

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UF 4228

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER & LIGHT)	ORDER
)	
Application for authority to issue up to 30 Million Shares of Common Equity to its Parent, PPW Holdings LLC.)	

**DISPOSITION: APPLICATION APPROVED WITH CONDITIONS
AND REPORTING REQUIREMENTS**

On June 12, 2006, PacifiCorp dba Pacific Power & Light (PacifiCorp or Company), filed an application with the Public Utility Commission of Oregon (Commission), pursuant to ORS 757.415 and OAR 860-027-0030, for authority to issue up to 30 million shares of common equity to its parent company, PPW Energy Holdings LLC, a wholly-owned subsidiary of MidAmerican Energy Holdings Company (MEHC). The basis for the current request is detailed in Staff's Report, attached as Appendix A, and incorporated by reference.

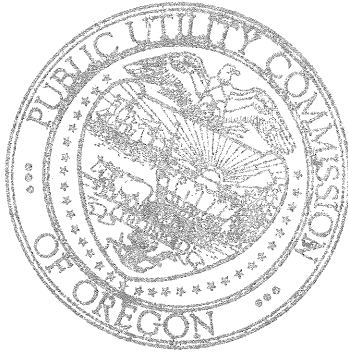
Based on a review of the application and the Commission's records, the Commission finds that this application satisfies applicable statutes and administrative rules. At its public meeting on July 11, 2006, the Commission adopted Staff's recommendation and approved PacifiCorp's current request.

ORDER

IT IS ORDERED that the application of PacifiCorp for the authority to issue up to 30 million shares of common equity is approved, subject to the conditions and reporting requirements specified in Appendix A.

Made, entered, and effective JUL 17 2006.

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 request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. CA7

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 11, 2006

REGULAR _____ CONSENT X EFFECTIVE DATE _____ N/A _____

DATE: July 3, 2006

TO: Public Utility Commission

FROM: Thomas D. Morgan

THROUGH: ^{LS} Lee Sparling, ^{MB} Marc Hellman, and ^{BC} Bryan Conway ^{FAE}

SUBJECT: PACIFICORP: (Docket No. UF 4228) Application for authority to issue and sell up to 30 million shares of common equity to its parent, PPW Holdings LLC.

STAFF RECOMMENDATION:

The Commission should approve PacifiCorp's (Company) application to issue common equity, subject to the following conditions and reporting requirements:

- 1) The Company shall file the usual Report of Securities Issued and Disposition of Net Proceeds statement as soon as possible after any issuance. Upon each issuance of Securities, the Company shall file documentation with the Commission providing a specific description of the terms and conditions of each issuance of the Securities.
- 2) Any remaining authority for the issuance of equity pursuant to Order 02-769 and Order 05-729 should be terminated.
- 3) If any agents or underwriters are involved in the sale of the common equity, the names of such, the initial price to the public, any applicable commissions or discounts and the net proceeds to the Company shall be filed with the Commission.
- 4) For ratemaking purposes, the Commission will reserve judgment on the reasonableness of the Company's capitalization structure and all expenses incurred for security issuances. In its next rate proceeding, the Company will be required to show that its capitalization structure and capital costs, including imbedded expenses, are just and reasonable.

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DISCUSSION:

On June 12, 2006, PacifiCorp filed an application for authority to issue up to 30 million shares of common equity. The shares would be issued to its parent company, PPW Holdings LLC, which is a wholly-owned subsidiary of MidAmerican Energy Holdings Company. Staff has reviewed the application pursuant to Oregon Revised Statutes (ORS) 757.415, and Oregon Administrative Rule (OAR) 860-027-0030.

Expenses:

No issuance costs are expected to be recorded for the transaction.

Use of Proceeds:

The Company indicates that the authority will allow it to balance its capital structure and assist it with maintaining its credit rating and its access to debt capital.

PacifiCorp shall use the proceeds of any issuance under this authority for the following purposes: the construction, facility improvement and maintenance program; the discharge, retirement or exchange of existing obligations which were incurred for utility purposes permitted under ORS 757.415; or the reimbursement of the Company treasury for funds used for the foregoing purposes, except the maintenance of service and replacements; or other purposes allowed by law. To the extent proceeds are used to reimburse the treasury for funds used to discharge or lawfully refund obligations, such obligations were incurred for purposes described in ORS 757.415 (1).

The Shares will be issued at a price equal or greater than the book value of the common stock as of the last day of the month directly preceding each issuance.

Prior to finalizing the Staff memo, the proposed Conditions were shared with the Company and the Company is agreeable to them.

PROPOSED COMMISSION MOTION:

PacifiCorp's application, UF 4228, be approved subject to Staff's conditions and reporting requirements.