

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of)
PacifiCorp for Authority to Issue and Sell or)
Exchange its No Par Serial Preferred Stock)
in an Amount not to Exceed \$250,000,000)

DOCKET NO. 99-2035-06

ORDER

ISSUED: January 11, 2000

By The Commission:

On November 12, 1999, PacifiCorp (Company) filed with this Commission its verified Petition in the above-referenced matter.

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 provision of Section 54-4-31, 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 a service as a public utility.
3. The Company proposes to (1) issue and sell or exchange, in one or more public offerings or private placements, shares of its fixed or floating-rate No Par Serial Preferred Stock, provided that the aggregate preference on involuntary liquidation of the No Par Serial Preferred Stock issued pursuant to said authority not exceed \$250,000,000. The Company requests that such authority remain in effect so long as the Company's senior secured debt has investment grade ratings from at least two nationally recognized ratings agencies.
4. The results of the financings are expected to be:

ESTIMATED RESULTS OF THE FINANCINGS

	<u>Total</u>	<u>Per \$100</u>
Gross Proceeds	\$250,000,000	\$100.00
Less: Agents/Underwriters Compensation at Approximately 3.15%	<u>7,875,000</u>	<u>3.15</u>
Proceeds Payable to Company	\$242,125,000	\$ 96.85
Less: Other Issuance Expenses	<u>670,000</u>	<u>0.27</u>
Net Proceeds to Company	\$241,455,000	\$ 96.58

Other Expenses

Securities and Exchange Commission fees	\$ 69,500
Regulatory agency fees	1,000
Company's counsel fees	100,000
Underwriters' counsel fees and other expenses	100,000
Accounting fees	20,000
Printing and engraving fees	150,000
Stock exchange listing fees	140,000
Rating agency fees	75,000
Miscellaneous costs	<u>14,500</u>
TOTAL	<u>\$670,000</u>

5. The 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 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 1,2 or 3 supra.

The Division of Public Utilities in its memo of December 8, 1999, recommended approval of PacifiCorp's application, but with a three year limitation and listed 5 merger conditions that apply to this application. The Division's memorandum states:

In order to gain experience with the application of these (merger) conditions to ScottishPower financing, the Division recommends that the Commission limit the authority to 3 years. PacifiCorp should be required to seek renewal of this authority prior to December 31, 2002.

The Commission agrees that the 5 merger conditions listed in the Division's memorandum apply to this request for authority. We also concur with the 3 year limit proposed by the Division and limit our approval of this application to three years. PacifiCorp's authority to issue debt or preferred stock under this application will expire on December 31, 2002.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that the application of PacifiCorp requesting authority to issue and

sell or exchange its No Par Serial Preferred Stock in an amount not to exceed \$250,000.000 is hereby approved.

IT IS FURTHER ORDERED, that 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.

IT IS FURTHER ORDERED, that the Company will use the net proceeds of the issuance as set forth in the Company's application.

IT IS FURTHER ORDERED, that the Company shall file with the Commission a copy of any SEC Registration Statement relating to the Preferred Stock as soon as it becomes available.

IT IS FURTHER ORDERED, that the issuance of an Order authorizing the proposed transaction 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.

IT IS FURTHER ORDERED, that the authority to issue and sell No Par Serial Preferred Stock is limited to a term of three years, and expires on December 31, 2002.

DATED at Salt Lake City, Utah, this 11th day of January, 2000.

/s/ Stephen F. Mecham, Chairman

/s/ Constance B. White, Commissioner

/s/ Clark D. Jones, Commissioner

Attest:

/s/ Julie Orchard

Commission Secretary