

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UF 4193 (1)

In the Matter of)	
)	
PACIFICORP)	ORDER
)	
Application for Authority to Increase its)	
Authority to Issue Common Stock.)	

DISPOSITION: APPLICATION APPROVED WITH CONDITIONS

On April 8, 2005, PacifiCorp (Company) filed an application with the Public Utility Commission (Commission) pursuant to ORS 757.415, OAR 860-027-0025 and 860-027-0030, for authority to increase its capacity to issue additional shares of common equity. In 2002, the Company received approval (Order 02-769) to issue up to 50 million shares of stock to its parent company, PacifiCorp Holdings, Inc. Since the original authorization was granted, the Company represents that it has issued 14,851,485 shares. It is requesting an increase of its capacity by that number of shares, providing it with a total capacity of 50 million shares. The Company represents that the issuance of shares will provide both the flexibility to maintain proper capitalization ratios and access to capital on reasonable terms. The purposes for which the equity will be incurred are for the acquisition of utility property and the construction, extension, and improvement or maintenance of facilities and service, as permitted under ORS 757.415. The conditions approved in Order 02-769 will remain in effect. The basis for the current request is detailed in Staff's recommendation memo, attached as Appendix A.

Based on a review of the application and the Commission's records, the Commission finds that this application satisfies applicable statutes and administrative rules. At its public meeting on May 31, 2005, the Commission adopted Staff's recommendation and approved PacifiCorp's current request.

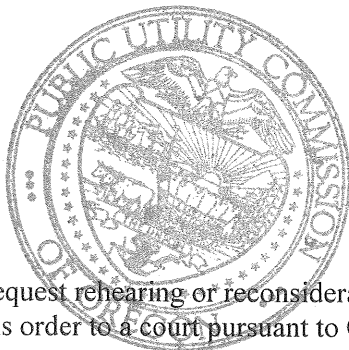
ORDER

IT IS ORDERED that the application of PacifiCorp for authorization to increase its authority to issue common stock, is granted, subject to the following conditions:

1. PacifiCorp shall file the usual Report of Securities Issued and Disposition of Net Proceeds statements as soon as possible after any issuance. This report shall include the total amount, per unit price, total expenses and net proceeds of the issuance, as well as interest costs and credit ratings.
2. The authorization should remain in effect, as long as the Company maintains senior secured debt ratings of at least BBB- and Baa3 (i.e., "investment-grade") from Standard & Poor's and Moody's Investors' Service, Inc., respectively.
3. The Commission reserves the right to review all financial aspects of this arrangement in any rate proceeding or alternative form of regulation.
4. For ratemaking purposes, the Commission reserves judgment on the reasonableness of the Company's capital costs, capital structure and the commissions and expenses incurred for security issuances. In its next rate proceeding, the Company shall be required to show that its capital costs, including imbedded expenses, and structure are just and reasonable.
5. PacifiCorp should demonstrate that exercising any call feature or early refunding of any security is cost-effective.

Made, entered and effective JUN 07 2005

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

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

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 31, 2005

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ N/A

DATE: May 24, 2005

TO: Public Utility Commission

FROM: Thomas D. Morgan

THROUGH: Lee Sparling, Marc Hellman, and Bryan Conway

SUBJECT: PACIFICORP: (Docket No. UF 4193 (1)) Application to Increase its Authority to Issue Common Stock.

STAFF RECOMMENDATION:

The Commission should approve Pacificorp's (Company) application subject to the following conditions and reporting requirements:

- 1) The Company shall file the usual Report of Securities Issued and Disposition of Net Proceeds statements as soon as possible after any issuance. This report shall include the total amount, per unit price, total expenses and net proceeds of the issuance, as well as interest costs and credit ratings.
- 2) The authorization should remain in effect, as long as the Company maintains senior secured debt ratings of at least BBB- and Baa3 (i.e., "investment-grade") from Standard & Poor's and Moody's Investors' Service, Inc., respectively.
- 3) For ratemaking purposes, the Commission reserves judgment on the reasonableness of the Company's capital costs, capital structure and the commissions and expenses incurred for security issuances. In its next rate proceeding, the Company shall be required to show that its capital costs, including imbedded expenses, and structure are just and reasonable.

DISCUSSION:

On April 8, 2005, PacifiCorp filed an application with the Commission, pursuant to Oregon Revised Statute (ORS) 757.415, and Oregon Administrative Rules (OAR) 860-027-0025 and 860-027-0030, for the authority to increase its capacity to issue additional shares of common equity. In 2002, the Company received approval (Order 02-769) to issue up to 50 million shares of stock to its parent company, PacifiCorp Holdings, Inc. Since the original authorization was granted, the company represents that it has issued 14,851,485 shares. It is requesting an increase of its capacity by that number of shares, which would again provide the Company with a total capacity of 50 million shares.

Use of Proceeds

The Company represents that the issuance of shares will provide the flexibility to maintain proper capitalization ratios and to provide access to capital on reasonable terms. The purposes for which the equity will be incurred are for the acquisition of utility property and the construction, extension, improvement or maintenance of facilities and service, as permitted under ORS 757.415.

The conditions approved in Order 02-769 will remain in effect. Approval of this application will increase the number of shares, i.e., reload the capacity, for eventual issuance.

PROPOSED COMMISSION MOTION:

PacifiCorp's application to issue an additional 14,851,485 shares of common equity be approved.

UF 4193(1)