

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

/X/ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2005

OR

// TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-5152

PacifiCorp

(Exact name of registrant as specified in its charter)

STATE OF OREGON
(State or other jurisdiction
of incorporation or organization)

93-0246090
(I.R.S. Employer Identification No.)

825 N.E. Multnomah Street, Portland, Oregon
(Address of principal executive offices)

97232
(Zip Code)

503-813-5000
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of November 4, 2005, there were 335,530,280 shares of common stock outstanding. All shares of outstanding common stock are indirectly owned by Scottish Power plc, 1 Atlantic Quay, Glasgow, G2 8SP, Scotland.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PACIFICORP CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS (Unaudited)

(Millions of dollars)	Three Months Ended September 30,		Six Months Ended September 30,	
	2005	2004	2005	2004
Revenues	\$ 620.7	\$ 828.7	\$ 1,499.8	\$ 1,576.5
Operating expenses:				
Energy costs	115.1	307.2	467.5	561.5
Operations and maintenance	239.4	222.9	497.1	455.3
Depreciation and amortization	112.3	109.0	223.2	216.6
Taxes, other than income taxes	24.7	24.3	49.2	48.2
Total	491.5	663.4	1,237.0	1,281.6
Income from operations	129.2	165.3	262.8	294.9
Interest expense and other (income) expense:				
Interest expense	70.1	65.6	139.4	131.1
Interest income	(1.9)	(2.5)	(4.6)	(5.3)
Interest capitalized	(6.5)	(2.2)	(13.5)	(5.9)
Minority interest and other	(0.6)	(1.5)	(4.9)	(3.8)
Total	61.1	59.4	116.4	116.1
Income from operations before income tax expense	68.1	105.9	146.4	178.8
Income tax expense	28.7	44.0	60.6	66.0
Net income	39.4	61.9	85.8	112.8
Preferred dividend requirement	(0.5)	(0.5)	(1.0)	(1.0)
Earnings on common stock	\$ 38.9	\$ 61.4	\$ 84.8	\$ 111.8
RETAINED EARNINGS AT BEGINNING OF PERIOD	\$ 441.5	\$ 392.2	\$ 446.4	\$ 390.1
Net income	39.4	61.9	85.8	112.8
Cash dividends declared:				
Preferred stock	(0.5)	(0.5)	(1.0)	(1.0)
Common stock	(52.8)	(48.3)	(103.6)	(96.6)
RETAINED EARNINGS AT END OF PERIOD	\$ 427.6	\$ 405.3	\$ 427.6	\$ 405.3

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

PACIFICORP
CONDENSED CONSOLIDATED BALANCE SHEETS, continued
(Unaudited)

(Millions of dollars)

	<u>September 30,</u> 2005	<u>March 31,</u> 2005
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 291.5	\$ 350.4
Amounts due to affiliates	3.1	3.9
Accrued employee expenses	84.4	134.3
Taxes payable	58.6	39.8
Interest payable	64.5	64.8
Current derivative contract liability	271.0	136.7
Current deferred tax liability	31.0	2.0
Long-term debt and capital lease obligations, currently maturing	120.2	269.9
Preferred stock subject to mandatory redemption, currently maturing	3.7	3.7
Notes payable and commercial paper	296.3	468.8
Other	158.9	123.4
Total current liabilities	1,383.2	1,597.7
Deferred credits:		
Deferred income taxes	1,582.9	1,629.0
Investment tax credits	71.6	75.6
Regulatory liabilities	811.5	806.0
Derivative contract regulatory liability	139.2	-
Non-current derivative contract liability	622.0	630.5
Pension and other post employment liabilities	422.1	422.4
Other	313.6	304.8
Total deferred credits	3,962.9	3,868.3
Long-term debt and capital lease obligations, net of current maturities	3,940.1	3,629.0
Preferred stock subject to mandatory redemption, net of current maturities	41.3	48.8
Total liabilities	9,327.5	9,143.8
Commitments and contingencies (See Note 6)		
Shareholders' equity:		
Preferred stock	41.3	41.3
Common equity:		
Common shareholder's capital	3,144.1	2,894.1
Retained earnings	427.6	446.4
Accumulated other comprehensive income (loss):		
Unrealized gain on available-for-sale securities, net of tax of \$2.3/September and \$2.6/March	3.7	4.3
Minimum pension liability, net of tax of \$(5.5)/September and March	(9.0)	(9.0)
Total common equity	3,566.4	3,335.8
Total shareholders' equity	3,607.7	3,377.1
Total liabilities and shareholders' equity	\$ 12,935.2	\$ 12,520.9

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

PACIFICORP
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Millions of dollars)

	Six Months Ended September 30,	
	2005	2004
Cash flows from operating activities:		
Net income	\$ 85.8	\$ 112.8
Adjustments to reconcile net income to net cash provided by operating activities:		
Unrealized loss (gain) on derivative contracts	(46.0)	(14.8)
Depreciation and amortization	223.2	216.6
Deferred income taxes and investment tax credits - net	(9.3)	46.2
Regulatory asset/liability establishment and amortization - net	(36.8)	(34.4)
Other	(11.2)	(1.1)
Changes in:		
Accounts receivable, prepayments and other current assets	(62.5)	(66.0)
Inventories	(7.4)	(3.3)
Amounts due to/from affiliates, net	(20.4)	(36.2)
Accounts payable and accrued liabilities	(58.1)	(49.5)
Other	0.7	(34.6)
Net cash provided by operating activities	<u>246.0</u>	<u>204.5</u>
Cash flows from investing activities:		
Capital expenditures	(470.0)	(327.9)
Proceeds from sales of assets	0.5	1.3
Proceeds from available-for-sale securities	85.3	23.7
Purchases of available-for-sale securities	(45.8)	(21.2)
Other	(3.3)	(4.7)
Net cash used in investing activities	<u>(433.3)</u>	<u>(328.8)</u>
Cash flows from financing activities:		
Changes in short-term debt	(172.5)	19.9
Proceeds from long-term debt, net of issuance costs	296.0	395.4
Proceeds from equity contributions	250.0	-
Dividends paid	(104.6)	(97.6)
Repayments and redemptions of long-term debt	(150.0)	(189.3)
Redemptions of preferred stock	(7.5)	(7.5)
Other	-	(0.1)
Net cash provided by financing activities	<u>111.4</u>	<u>120.8</u>
Change in cash and cash equivalents	(75.9)	(3.5)
Cash and cash equivalents at beginning of period	<u>199.3</u>	<u>58.5</u>
Cash and cash equivalents at end of period	<u>\$ 123.4</u>	<u>\$ 55.0</u>

Other Adjustments to Net Income

S&P recognizes only \$14.7m and \$23.6m for deferred power cost recovery in FFO calculations for 05 & 04 periods, respectively.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-5152

PACIFICORP

(Exact name of registrant as specified in its charter)

State of Oregon
(State or other jurisdiction
of incorporation or organization)

93-0246090
(I.R.S. Employer Identification No.)

825 N.E. Multnomah Street, Portland, Oregon
(Address of principal executive offices)

97232
(Zip Code)

(503) 813-5000
(Registrant's telephone number)

Securities registered pursuant to Section 12(g) of the Act:

Title of each Class

5% Preferred Stock (Cumulative; \$100 Stated Value)
Serial Preferred Stock (Cumulative; \$100 Stated Value)
No Par Serial Preferred Stock (Cumulative; \$100 Stated Value)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes No

The aggregate market value of the shares of voting and non-voting common equity of the Registrant held by non-affiliates was \$0 on September 30, 2004. As of May 19, 2005, there were 312,176,089 shares of common stock outstanding. All shares of outstanding common stock are indirectly owned by Scottish Power plc, 1 Atlantic Quay, Glasgow, G2 8SP, Scotland.

DOCUMENTS INCORPORATED BY REFERENCE

None.

PACIFICORP AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME

(Millions of dollars)	Years Ended March 31,		
	2005	2004	2003
Revenues:			
Residential	\$ 1,004.6	\$ 994.5	\$ 914.7
Commercial	833.1	792.9	763.4
Industrial	774.8	725.6	699.2
Other retail	36.3	34.0	31.4
Wholesale sales and other	400.0	647.5	673.7
Total	3,048.8	3,194.5	3,082.4
Operating expenses:			
Purchased electricity	448.0	672.8	698.5
Fuel	500.0	483.9	482.2
Operations and maintenance	913.1	895.8	885.1
Depreciation and amortization	436.9	428.8	434.3
Taxes, other than income taxes	94.4	95.3	93.4
Total	2,392.4	2,576.6	2,593.5
Income from operations	656.4	617.9	488.9
Interest expense and other (income) expense:			
Interest expense	(267.4)	256.5	270.3
Interest income	(9.1)	(13.8)	(21.6)
Interest capitalized	(14.8)	(19.9)	(18.0)
Minority interest and other	(7.3)	1.6	19.0
Total	236.2	224.4	249.7
Income from operations before income tax expense and cumulative effect of accounting change	420.2	393.5	239.2
Income tax expense	168.5	144.5	97.2
Income before cumulative effect of accounting change	251.7	249.0	142.0
Cumulative effect of accounting change (less applicable income tax benefit of \$(0.6)/2004 and \$(1.1)/2003	-	(0.9)	(1.9)
Net income	251.7	248.1	140.1
Preferred dividend requirement	(2.1)	(3.3)	(7.3)
Earnings on common stock	\$ 249.6	\$ 244.8	\$ 132.8

The accompanying notes are an integral part of these consolidated financial statements.

PACIFICORP AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS

(Millions of dollars)

	Years Ended March 31.		
	2005	2004	2003
Cash flows from operating activities:			
Net income	\$ 251.7	\$ 248.1	\$ 140.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting change, net of tax	-	0.9	1.9
Unrealized gain on derivative contracts	(8.4)	(6.1)	(3.1)
Depreciation and amortization	436.9	428.8	434.3
Deferred income taxes and investment tax credits - net	120.0	80.5	31.8
Regulatory asset/liability establishment and amortization	66.7	111.1	146.8
Other	(27.0)	(6.5)	3.4
Changes in:			
Accounts receivable, prepayments and other current assets	(137.8)	(1.7)	7.6
Inventories	(16.2)	14.1	(17.8)
Amounts due to/from affiliates, net	(32.8)	(36.8)	32.5
Accounts payable and accrued liabilities	84.1	(3.3)	(97.1)
Other	(26.1)	2.8	1.2
Net cash provided by operating activities	<u>711.1</u>	<u>831.9</u>	<u>681.6</u>
Cash flows from investing activities:			
Capital expenditures	(851.6)	(690.4)	(550.0)
Proceeds from sales of assets	7.1	3.3	16.3
Proceeds from available-for-sale securities	49.1	95.8	132.9
Purchases of available-for-sale securities	(44.7)	(89.4)	(134.3)
Other	(6.6)	(22.8)	10.0
Net cash used in investing activities	<u>(846.7)</u>	<u>(703.5)</u>	<u>(525.1)</u>
Cash flows from financing activities:			
Changes in short-term debt	343.9	99.9	(152.5)
Proceeds from long-term debt, net of issuance costs	395.2	396.7	-
Proceeds from issuance of common stock to PHI	-	-	150.0
Dividends paid	(195.4)	(165.1)	(7.3)
Repayments and redemptions of long-term debt	(259.8)	(194.1)	(144.6)
Repayment of preferred securities	-	(352.0)	-
Redemptions of preferred stock	(7.5)	(7.5)	(7.5)
Other	-	(0.3)	-
Net cash provided by (used in) financing activities	<u>276.4</u>	<u>(222.4)</u>	<u>(161.9)</u>
Change in cash and cash equivalents	140.8	(94.0)	(5.4)
Cash and cash equivalents at beginning of period	58.5	152.5	157.9
Cash and cash equivalents at end of period	<u>\$ 199.3</u>	<u>\$ 58.5</u>	<u>\$ 152.5</u>

S&P recognizes only \$46.4M of deferred power cost recovery in FFO calculation for FY05.

The accompanying notes are an integral part of these consolidated financial statements.

- (a) Interest rates fluctuate based on various rates, primarily on certificate of deposit rates, interbank borrowing rates, prime rates or other short-term market rates.
- (b) Secured by pledged first mortgage bonds generally at the same interest rates, maturity dates and redemption provisions as the pollution-control revenue bonds.

First mortgage bonds of PacifiCorp may be issued in amounts limited by PacifiCorp's property, earnings and other provisions of the mortgage indenture. Approximately \$13.1 billion of the eligible assets (based on original cost) of PacifiCorp are subject to the lien of the mortgage. PacifiCorp has an effective shelf registration statement with the SEC for up to \$250.0 million of certain securities including long-term debt.

Approximately \$2.1 billion of first mortgage bonds were redeemable at PacifiCorp's option at March 31, 2005, at redemption prices dependent upon United States Treasury yields. Approximately \$541.7 million of variable-rate pollution-control revenue bonds were redeemable at PacifiCorp's option at par at March 31, 2005. Approximately \$71.2 million of fixed-rate pollution-control revenue bonds were redeemable at PacifiCorp's option at 101.0% of par at March 31, 2005. The remaining long-term debt was not redeemable at March 31, 2005.

During March 2005, the maturity dates were extended to December 1, 2020, for three series of variable-rate pollution-control revenue bonds totaling \$38.1 million.

During December 2004, PacifiCorp redeemed, prior to maturity, all of the 8.625% First Mortgage Bonds due in December 2024, which totaled \$20.0 million. Upon redemption, \$1.3 million of deferred charges were reclassified to a regulatory asset. This retirement was initially funded through short-term debt with the expectation that it will be funded through long-term financing in the next 12 months, subject to regulatory authorization.

On August 24, 2004, PacifiCorp issued \$200.0 million of its 4.95% Series of First Mortgage Bonds due August 15, 2014, and \$200.0 million of its 5.90% Series of First Mortgage Bonds due August 15, 2034. PacifiCorp used the proceeds for general corporate purposes, including the reduction of short-term debt.

PacifiCorp leases real estate in various states in which it does business under long-term agreements, extending through fiscal 2022, which are classified as capital leases. These capital leases are payable in monthly installments allocated between principal and interest at discount rates ranging from 10.4% to 14.8%.

The annual maturities of long-term debt and capitalized lease obligations for the years ending March 31 are:

(Millions of dollars)	Long-term Debt	Capital Lease Obligations	Total
2006	\$ 269.7	\$ 3.3	\$ 273.0
2007	216.1	3.5	219.6
2008	119.8	3.5	123.3
2009	412.0	3.5	415.5
2010	138.3	3.8	142.1
Thereafter	2,723.3	43.1	2,766.4
	<u>3,879.2</u>	<u>60.7</u>	<u>3,939.9</u>
Unamortized premium (discount)	(4.8)	-	(4.8)
Funds held by trustee	(2.1)	-	(2.1)
Amounts representing interest	-	(34.1)	(34.1)
	<u>\$ 3,872.3</u>	<u>\$ 26.6</u>	<u>\$ 3,898.9</u>

220.4
Less: Cap Int 14.8
Interest Payments 235.2

PacifiCorp made interest payments, net of capitalized interest, of \$220.4 million for the year ended March 31, 2005; \$236.7 million for the year ended March 31, 2004; and \$287.9 million for the year ended March 31, 2003.

At March 31, 2005, PacifiCorp had \$517.8 million of standby letters of credit and standby bond purchase agreements, available to provide credit enhancement and liquidity support for variable-rate pollution-control revenue bond obligations. In addition, PacifiCorp had approximately \$29.0 million of standby letters of credit to provide

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STATE OF OREGON
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Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Yes No

As of November 5, 2004, there were 312,176,089 shares of common stock outstanding. All shares of outstanding common stock are indirectly owned by Scottish Power plc, 1 Atlantic Quay, Glasgow, G2 8SP, Scotland.

PACIFICORP
CONDENSED CONSOLIDATED BALANCE SHEETS, continued
(Unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

(Millions of dollars)	September 30, 2004	March 31, 2004
Current liabilities:		
Accounts payable	\$ 213.2	\$ 257.8
Amounts due to affiliates	10.0	2.6
Accrued employee expenses	107.1	140.3
Taxes payable	59.5	50.2
Interest payable	65.5	66.1
Current derivative contract liability	100.2	76.9
Long-term debt and capital lease obligation, currently maturing	210.0	240.0
Preferred stock subject to mandatory redemption, currently maturing	3.7	3.7
Notes payable and commercial paper	144.8	124.9
Other	128.0	111.8
Total current liabilities	<u>1,042.0</u>	<u>1,074.3</u>
Deferred credits:		
Income taxes	1,602.4	1,564.6
Investment tax credits	79.5	83.5
Regulatory liabilities	803.3	807.5
Non-current derivative contract liability	546.3	567.1
Other	675.1	683.6
Total deferred credits	<u>3,706.6</u>	<u>3,706.3</u>
Long-term debt and capital lease obligation, net of current maturities	3,759.6	3,520.2
Preferred stock subject to mandatory redemption	48.8	56.3
Total liabilities	<u>8,557.0</u>	<u>8,357.1</u>
Commitments and contingencies (See Note 7)		
Shareholders' equity:		
Preferred stock	41.3	41.3
Common equity:		
Common shareholder's capital	2,892.1	2,892.1
Retained earnings	405.3	390.1
Accumulated other comprehensive income (loss):		
Unrealized gain on available-for-sale securities, net of tax of \$2.2/September and \$2.7/March	3.7	4.5
Minimum pension liability, net of tax of \$(4.9)	(8.0)	(8.0)
Total common equity	<u>3,293.1</u>	<u>3,278.7</u>
Total shareholders' equity	<u>3,334.4</u>	<u>3,320.0</u>
Total liabilities and shareholders' equity	<u>\$ 11,891.4</u>	<u>\$ 11,677.1</u>

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.