

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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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

REPORT AND ORDER

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ISSUED: March 17, 2006

By The Commission:

On February 24, 2006, PacifiCorp (“Company”) filed with this Commission its verified Application requesting authority 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 revolving credit agreements (“Agreements”) and other borrowing arrangements (“Other Arrangements”), and (2) issue and sell its commercial paper (“Paper”) in the U.S. or overseas; 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 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.

On March 15, 2006, the Division of Public Utilities (“Division”) filed a memorandum with the Commission stating the results of its review of the Company’s application and providing its recommendations. The Division states the requested short-term debt instruments are for a maximum of \$1.5 billion from the combined facilities including bank borrowings and commercial paper and are consistent with the terms and amounts of short-term debt the Company has been using to fund its operations for the past several years. Given service territory load growth and the prospect of significant capital expenditures over the next few years, the Company will need the flexibility of access to increased amounts of short-term financing. It is the Division’s view that such financing arrangements are consistent with generally accepted practice for short-term financial arrangements in a major corporation. The Division finds the Application to be reasonable and in the public interest and recommends Commission approval.

Having fully considered the application and all of the exhibits, documents and matters pertaining thereto, the Commission makes the following Findings of Fact and Conclusions of Law, together with the Order based thereon:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This Commission has jurisdiction over this application pursuant to the provisions of Section 54-4-31(1), *Utah Code Annotated*, 1953, as amended 1997.
2. The proposed issuance of securities will be for a lawful purpose and the proposed transactions are consistent with the public interest and are necessary and appropriate for and consistent with proper performance by the Company of service as a public utility.

3. The Company proposes 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 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.
4. The Company asserts proceeds will be used for the following purposes:
  - a. The acquisition of utility property.
  - b. The construction, completion, extension, or improvement of facilities.
  - c. The improvement of service.

- d. The discharge or refunding of obligations.
- e. The reimbursement of the Company's treasury for funds used for the foregoing purposes.

The Company states it 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 any 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 a, b or c *supra*.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The application of the Company requesting authority 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 revolving credit agreements (Agreements) and other borrowing arrangements (Other Arrangements), and (2) issue and sell its commercial paper (Paper) in the U.S. or overseas; provided that the aggregate principal amounts outstanding under the Agreements, Other Arrangements and Paper not exceed \$1.5 billion at any one time, is hereby approved.

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2. Nothing in this Order shall be construed to affect the Company's exemption from the provisions of Subsection 54-4-31(1), *Utah Code Annotated* 1953, as amended 1997, 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 (or a subsidiary thereof), as contemplated in Docket No. 05-035-54, has been completed.

3. The authorizations granted herein shall remain in effect so long as the Company's senior secured debt has investment grade ratings from at least two nationally recognized rating agencies; provided, however, that the Company shall have 60 days from the date fewer than two nationally recognized rating agencies so rate its senior secured debt to show why such authorizations should not be terminated.

4. Pursuant to this authorization, the Company shall file with the Commission verified copies of any agreements entered into pursuant to this Order.

5. Nothing in this Order shall be construed to obligate the State of Utah to pay or guarantee in any manner whatsoever, any securities authorized, issued, assumed or guaranteed hereunder.

6. The issuance of an Order authorizing the proposed transactions does not constitute determination or approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves for the appropriate proceeding.

AGENCY REVIEW AND JUDICIAL APPEAL

This Report and Order constitutes final agency action in this docket. Pursuant to Utah Code Ann. §§ 63-46b-12 and 54-7-15, agency review or rehearing of this order may be obtained by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63-46b-14, 63-46b-16 and the Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 17<sup>th</sup> day of March 2006.

/s/ Ric Campbell, Chairman

/s/ Ted. Boyer, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary  
G#48171