

March 14, 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 enter into an  
Umbrella Loan Agreement with its wholly  
owned subsidiaries and to issue promissory  
notes to evidence the short-term indebtedness

Docket No.: 88-2035-03

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 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.

#### Background

On April 21, 1988, the Company filed an application with the Commission in Docket No. 88-2035-03 requesting authority to enter into an Umbrella Loan Agreement (Agreement) pursuant to which (i) the Company could borrow from certain of the Company's subsidiaries up to \$200 million in aggregate principal amount of short-term and issue promissory notes to evidence that debt and (ii) those subsidiaries of the Company could borrow from the Company to the same

extent that the Agreement would allow the Company to borrow from the subsidiaries. The Commission issued its order in that docket on September 29, 1988 approving the Agreement.

Subsequently, on October 20, 1997, the Company filed an amendment to its original application requesting an order authorizing the Company to borrow from certain of its subsidiaries and issue promissory notes to its subsidiaries without any dollar limitation, provided that the borrowings would bear interest at rates which did not exceed the interest rates that the Company would otherwise incur externally. On November 19, 1997, the Commission issued its amended order in Docket No. 88-2035-03 approving the Agreement, as contemplated to be amended in the Company's amended application. Currently, under Amendment No. 1 to the Agreement (a copy of which is enclosed), the Company may not loan more than \$10 million to Pacific Minerals, Inc. The Company proposes to increase that limitation from \$10 million to \$30 million and requests such level of lending authority.

Accordingly, the Company hereby files this supplement requesting an amendment to its existing authority to add its current and future consolidated subsidiaries, including Pacific Minerals, Inc., a Wyoming corporation (collectively, and including future subsidiaries of the Company that are consolidated with the Company, Subsidiaries), as parties to the Agreement. The other terms and conditions of the authorities specified in the order previously issued by the Commission on September 29, 1988 (as amended November 19, 1997) would not be changed. The Company is filing this application now in order to be able to lend up to \$30 million to Pacific Minerals, Inc. and borrow monies from Pacific Minerals, Inc. pursuant to the terms of the Agreement, which is currently the only Subsidiary that is party to the Agreement with the Company, 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. As of February 28, 2006, the amount of the Company's loans to Pacific Minerals, Inc. equaled approximately \$3 million.

#### Prayer

The Company respectfully requests that the Commission enter its order, effective upon issuance and the closing of the Transaction, authorizing the Company to engage in transactions pursuant to the Agreement with its Subsidiaries, including Pacific Minerals, Inc. Without the Commission's granting the requested authority, the Company will be unable to lend or borrow monies or issue to or accept promissory notes from Pacific Minerals, Inc. pursuant to the Agreement after the closing of the Transaction. For the Commission's reference, six copies of the Agreement, as amended to date, are enclosed.

Public Service Commission of Utah  
March 14, 2006  
Page 3

This requested authority is generally 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 engage in transactions contemplated by the Agreement. In addition, the Agreement has been authorized by the Securities and Exchange Commission in a financing order issued by it on May 28, 2004.

Because the Company has already submitted a request for authority relating to short-term debt and also intends to submit separate requests for authority relating to common stock and long-term debt, the enclosed pro forma financial statements, which are the same as Exhibits E, F and G submitted with the Company's application in Docket No. 06-035-27, 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 the short-term debt 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 Pacific Minerals, Inc. under the Agreement.

As the Company's financial flexibility after the closing of the Transaction is important, the Company respectfully requests that the Commission issue its order by March 24, 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: Exhibit A (Balance Sheet)  
Exhibit B (Statement of Income)  
Exhibit C (Sources and Uses)  
Proposed Form of Order (1 original and 5 copies)  
Umbrella Loan Agreement, as amended to date (6 copies)  
Diskette containing Cover Letter, Exhibits, Proposed Form of Order and  
Umbrella Loan Agreement, as amended to date (1 diskette)

Public Service Commission of Utah  
March 14, 2006  
Page 4

cc: Division of Public Utilities  
Heber Wells Building, 4<sup>th</sup> 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

