



April 8, 2005

Oregon Public Utility Commission  
Proceedings Division  
550 Capitol Street  
Salem, OR 97310

ATTN: Ms. Janice Fulker  
Administrator, Tariffs and Data Analysis

Re: Docket No. UF 4193(1): In the Matter of the Application of PACIFICORP  
for authority to issue up to 50,000,000 shares of its  
Common Stock to its Parent

Dear Commissioners:

On October 30, 2002, the Commission issued its Order No. 02-769 in Docket No. UF 4193 authorizing PacifiCorp (Company) to issue, from time to time and for cash, up to 50,000,000 shares of the Company's Common Stock to PacifiCorp Holdings, Inc., a Delaware corporation and the Company's immediate corporate parent (Parent).

To date, of the 50,000,000 shares of Company Common Stock originally authorized under Order No. 02-769, the Company has issued 14,851,485 shares to its Parent. The Company is now requesting that the 35,148,515 shares of remaining authority granted in Docket No. UF 4193 be increased by 14,851,485 shares, such that an aggregate of 50,000,000 shares of Company Common Stock (Shares) would be authorized for future issuances to the Parent. The other terms and conditions of the authorities specified in Order No. 02-769 would not be changed.

The Company believes that the proposed sale and issuance of the Shares is reasonably required to maintain a proper capitalization ratio, to maintain or improve the Company's access to capital on reasonable terms and to enable the Company to acquire, construct, improve and maintain sufficient utility facilities to serve its customers adequately and reliably at a reasonable cost.

The Company is submitting a separate request for authority to (1) issue and sell or exchange, in one or more public offerings or private placements, fixed or floating rate debt in the aggregate principal amount not to exceed \$1,000,000,000 or, if such debt is issued at an original issue discount, such greater amount as shall result in an aggregate offering price of not more than \$1,000,000,000 (or its equivalent amount in, or based upon, foreign currencies determined at the time of issue), (2) enter into letter of credit arrangements with one or more banks or such other agreements or arrangements as may be necessary or appropriate, from time to time, to provide

additional credit support for the payment of the principal of, interest on and premium (if any) on such debt, (3) enter into one or more currency swaps, and (4) contribute or sell additional debt to special purpose entities (SPE) in an amount based on the common securities of the SPE (collectively, Debt).

The enclosed Exhibit A (Balance Sheet) and Exhibit B (Income Statement) contain pro forma calculations of issuances of (i) all the Shares and (ii) all of the Debt, in each case based on the Company's unaudited financial statements for the quarter ended December 31, 2004 and assuming that all the Shares and Debt were issued and sold in their entirety at the same time. These calculations assume a per Share price equal to \$10.69, the book value of the Company's Common Stock at December 31, 2004. Balances at December 31, 2004 include the 14,851,485 shares previously issued by the Company to its Parent. Because the exact amount of the issuances will vary with book value, and because the Company will be under no obligation to issue all or any portion of Shares, it is not possible to set forth precise capitalization ratios on a pro forma basis at future dates.

Prayer

The Company respectfully requests that the Commission enter its order in Docket No. UF 4193, effective upon issuance, granting authority to the Company for the proposed issuance and sale to the Company's Parent, from time to time, of up to 14,851,485 additional shares of the Company's Common Stock. Such shares would be in addition to the remaining authority under Order No. 02-769 in this docket with respect to 35,148,515 shares. The Company requests that such authorization remain in effect until all the Shares have been issued.

The Company respectfully requests that the Commission issue its order on or before May 31, 2005, in lieu of within 30 days after the filing of the enclosed application as required by ORS 757.420(1). The Company respectfully 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 (1 original and 4 copies)  
Proposed Form of Order (1 original and 4 copies)  
Diskette containing the proposed Form of Order

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Sincerely,

Bruce N. Williams  
Treasurer

Enclosures:   Application (1 original and 4 copies)  
                  Proposed Form of Order (1 original and 4 copies)  
                  Diskette containing the proposed Form of Order  
                  Exhibit A (Balance Sheet, actual and pro forma, dated December 31, 2004)  
                  Exhibit B (Income Statement, actual and pro forma, for the 12 months ended  
                                  December 31, 2004)  
                  Exhibit C (Resolutions of the Board of Directors authorizing the proposed  
                                  issuances)

**EXHIBIT A**  
**PACIFICORP**  
**UNCONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2004**

| ASSETS AND OTHER DEBITS   | TOTAL CORPORATION        | PROPOSED FINANCING      | TOTAL PROFORMA           |
|---|--------------------------|-------------------------|--------------------------|
| <b>UTILITY PLANT</b>  |                          |                         |                          |
| ELECTRIC PLANT IN SERVICE (101)                                 | 13,667,763,284.31        |                         | 13,667,763,284.31        |
| PROPERTY UNDER CAPITAL LEASES (101.1)                           | 24,296,280.61            |                         | 24,296,280.61            |
| ELECTRIC PLANT PURCHASED OR SOLD (102)                          | 213,554.12               |                         | 213,554.12               |
| EXPERIMENTAL ELECTRIC PLANT - UNCLASSIFIED (103)                | 0.00                     |                         | 0.00                     |
| ELECTRIC PLANT HELD FOR FUTURE USE (105)                        | 1,346,101.22             |                         | 1,346,101.22             |
| COMPLETED CONSTRUCTION NOT CLASSIFIED (106)                     | 20,421,076.60            |                         | 20,421,076.60            |
| CONSTRUCTION WORK IN PROGRESS - ELECTRIC (107)                  | 439,891,116.92           |                         | 439,891,116.92           |
| ELECTRIC PLANT ACQUISITION ADJUSTMENTS (114)                    | 157,193,779.75           |                         | 157,193,779.75           |
| OTHER UTILITY PLANT (118)                                       | 0.00                     |                         | 0.00                     |
| NUCLEAR FUEL (120.1-120.4)                                      | 0.00                     |                         | 0.00                     |
| <b>TOTAL UTILITY PLANT</b>                                      | <b>14,311,125,193.53</b> | <b>0.00</b>             | <b>14,311,125,193.53</b> |
| <b>ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION</b> |                          |                         |                          |
| ACCUM PROV FOR DEPR OF ELECT PLANT IN SERVICE (108) CR          | 5,463,468,995.31         |                         | 5,463,468,995.31         |
| ACCUM PROV FOR AMORT OF ELECT PLANT IN SERVICE (111) CR         | 327,939,832.45           |                         | 327,939,832.45           |
| ACCUM PROV FOR ASSET ACQUISITION ADJUSTMENT (115) CR            | 68,930,108.29            |                         | 68,930,108.29            |
| ACCUM PROV FOR DEPR OF OTHER UTILITY PLANT (119) CR             | 0.00                     |                         | 0.00                     |
| ACCUM PROV FOR AMORT OF NUCLEAR FUEL ASSEMB (120.5) CR          | 0.00                     |                         | 0.00                     |
| <b>UTILITY PLANT - NET</b>                                      | <b>8,450,786,257.48</b>  | <b>0.00</b>             | <b>8,450,786,257.48</b>  |
| <b>NONUTILITY PROPERTY AND INVESTMENTS</b>                      |                          |                         |                          |
| NONUTILITY PROPERTY (121)                                       | 9,217,225.92             |                         | 9,217,225.92             |
| ACCUM PROV FOR DEPR/AMORT OF NONUTILITY PROP (122) CR           | 1,491,696.29             |                         | 1,491,696.29             |
| INVESTMENT IN ASSOCIATED COMPANIES (123)                        | 15,111,723.99            |                         | 15,111,723.99            |
| INVESTMENT IN SUBSIDIARY COMPANIES (123.1)                      | 69,298,918.19            |                         | 69,298,918.19            |
| OTHER INVESTMENTS (124)   | 85,964,599.60            |                         | 85,964,599.60            |
| OTHER SPECIAL FUNDS (128)                                       | 10,833,025.50            |                         | 10,833,025.50            |
| <b>TOTAL NONUTILITY PROPERTY &amp; INVESTMENTS</b>              | <b>188,933,796.91</b>    | <b>0.00</b>             | <b>188,933,796.91</b>    |
| <b>CURRENT AND ACCRUED ASSETS</b>                               |                          |                         |                          |
| CASH (131)  | 9,336,089.03             | 0.00                    | 9,336,089.03             |
| SPECIAL DEPOSITS (132-134)                                      | 15,584,319.32            |                         | 15,584,319.32            |
| WORKING FUNDS (135)   | (82,097.55)              |                         | (82,097.55)              |
| TEMPORARY CASH INVESTMENTS (136)                                | 9,854,734.26             | 1,216,412,500.00        | 1,226,267,234.26         |
| NOTES RECEIVABLE (141)  | 425,229.35               |                         | 425,229.35               |
| CUSTOMER ACCOUNTS RECEIVABLE (142)                              | 290,118,181.20           |                         | 290,118,181.20           |
| OTHER ACCOUNTS RECEIVABLE (143)                                 | 10,751,889.12            |                         | 10,751,889.12            |
| ACCUMULATED PROV FOR UNCOLLECTIBLE ACCOUNTS (144) CR            | (18,937,480.40)          |                         | (18,937,480.40)          |
| NOTES RECEIVABLE FROM ASSOCIATED COMPANIES (145)                | 0.00                     |                         | 0.00                     |
| ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES (146)             | 5,514,160.31             |                         | 5,514,160.31             |
| FUEL STOCK (151-152)  | 48,450,942.10            |                         | 48,450,942.10            |
| MATERIALS AND SUPPLIES (154-163)                                | 105,246,617.63           |                         | 105,246,617.63           |
| PREPAYMENTS (165)   | 60,836,559.96            |                         | 60,836,559.96            |
| INTEREST AND DIVIDENDS RECEIVABLE (171)                         | 58,069.78                |                         | 58,069.78                |
| RENTS RECEIVABLE (172)  | 6,441,926.71             |                         | 6,441,926.71             |
| ACCRUED UTILITY REVENUES (173)                                  | 158,191,000.00           |                         | 158,191,000.00           |
| MISCELLANEOUS CURRENT AND ACCRUED ASSETS (174)                  | (282,312.54)             |                         | (282,312.54)             |
| DERIVATIVE INSTRUMENT ASSETS (175)                              | 367,444,527.03           |                         | 367,444,527.03           |
| <b>TOTAL CURRENT AND ACCRUED ASSETS</b>                         | <b>1,068,952,355.31</b>  | <b>1,216,412,500.00</b> | <b>2,285,364,855.31</b>  |
| <b>DEFERRED DEBITS</b>  |                          |                         |                          |
| UNAMORTIZED DEBT EXPENSE (181)                                  | 24,306,626.76            | 9,500,000.00            | 33,806,626.76            |
| EXTRAORDINARY PROPERTY LOSSES (182.1)                           | 0.00                     |                         | 0.00                     |
| UNRECOVERED PLANT AND REGULATORY STUDY COSTS (182.2)            | 16,818,879.10            |                         | 16,818,879.10            |
| OTHER REGULATORY ASSETS (182.3)                                 | 1,191,062,739.67         |                         | 1,191,062,739.67         |
| PRELIMINARY SURVEY & INVESTIGATION CHARGES (183)                | 2,501,866.93             |                         | 2,501,866.93             |
| CLEARING ACCOUNTS (184)   | 10,468.83                |                         | 10,468.83                |
| TEMPORARY FACILITIES (185)                                      | 59,110.88                |                         | 59,110.88                |
| MISCELLANEOUS DEFERRED DEBITS (186)                             | 78,628,533.13            |                         | 78,628,533.13            |
| RESEARCH DEVELOPMENT DEMONSTRATION EXPENDITURES (188)           | 0.00                     |                         | 0.00                     |
| UNAMORTIZED LOSS ON REACQUIRED DEBT (189)                       | 36,402,629.56            |                         | 36,402,629.56            |
| ACCUMULATED DEFERRED INCOME TAXES (190)                         | 767,958,463.60           |                         | 767,958,463.60           |
| <b>TOTAL DEFERRED DEBITS</b>                                    | <b>2,117,749,318.46</b>  | <b>9,500,000.00</b>     | <b>2,127,249,318.46</b>  |
| <b>TOTAL ASSETS AND OTHER DEBITS</b>                            | <b>11,826,421,728.16</b> | <b>1,225,912,500.00</b> | <b>13,052,334,228.16</b> |

EXHIBIT A  
PAGE 1 OF 2

**EXHIBIT A**  
**PACIFICORP**  
**UNCONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2004**

| <b>LIABILITIES AND OTHER CREDITS</b>                       | <b>TOTAL</b>             | <b>PROPOSED</b>         | <b>TOTAL</b>            |
|--|--------------------------|-------------------------|-------------------------|
| <b>CAPITALIZATION</b>                                      |                          |                         |                         |
| <b>COMMON EQUITY</b>                                       |                          |                         |                         |
| COMMON STOCK ISSUED (201)                                  | 2,933,226,675.24         | 534,500,000.00          | 3,467,726,675.24        |
| COMMON STOCK LIABILITY FOR CONVERSION (203)                | 0.00                     |                         | 0.00                    |
| PREMIUM ON CAPITAL STOCK (207)                             | 0.00                     |                         | 0.00                    |
| OTHER PAID-IN CAPITAL (208-211)                            | 59,808.00                |                         | 59,808.00               |
| INSTALLMENTS RECEIVED ON CAPITAL STOCK (212)               | 0.00                     |                         | 0.00                    |
| CAPITAL STOCK EXPENSE (214) DR                             | 41,281,083.88            |                         | 41,281,083.88           |
| RETAINED EARNINGS (215.1, 216)                             | 407,601,363.65           | (14,614,815.00)         | 392,986,548.65          |
| REACQUIRED CAPITAL STOCK (217)                             | 0.00                     |                         | 0.00                    |
| ACCUMULATED OTHER COMPREHENSIVE INCOME (219)               | 7,989,643.01             |                         | 7,989,643.01            |
| <b>TOTAL COMMON EQUITY</b>                                 | <b>3,291,617,120.00</b>  | <b>519,885,185.00</b>   | <b>3,811,502,305.00</b> |
| <b>PREFERRED STOCK ISSUED (204)</b>                        | <b>41,463,300.00</b>     |                         | <b>41,463,300.00</b>    |
| <b>LONG-TERM DEBT</b>                                      |                          |                         |                         |
| BONDS (221)  | 3,882,658,000.00         | 1,000,000,000.00        | 4,882,658,000.00        |
| POLLUTION CONTROL FUNDS ON DEPOSIT WITH TRUSTEE (221.4, 5) | (2,086,351.27)           |                         | (2,086,351.27)          |
| ADVANCES FROM ASSOCIATED COMPANIES (223)                   | 0.00                     |                         | 0.00                    |
| OTHER LONG-TERM DEBT (224)                                 | 52,500,000.00            |                         | 52,500,000.00           |
| UNAMORTIZED PREMIUM ON LONG-TERM DEBT (225)                | 49,153.75                |                         | 49,153.75               |
| UNAMORTIZED DISCOUNT ON LONG-TERM DEBT (226) DR            | 4,989,337.71             |                         | 4,989,337.71            |
| <b>TOTAL LONG-TERM DEBT</b>                                | <b>3,928,131,464.77</b>  | <b>1,000,000,000.00</b> | <b>4,928,131,464.77</b> |
| <b>TOTAL CAPITALIZATION</b>                                | <b>7,261,211,884.77</b>  | <b>1,519,885,185.00</b> | <b>8,781,097,069.77</b> |
| <b>OTHER NONCURRENT LIABILITIES</b>                        |                          |                         |                         |
| OBLIGATIONS UNDER CAPITAL LEASES (227)                     | 26,452,853.34            |                         | 26,452,853.34           |
| ACCUMULATED PROVISION FOR PROPERTY INSURANCE (228.1)       | 268,270.72               |                         | 268,270.72              |
| ACCUMULATED PROVISION FOR INJURIES & DAMAGES (228.2)       | 9,919,934.47             |                         | 9,919,934.47            |
| ACCUMULATED PROVISION FOR PENSIONS & BENEFITS (228.3)      | 382,512,887.85           |                         | 382,512,887.85          |
| ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS (228.4)     | 28,585,026.96            |                         | 28,585,026.96           |
| ACCUMULATED PROVISION FOR RATE REFUNDS (229)               | 779.43                   |                         | 779.43                  |
| ASSET RETIREMENT OBLIGATION (230)                          | 66,683,967.25            |                         | 66,683,967.25           |
| <b>TOTAL OTHER NONCURRENT LIABILITIES</b>                  | <b>514,423,720.02</b>    | <b>0.00</b>             | <b>514,423,720.02</b>   |
| <b>CURRENT AND ACCRUED LIABILITIES</b>                     |                          |                         |                         |
| NOTES PAYABLE (231)  | 285,000,000.00           | (285,000,000.00)        | 0.00                    |
| ACCOUNTS PAYABLE (232)                                     | 297,246,334.07           |                         | 297,246,334.07          |
| NOTES PAYABLE TO ASSOCIATED COMPANIES (233)                | 20,570,775.89            |                         | 20,570,775.89           |
| ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES (234)             | 16,726,512.13            |                         | 16,726,512.13           |
| CUSTOMER DEPOSITS (235)                                    | 21,581,709.07            |                         | 21,581,709.07           |
| TAXES ACCRUED (236)  | 20,487,909.49            | (8,972,685.00)          | 11,515,224.49           |
| INTEREST ACCRUED (237)                                     | 54,552,955.83            |                         | 54,552,955.83           |
| DIVIDENDS DECLARED (238)                                   | 520,947.43               |                         | 520,947.43              |
| MATURED LONG-TERM DEBT (239)                               | 0.00                     |                         | 0.00                    |
| MATURED INTEREST (240)                                     | 0.00                     |                         | 0.00                    |
| TAX COLLECTIONS PAYABLE (241)                              | 10,775,848.90            |                         | 10,775,848.90           |
| MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (242)        | 73,274,692.73            |                         | 73,274,692.73           |
| OBLIGATIONS UNDER CAPITAL LEASES (243)                     | 160,550.39               |                         | 160,550.39              |
| DERIVATIVE INSTRUMENT LIABILITIES (244)                    | 638,689,025.35           |                         | 638,689,025.35          |
| <b>TOTAL CURRENT AND ACCRUED LIABILITIES</b>               | <b>1,439,587,261.28</b>  | <b>(293,972,685.00)</b> | <b>1,145,614,576.28</b> |
| <b>DEFERRED CREDITS</b>                                    |                          |                         |                         |
| CUSTOMER ADVANCES FOR CONSTRUCTION (252)                   | 6,181,457.06             |                         | 6,181,457.06            |
| OTHER DEFERRED CREDITS (253)                               | 58,618,827.53            |                         | 58,618,827.53           |
| OTHER REGULATORY LIABILITIES (254)                         | 128,575,966.02           |                         | 128,575,966.02          |
| ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (255)          | 77,528,180.00            |                         | 77,528,180.00           |
| UNAMORTIZED GAIN ON REACQUIRED DEBT (257)                  | 225,690.41               |                         | 225,690.41              |
| ACCUM DEFERRED INCOME TAXES - ACCEL AMORTIZTN (281)        | 968,777.00               |                         | 968,777.00              |
| ACCUM DEFERRED INCOME TAXES-LIBRLZ DEPRECIATION (282)      | 1,978,791,291.54         |                         | 1,978,791,291.54        |
| ACCUMULATED DEFERRED INCOME TAXES-OTHER (283)              | 360,308,672.53           |                         | 360,308,672.53          |
| <b>TOTAL DEFERRED CREDITS</b>                              | <b>2,611,198,862.09</b>  | <b>0.00</b>             | <b>2,611,198,862.09</b> |
| <b>TOTAL LIABILITIES AND OTHER CREDITS</b>                 | <b>11,826,421,728.16</b> | <b>1,225,912,500.00</b> | <b>13,052,334,228.1</b> |

EXHIBIT A  
PAGE 2 OF 2

## EXHIBIT B

**PACIFICORP**  
**UNCONSOLIDATED STATEMENT OF INCOME**  
**12 MONTHS ENDED DECEMBER 31, 2004**

|  | TOTAL            | PROPOSED        | TOTAL            |
|--|------------------|-----------------|------------------|
| UTILITY OPERATING INCOME                           |                  |                 |                  |
| OPERATING REVENUES                                 | 2,989,584,939.07 |                 | 2,989,584,939.07 |
| OPERATION AND MAINTENANCE EXPENSE                  |                  |                 |                  |
| OPERATION  | 1,580,818,239.61 |                 | 1,580,818,239.61 |
| MAINTENANCE  | 314,659,283.40   |                 | 314,659,283.40   |
| TOTAL OPERATION AND MAINTENANCE EXPENSE            | 1,895,477,523.01 | 0.00            | 1,895,477,523.01 |
| DEPRECIATION                                       | 360,452,077.30   |                 | 360,452,077.30   |
| DEPRECIATION EXPENSE FOR ASSET RETIREMENT COSTS    | 0.01             |                 | 0.01             |
| AMORTIZATION                                       | 64,969,244.31    |                 | 64,969,244.31    |
| TAXES OTHER THAN INCOME TAXES                      | 92,915,793.16    |                 | 92,915,793.16    |
| INCOME TAXES – FEDERAL                             | 45,160,095.46    | (8,255,625.00)  | 36,904,470.46    |
| -- STATE   | (12,313,741.73)  | (717,060.00)    | (13,030,801.73)  |
| PROVISION FOR DEFERRED INCOME TAXES                | 90,595,061.39    |                 | 90,595,061.39    |
| INVESTMENT TAX CREDIT ADJUSTMENTS – NET            | (5,854,860.00)   |                 | (5,854,860.00)   |
| GAINS FROM DISPOSITION OF UTILITY PLANT CR         | 0.00             |                 | 0.00             |
| LOSSES FROM DISPOSITION OF UTILITY PLANT           | 0.00             |                 | 0.00             |
| ACCRETION EXPENSE                                  | 0.00             |                 | 0.00             |
| GAINS FROM DISPOSITION OF ALLOWANCES CR            | 908,181.30       |                 | 908,181.30       |
| OTHER UTILITY OPERATING INCOME - STEAM HTG         | 0.00             |                 | 0.00             |
| UTILITY OPERATING INCOME                           | 459,091,927.46   | 8,972,685.00    | 468,064,612.46   |
| OTHER INCOME AND DEDUCTIONS                        |                  |                 |                  |
| OTHER INCOME                                       |                  |                 |                  |
| INCOME FROM MERCHANDISING                          | 1,257,134.38     |                 | 1,257,134.38     |
| INCOME FROM NONUTILITY OPERATIONS                  | 602,858.57       |                 | 602,858.57       |
| NONOPERATING RENTAL INCOME                         | 56,009.46        |                 | 56,009.46        |
| EQUITY IN EARNINGS OF ELECTRIC SUBSIDIARIES        | 1,813,948.41     |                 | 1,813,948.41     |
| EQUITY IN EARNINGS OF NONELECTRIC SUBSIDIARIES     | 0.00             |                 | 0.00             |
| INTEREST AND DIVIDEND INCOME                       | 5,853,795.71     | 38,112,500.00   | 43,966,295.71    |
| ALLOW FOR FUNDS USED DURING CONSTRUCTION           | 5,163,409.26     |                 | 5,163,409.26     |
| MISCELLANEOUS NONOPERATING INCOME                  | 88,025,571.17    |                 | 88,025,571.17    |
| GAIN ON DISPOSITION OF PROPERTY                    | 2,929,668.59     |                 | 2,929,668.59     |
| TOTAL OTHER INCOME                                 | 105,702,395.55   | 38,112,500.00   | 143,814,895.55   |
| OTHER INCOME DEDUCTIONS                            |                  |                 |                  |
| LOSS ON DISPOSITION OF PROPERTY                    | 744,690.96       |                 | 744,690.96       |
| MISCELLANEOUS AMORTIZATION                         | 339,255.82       |                 | 339,255.82       |
| MISCELLANEOUS INCOME DEDUCTIONS                    | 72,659,251.23    |                 | 72,659,251.23    |
| TOTAL OTHER INCOME DEDUCTIONS                      | 73,743,198.01    | 0.00            | 73,743,198.01    |
| TAXES APPLIC TO OTHER INCOME & DEDUCTIONS          |                  |                 |                  |
| TAXES OTHER THAN INCOME TAXES                      | 193,371.00       |                 | 193,371.00       |
| INCOME TAXES                                       | 7,218,644.27     |                 | 7,218,644.27     |
| INVESTMENT TAX CREDITS                             | (2,065,260.00)   |                 | (2,065,260.00)   |
| TOTAL TAXES APPLIC TO OTHER INC & DED              | 5,346,755.27     | 0.00            | 5,346,755.27     |
| NET OTHER INCOME AND DEDUCTIONS                    | 26,612,442.27    | 38,112,500.00   | 64,724,942.27    |
| INCOME BEFORE INTEREST CHARGES                     | 485,704,369.73   | 47,085,185.00   | 532,789,554.73   |
| INTEREST CHARGES                                   |                  |                 |                  |
| INTEREST ON BONDS                                  | 229,563,697.94   | 61,200,000.00   | 290,763,697.94   |
| AMORTIZATION OF DEBT DISCOUNT AND EXPENSE          | 4,404,846.56     | 500,000.00      | 4,904,846.56     |
| AMORTIZATION OF LOSS ON REACQUIRED DEBT            | 7,291,371.34     |                 | 7,291,371.34     |
| AMORTIZATION OF PREMIUM ON DEBT                    | (2,718.18)       |                 | (2,718.18)       |
| AMORTIZATION OF GAIN ON REACQUIRED DEBT            | (85,451.12)      |                 | (85,451.12)      |
| INTEREST ON DEBT TO ASSOCIATED COMPANIES           | 426,708.04       |                 | 426,708.04       |
| OTHER INTEREST EXPENSE                             | 20,945,009.92    |                 | 20,945,009.92    |
| ALLOW FOR BRD FUNDS USED DURING CONSTR             | (6,767,217.40)   |                 | (6,767,217.40)   |
| NET INTEREST CHARGES                               | 255,776,247.10   | 61,700,000.00   | 317,476,247.10   |
| INCOME BEFORE EXTRAORD. ITEMS                      | 229,928,122.63   | (14,614,815.00) | 215,313,307.63   |
| EXTRAORDINARY ITEMS -- NET OF INCOME TAX           |                  |                 |                  |
| INCOME TAX ON CUM. EFFECT OF CHANGE IN ACCT. PRINC | 0.00             |                 | 0.00             |
| CUMULATIVE EFFECT OF CHANGE IN ACCT. PRINCIPLE     | 0.00             |                 | 0.00             |
| NET INCOME   | 229,928,122.63   | (14,614,815.00) | 215,313,307.63   |
| PREFERRED DIVIDEND REQUIREMENTS                    | 2,083,789.72     |                 | 2,083,789.72     |
| EARNINGS AVAILABLE FOR COMMON STOCK                | 227,844,332.91   | (14,614,815.00) | 213,229,517.91   |

**PacifiCorp**  
**Pro Forma Issuance of 50,000,000 shares of Common Stock**  
**Proposed Journal Entries for the 12 Months Ended December 31, 2004**

|                                  |           |               |               |
|----------------------------------|-----------|---------------|---------------|
| Cash                             | 131       | \$534,500,000 |               |
| Common Shares Issued             | 201       |               | \$534,500,000 |
| Temporary Cash Investment        | 136       | 534,500,000   |               |
| Cash                             | 131       |               | 534,500,000   |
| Temporary Cash Investment        | 136       | 13,362,500    |               |
| Interest Income                  | 419 / 216 |               | 13,362,500    |
| Notes Payable - Commercial Paper | 231       | 285,000,000   |               |
| Temporary Cash Investment        | 136       |               | 285,000,000   |
| Income Taxes - Federal (35%)     | 409 / 216 | 4,676,875     |               |
| Income Taxes - State (3.04%)     | 409 / 216 | 406,220       |               |
| Taxes Accrued                    | 236       |               | 5,083,095     |

Notes: Assumes 50,000,000 shares of common stock issued at a per share price equal to book value at November 30, 2004 of \$10.69 with no stock issuance cost. Excess cash is invested at a rate of 2.5%.

**PacifiCorp**  
**Pro Forma Issuance of \$1,000,000,000 of Long-Term Debt**  
**Proposed Journal Entries for the 12 Months Ended December 31, 2004**

|                                  |           |             |               |
|----------------------------------|-----------|-------------|---------------|
| Cash                             | 131       | 990,000,000 |               |
| Unamortized Debt Expense         | 181       | 10,000,000  |               |
| Bonds                            | 221       |             | 1,000,000,000 |
| Temporary Cash Investment        | 136       | 990,000,000 |               |
| Cash                             | 131       |             | 990,000,000   |
| Temporary Cash Investment        | 136       | 24,750,000  |               |
| Interest Income                  | 419 / 216 |             | 24,750,000    |
| Interest on Bonds                | 427 / 216 | 61,200,000  |               |
| Temporary Cash Investment        | 136       |             | 61,200,000    |
| Amort of Debt Discount & Expense | 428 / 216 | 500,000     |               |
| Unamortized Debt Expense         | 181       |             | 500,000       |
| Taxes Accrued                    | 236       | 14,055,780  |               |
| Income Taxes - Federal (35%)     | 409 / 216 |             | 12,932,500    |
| Income Taxes - State (3.04%)     | 409 / 216 |             | 1,123,280     |

Notes: Assumes \$1,000,000,000 issuance of Long-Term debt with a coupon rate of 6.12%, 20 year term and issuance cost of 1%. Excess cash is invested at a rate of 2.5%.



Common Stock Issuances and Sales to PHI

WHEREAS, the Board of Directors of PacifiCorp (the "Company"), by resolutions adopted August 22, 2002 (the "Prior Resolutions"), authorized the Company to issue shares of its Common Stock to PacifiCorp Holdings, Inc., a Delaware corporation and the Company's immediate corporate parent ("PHI"), for the purposes of improving the Company's capitalization and enhancing its ability to meet its obligations as a public utility, 14,851,485 shares of which have been issued as of the date hereof; and

WHEREAS, it is now desirable to provide for the issuance of additional shares and to restate the unused authority under the Prior Resolutions; now, therefore, be it

RESOLVED, that the Board of Directors of the Company hereby authorizes the issuance and sale by the Company, from time to time and for cash, of up to 50 million shares of Common Stock of the Company (the "Shares") to PHI; and further

RESOLVED, that the Shares may be sold to PHI, in such amounts and at such times as shall be determined by the President and Chief Executive Officer, the Chief Financial Officer or any other Senior or Executive Vice President or the Treasurer of the Company (each, an "Authorizing Officer"); *provided, however, that* the issuance and sale by the Company of the Shares shall be subject to (1) the Company's first having obtained all necessary authorizations therefor from the federal and state regulatory authorities having jurisdiction over such issuance and sale, and (2) the Company's receipt of cash consideration for the Shares in an amount per Share not less than book value, determined as set forth below, which amount shall be adequate consideration for the Shares; and further

RESOLVED, that the book value of the Shares shall be determined by an Authorizing Officer as of the last day of the month preceding the proposed issuance, by reference to the consolidated financial statements of the Company as of such day; and further

RESOLVED, that said determination by an Authorizing Officer shall be conclusive evidence of the book value of such Shares; and further

RESOLVED, that each Authorizing Officer, acting alone or with any one or more other Authorizing Officers, is hereby authorized and empowered, in the Company's name and on its behalf, to enter into one or more subscription agreements or other agreements with PHI to effect each such issuance and sale of the Shares, with such terms and conditions as an Authorizing Officer shall approve, such approval to be conclusively evidenced by the signature of such Authorizing Officer on such stock purchase agreement; and further

RESOLVED, that the Chief Executive Officer, the Chief Financial Officer or the Treasurer of the Company shall report to the Board of Directors at each regularly scheduled board meeting with respect to any issuance and sale of the Shares pursuant to the foregoing resolutions; and further

RESOLVED, that the officers of the Company are hereby authorized and directed to take or cause to be taken, in the Company's name and on its behalf, any and all such further action as in their judgment may be desirable or appropriate to cause the issuance and delivery of the Shares as specified in the preceding resolutions.

### General

RESOLVED, that the officers of the Company are hereby authorized, in the Company's name and on its behalf, to prepare and file with the California Public Utilities Commission, the Idaho Public Utilities Commission, the Public Utility Commission of Oregon, the Public Service Commission of Utah, the Washington Utilities and Transportation Commission and the Wyoming Public Service Commission, as may be appropriate or necessary, applications for orders of said regulatory authorities authorizing or exempting the issuance and sale of the Shares, together with any and all amendments to such applications and with any and all exhibits and other documents pertaining to such applications or any amendments thereto, as in the judgment of such officers may appear desirable or appropriate; and further

RESOLVED, that the acts of the officers in filing applications (and amendments and supplements to such applications) with the regulatory authorities named in the immediately preceding resolution, together with the various exhibits to such applications (and such amendments and supplements), for orders authorizing or exempting the issuance and sale of the Shares are hereby approved, ratified and confirmed; and further

RESOLVED, that the officers of the Company are hereby authorized and directed, in the Company's name and on its behalf, to make any and all such further filings with, and to take any and all such further action in the proceedings before, federal and state regulatory authorities as in the judgment of the officer or officers taking such action may appear desirable or appropriate for the purpose of obtaining any and all such further regulatory approvals, authorizations or consents as may be required to be obtained by the Company in connection with the issuance and sale by it of the Shares; and further

RESOLVED, that the officers of the Company are hereby authorized, in the Company's name and on its behalf, to execute and deliver any and all such agreements, instruments and other documents, and to do and perform any and all such other acts as in the judgment of such officers may be desirable or appropriate to carry out the purposes of the foregoing resolutions.

Effect on Prior Resolutions

RESOLVED, that the foregoing resolutions shall supersede the prior resolutions, but the foregoing resolutions shall not affect the validity of any actions taken in reliance on such previously adopted resolutions.

**ORDER NO.**

**ENTERED**

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UF 4193(1)**

In the Matter of the Application of )  
PACIFICORP for authority to issue and )  
sell up to 50,000,000 shares of its )  
Common Stock to its Parent )

**ORDER**

**DISPOSITION: APPLICATION APPROVED WITH REPORTING REQUIREMENTS**

On April \_\_\_\_, 2005, PacifiCorp (Company) filed its application, pursuant to ORS 759.430, requesting authority to issue and sell, from time to time and for cash, up to 14,851,485 additional shares of its Common Stock (Shares) to PacifiCorp Holdings, Inc., a Delaware corporation and the Company’s immediate corporate parent (Parent). The requested authority would be in addition to the 35,148,515 shares available to be issued to the Parent in this docket, resulting in aggregate of 50,000,000 shares of Company Common Stock (Shares) that may be issued in the future.

Based on a review of the application and the Commission’s records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on \_\_\_\_\_, 2005, the Commission adopted its Staff’s recommendation to approve the Company’s application subject to reporting requirements. The Staff’s recommendation is attached as Appendix A and is incorporated by reference.

## OPINION

### Jurisdiction

ORS 757.005 defines a “public utility” as anyone providing heat, light, water, or power service to the public in Oregon. The Company is a public utility subject to the Commission’s jurisdiction.

### Applicable Law

ORS 757.415(1) provides that:

“A public utility may issue stocks . . . for the following purposes and no others . . . :

- (a) The acquisition of property, or the construction, completion, extension or improvement of its facilities.
- (b) The improvement or maintenance of its service.
- (c) The discharge or lawful refunding of its obligations.
- (d) The reimbursement of money actually expended from income or from any other money in the treasury of the public utility not secured by or obtained from the issue of stocks or bonds, notes or other evidences of indebtedness, or securities of such public utility, for any of the purposes listed in paragraphs (a) to (c) of this subsection . . .
- (e) \*\*\*\*\*”

When an application involves refunding of obligations, the applicant must show that the original borrowings were made for a permissible purpose. *Avion Water Company, Inc.*, UF 3903, Order No. 83-244 at 3; *Pacific Power & Light Co.*, UF 3749, Order No. 81-745 at 5.

ORS 757.415(2) provides that:

“Before issuing such securities a public utility . . . shall secure from the commission . . . an order . . . stating:

- (a) The amount of the issue and the purposes to which the issue or the proceeds thereof are to be applied; and
- (b) In the opinion of the commission, the [proceeds] . . . [are] reasonably required for the purposes specified in the order and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility, and will not impair its ability to perform that service; and
- (c) Except as otherwise permitted in the order in the case of bonds, notes, or other evidences of indebtedness, such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.”

PacifiCorp proposes to issue and sell the Shares to its Parent. The purposes of the issuances are to (1) repay or refinance outstanding short- and long-term indebtedness, (2) reimburse the Company's treasury for monies expended by the Company for purposes enumerated in ORS 757.415(1), and (3) finance the acquisition of utility property, or the construction, completion, extension or improvement of its facilities or service. These purposes are permissible under ORS 757.415(1).

It is the intent of PacifiCorp to issue and sell the Shares to its Parent at a purchase price not less than the book value of the Common Stock, determined as of the last day of the month prior to each issuance. Exhibit A to the Company's application in this docket sets forth the Company's pro forma capital structure, expressed in percentages and based on the Company's unaudited financial statements for the nine months ended December 31, 2004, after giving effect to an assumed issuance of (i) 50,000,000 shares of Common Stock to its Parent with an aggregate purchase price of \$534,500,000 and (ii) \$1.0 billion in debt securities authorized to be issued under Order No. \_\_\_\_\_ in Case No. \_\_\_\_\_. The December 31, 2004 balances shown in Exhibit A include the 14,851,485 shares previously authorized in this docket that have already been issued by the Company to its Parent.

The Commission believes that the proposed issuances are reasonably required for the purposes stated, are compatible with the public interest, and are consistent with the proper performance of the Company's public utility service. The proposed issuances are also generally consistent with the commitments made in the ScottishPower merger docket. (Order No. 99-00616 in Docket No. UM 918.) The proposed issuances will not impair the Company's ability to perform that service.

## **CONCLUSIONS**

1. The Company is a public utility subject to the Commission's jurisdiction.
2. The Company's application meets the requirements of ORS 757.430.
3. The application should be granted.

## **ORDER**

IT IS ORDERED that the application of PacifiCorp to issue and sell, from time to time and for cash, up to 14,851,485 additional shares of Common Stock to its Parent is hereby granted, subject to the conditions stated in Appendix A.

IT IS FURTHER ORDERED that this authorization is in addition to the remaining authority under Order No. 02-769 in Docket No. UF 4193, resulting in an aggregate of 50,000,000 shares of Company Common Stock that may be issued under this docket after the date of this order, and shall remain effective until all such Shares have been issued.

IT IS FURTHER ORDERED that PacifiCorp shall file the following as they become available:

1. Verified copies of any agreement entered into in connection with the Company's sale and issuance of the Shares to its Parent.
2. All resolutions adopted by the Company's Board of Directors relating to the sale and issuance of the Shares.
3. A Report of Securities Issued and Disposition of Net Proceeds Statement.

Made, entered, and effective \_\_\_\_\_, 2005.

BY THE COMMISSION:

\_\_\_\_\_  
[Name]

[Title]

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order pursuant to ORS 756.580.



**ORDER NO.**

**ENTERED**

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UF 4193**

In the Matter of the Application of )  
PACIFICORP for authority to issue and )  
sell up to 50,000,000 shares of its )  
Common Stock to its Parent )  
)

**ORDER**

**DISPOSITION: APPLICATION APPROVED WITH REPORTING REQUIREMENTS**

On April \_\_\_\_, 2005, PacifiCorp (Company) filed its application, pursuant to ORS 759.430, requesting authority to issue and sell, from time to time and for cash, up to 14,851,485 additional shares of its Common Stock (Shares) to PacifiCorp Holdings, Inc., a Delaware corporation and the Company's immediate corporate parent (Parent). The requested authority would be in addition to the 35,148,515 shares available to be issued to the Parent in this docket, resulting in aggregate of 50,000,000 shares of Company Common Stock (Shares) that may be issued in the future.

Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on \_\_\_\_\_, 2005, the Commission adopted its Staff's recommendation to approve the Company's application subject to reporting requirements. The Staff's recommendation is attached as Appendix A and is incorporated by reference.

## OPINION

### Jurisdiction

ORS 757.005 defines a “public utility” as anyone providing heat, light, water, or power service to the public in Oregon. The Company is a public utility subject to the Commission’s jurisdiction.

### Applicable Law

ORS 757.415(1) provides that:

“A public utility may issue stocks . . . for the following purposes and no others . . . :

- (a) The acquisition of property, or the construction, completion, extension or improvement of its facilities.
- (b) The improvement or maintenance of its service.
- (c) The discharge or lawful refunding of its obligations.
- (d) The reimbursement of money actually expended from income or from any other money in the treasury of the public utility not secured by or obtained from the issue of stocks or bonds, notes or other evidences of indebtedness, or securities of such public utility, for any of the purposes listed in paragraphs (a) to (c) of this subsection . . .
- (e) \*\*\*\*\*”

When an application involves refunding of obligations, the applicant must show that the original borrowings were made for a permissible purpose. *Avion Water Company, Inc.*, UF 3903, Order No. 83-244 at 3; *Pacific Power & Light Co.*, UF 3749, Order No. 81-745 at 5.

ORS 757.415(2) provides that:

“Before issuing such securities a public utility . . . shall secure from the commission . . . an order . . . stating:

- (a) The amount of the issue and the purposes to which the issue or the proceeds thereof are to be applied; and
- (b) In the opinion of the commission, the [proceeds] . . . [are] reasonably required for the purposes specified in the order and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility, and will not impair its ability to perform that service; and

- (c) Except as otherwise permitted in the order in the case of bonds, notes, or other evidences of indebtedness, such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.”

PacifiCorp proposes to issue and sell the Shares to its Parent. The purposes of the issuances are to (1) repay or refinance outstanding short- and long-term indebtedness, (2) reimburse the Company’s treasury for monies expended by the Company for purposes enumerated in ORS 757.415(1), and (3) finance the acquisition of utility property, or the construction, completion, extension or improvement of its facilities or service. These purposes are permissible under ORS 757.415(1).

It is the intent of PacifiCorp to issue and sell the Shares to its Parent at a purchase price not less than the book value of the Common Stock, determined as of the last day of the month prior to each issuance. Exhibit A to the Company’s application in this docket sets forth the Company’s pro forma capital structure, expressed in percentages and based on the Company’s unaudited financial statements for the nine months ended December 31, 2004, after giving effect to an assumed issuance of (i) 50,000,000 shares of Common Stock to its Parent with an aggregate purchase price of \$534,500,000 and (ii) \$1.0 billion in debt securities authorized to be issued under Order No. \_\_\_\_\_ in Case No. \_\_\_\_\_. The December 31, 2004 balances shown in Exhibit A include the 14,851,485 shares previously authorized in this docket that have already been issued by the Company to its Parent.

The Commission believes that the proposed issuances are reasonably required for the purposes stated, are compatible with the public interest, and are consistent with the proper performance of the Company’s public utility service. The proposed issuances are also generally consistent with the commitments made in the ScottishPower merger docket. (Order

No. 99-00616 in Docket No. UM 918.) The proposed issuances will not impair the Company's ability to perform that service.

### **CONCLUSIONS**

1. The Company is a public utility subject to the Commission's jurisdiction.
2. The Company's application meets the requirements of ORS 757.430.
3. The application should be granted.

### **ORDER**

IT IS ORDERED that the application of PacifiCorp to issue and sell, from time to time and for cash, up to 14,851,485 additional shares of Common Stock to its Parent is hereby granted, subject to the conditions stated in Appendix A.

IT IS FURTHER ORDERED that this authorization is in addition to the remaining authority under Order No. 02-769 in Docket No. UF 4193, resulting in an aggregate of 50,000,000 shares of Company Common Stock that may be issued under this docket after the date of this order, and shall remain effective until all such Shares have been issued.

IT IS FURTHER ORDERED that PacifiCorp shall file the following as they become available:

1. Verified copies of any agreement entered into in connection with the Company's sale and issuance of the Shares to its Parent.
2. All resolutions adopted by the Company's Board of Directors relating to the sale and issuance of the Shares.
3. A Report of Securities Issued and Disposition of Net Proceeds Statement.

Made, entered, and effective \_\_\_\_\_, 2005.

BY THE COMMISSION:

\_\_\_\_\_  
[Name]

[Title]

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order pursuant to ORS 756.580.