

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of)	DOCKET UE-060974
)	
PACIFICORP,)	ORDER 01
)	
Petitioner,)	
)	
For an Order Establishing Compliance)	
with RCW 80.08.040, with Respect to its)	
Proposal to Issue and Sell up to)	ORDER ESTABLISHING
30,000,000 Shares of Common Stock to)	COMPLIANCE WITH RCW
its Parent)	80.08.040
.....)	

BACKGROUND

- 1 On June 12, 2006, PacifiCorp (“the Company”) filed an application with the Washington Utilities and Transportation Commission (“Commission”) stating its plan to receive additional equity from its parent, PPW Holdings LLC, (“the Parent”) which is a wholly-owned subsidiary of MidAmerican Energy Holdings Company. (“MEHC”) The Company proposes to issue and sell up to 30,000,000 Shares of Common Stock to MEHC. The application is filed pursuant to Chapter 80.08 RCW and the requirements of WAC 480-100-242 (1) (a). The Company’s application requests an order from the Commission affirming that it is in compliance with the requirements of RCW 80.08.040.

- 2 According to the application and supporting materials filed by the Company, it does not specifically identify the use of proceeds from the new common stock it plans to issue. The application states that the proceeds will be used for one or more of the purposes allowed by RCW 80.08.030.

- 3 The Company states that the shares will be issued from time to time in order for it to have access to new external capital on reasonable terms and conditions, to maintain its current investment grade credit ratings and generally manage its overall capital structure. Since PacifiCorp is a wholly owned subsidiary of MEHC, there is no market price for the Company’s common shares. Therefore, the proceeds from each additional share issued by the Company will be at not less than the net book value as of the last day of the month prior to issuance. The Company also states in its application that the Parent may make equity contributions without PacifiCorp issuing any additional shares. In that case, no

new shares will be issued by the Company, and no order would be necessary should PacifiCorp proceed with that option.

- 4 The application states that the filing is in the public interest in so far as it will enable the Company to carry out its obligations as a public service company. The Company asserts in its application that the proposed financing plan will enable the Company to: (i) maintain its access to other sources of external capital on reasonable terms, (ii) maintain its investment grade credit ratings, currently rated “A-“ by Standard & Poor’s and “A3” by Moody’s, and (iii) construct, improve, maintain, and acquire necessary facilities to serve its customers.

FINDINGS AND CONCLUSIONS

- 5 (1) PacifiCorp is in the business of providing electric service for hire within the state of Washington. As a public service company, it is subject to the jurisdiction of the Commission under the provisions of Chapter 80.08 RCW.
- 6 (2) The application herein meets the requirements of Chapter 80.08 RCW and the rules and regulations of the Commission adopted pursuant thereto.
Chapter 480-100 WAC.
- 7 (3) This matter was brought before the Commission at its regularly scheduled meeting on June 28, 2006.
- 8 (4) The Company’s application in this Docket contains: (a) a certification by an authorized officer that the proceeds will be used for one or more purposes allowed by RCW 80.08.030; (b) a description of the proposed issuance, including the terms of financing, and (c) a statement as to why the proposed transaction[s] is[are] in the public interest.

ORDER

THE COMMISSION ORDERS:

- 9 (1) PacifiCorp has complied with the requirements of RCW 80.08.040 with respect to the proposals set forth in its application to issue and sell up to 30,000,000 Shares of Common Stock to its Parent.
- 10 (2) The Company is directed to file a Report of Securities Issued as required by WAC 480-100-242 (1) (a). The Company is also required to file verified copies of any agreement entered into in connection with any transaction pursuant to this Order. Finally, the Company shall file a verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this Order.
- 11 (3) This Order shall in no way affect the authority of this Commission over rates, services, accounts, valuations, estimates, or determination of costs, or any matters whatsoever that may come before it, nor shall anything herein be construed as acquiescence in any estimate or determination of costs, or any valuation of property claimed or asserted.

The Commission having determined that this filing complies with the requirements of Chapter 80.08 RCW, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective June 28, 2006.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Executive Secretary