issuance and the closing of the Transaction, 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. The Company requests that such authorities remain effective so long as the Company's senior secured debt has investment grade ratings from at least two nationally recognized rating agencies.

The Company believes that the requested authority is necessary to the extent that the Company enters into Agreements and Other Arrangements and issues Paper in an aggregate amount greater than the 5% threshold contemplated in Utah Code Ann. § 54-4-31(2). The Company recently entered into an \$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, which includes a \$200,000,000 letter of credit facility. Under the terms of the Amended and Restated Credit Agreement, the Company may borrow up to \$800,000,000 (including issuances of letters of credit up to \$200,000,000) until August 29, 2010. Without the Commission's granting the requested authority, the Company will be unable to utilize this new credit agreement to the extent that borrowings exceed the 5% threshold in Utah Code Ann. § 54-4-31(2) after the closing of the Transaction. For the Commission's reference, five copies of the Amended and Restated Credit Agreement are enclosed.

This requested authority is consistent with the current authorizations by the Idaho Public Utilities Commission, the Oregon Public Utility Commission and the Washington Utilities and Transportation Commission for the Company to issue short-term debt.

Because the Company intends to submit separate requests for authority relating to common stock and long-term debt, the enclosed pro forma financial statements include all approximately \$2.9 billion of securities, assuming that the securities in each of the common stock application, the long-term debt application and this application were issued and sold in their entirety at the same time. The enclosed pro forma financial statements also include the effect of a \$10 million advance to a subsidiary of the Company under the terms of the Company's umbrella loan agreement, which was previously authorized by the Commission in Docket No. 88-2035-03 but for which the Company also intends to submit a separate request for authority.

As the Company's financial flexibility after the closing of the Transaction is important, the Company respectfully requests that the Commission issue its order before the earlier of the closing of the Transaction or March 15, 2006. The Company also requests twenty certified copies of any order issued in this matter.

Your attention to this matter is appreciated.

Sincerely,

Bruce N. Williams
Treasurer

Enclosures: Application, including exhibits (1 original and 5 copies)
Proposed Form of Order (1 original and 5 copies)
Diskette containing Cover Letter, Application (including exhibits)
and proposed Form of Order (1 diskette)
Amended and Restated Credit Agreement (6 copies)

cc: Division of Public Utilities
Heber Wells Building 4th Floor
160 East 300 South
Salt Lake City, Utah 84111

Committee of Consumer Services
Heber Wells Building, Suite 200
160 East 300 South
Salt Lake City, Utah 84111