

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
DOCKET NO. UE-_____

In the Matter of the Application of)	
PACIFICORP for an order establishing)	APPLICATION
compliance with RCW 80.08.040 with)	
respect to its proposal to issue and sell up to)	
30,000,000 Shares of Common Stock to its)	
Parent)	

PacifiCorp (the “Company”) applies for an order of the Washington Utilities and Transportation Commission (the “Commission”) affirming that the Company has complied with the requirements of RCW 80.08.040 with respect to its proposal to issue and sell, from time to time and for cash, up to 30,000,000 shares of its Common Stock (the “Shares”) to its immediate corporate parent, PPW Holdings LLC, a Delaware limited liability company (the “Parent”) and a wholly-owned subsidiary of MidAmerican Energy Holdings Company, without a further order of the Commission. The Company requests that such confirmation remain in effect until all of the Shares have been issued. This application is filed pursuant to RCW Chapter 80 and WAC 480-100-242.

In support of this application, the Company represents that:

- (a) The official name of the applicant and address of its principal business office:

PacifiCorp
825 N.E. Multnomah, Suite 2000
Portland, OR 97232

- (b) The state and date of incorporation; each state in which it operates as a utility:

The Company was incorporated under Oregon law in August 1987 for the purpose of facilitating consummation of a merger with Utah Power & Light Company, a Utah corporation, and changing the state of incorporation of the Company from Maine to Oregon. The Company

uses, or intends to use (as applicable), the assumed business names of Pacific Power (in the Company's Oregon, California and Washington service territories), Utah Power (in the Company's Utah service territories, however, this usage is subject to further change) and Rocky Mountain Power (in the Company's Idaho and Wyoming service territories).

(c) The name, address, and telephone number of persons authorized to receive notices and communications:

Bruce N. Williams, Treasurer
PacifiCorp
825 NE Multnomah, Suite 1900
Portland, OR 97232
Telephone: (503) 813-5662
bruce.williams@pacificorp.com

Natalie Hocken, Assistant General Counsel
Pacific Power
825 NE Multnomah, Suite 1800
Portland, OR 97232
Telephone: (503) 813-7205
natalie.hocken@pacificorp.com

It is also requested that copies of all notices and communications be provided to the following person:

Gary R. Barnum
Stoel Rives LLP
900 S.W. Fifth Avenue, Suite 2600
Portland, OR 97204-1268
Telephone: (503) 294-9114

All formal correspondence and Staff requests regarding this application should be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 300
Portland, Oregon 97232

By fax: (503) 813-6060

Informal questions should be directed to Melissa Seymour at (503) 813-6711.

(d) The date by which Commission action is requested:

June 23, 2006.

(e) Background:

In this application, the Company is seeking an order of the Commission confirming that the Company has complied with the requirements of RCW 80.08.040 with respect to its proposal to issue and sell to the Parent, from time to time and for cash, up to 30,000,000 Shares to the Parent. The Company requests that such confirmation remain in effect until all of the Shares have been issued. The Parent may also make equity contributions to the Company for which no Shares would be issued and no Commission order would be required.

All of the Company's issued and outstanding Common Stock is directly held by the Parent. The Parent is directly owned by MidAmerican Energy Holdings Company, an Iowa corporation.

(f) Full description of the securities proposed to be issued:

1. Common Stock description: The Company will issue the Shares of its Common Stock pursuant to its Third Restated Articles of Incorporation, as amended (the "Articles"). The Articles authorize the Company to issue up to 750,000,000 Shares of its Common Stock. As of the date of the Company's application, 357,060,915 Shares of Common Stock were issued and outstanding, and all of those Shares are held by the Parent.
2. Description of the transactions proposed: The Company proposes to issue and sell the Shares, from time to time and for cash, pursuant to one or more subscription or other agreements between the Company and the Parent. Sales would be made 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.
3. Justification for the transactions: The Company believes that the proposed sale and issuance of the Shares to the Parent, from time to time and in amounts that the

Company and the Parent may deem appropriate, would be reasonably required to (i) maintain or improve its capitalization ratio, (ii) maintain or improve the Company's access to capital on reasonable terms, (iii) assist the Company in maintaining its current investment grade credit ratings and (iv) 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's senior long-term secured debt is currently rated "A-" by Standard & Poor's and "A3" by Moody's.

(g) Effect of the transactions:

The issuances will enable the Company to maintain or improve its capitalization. The enclosed Exhibits D and E contain pro forma calculations that are based on the Company's unaudited financial statements for the quarter ended December 31, 2005 and that assume the issuance of all of the 30,000,000 Shares for consideration totaling approximately \$332.4 million. These calculations also assume a per Share price equal to \$11.08 per Share, the book value of Common Stock at February 28, 2006. As described above, the exact amount of the issuances of the Shares will vary with the book value of the Company's Common Stock, and the timing of such issuances, if and when they occur, is at the discretion of the Company and the Parent. As such, the calculations included on Exhibits D and E are not indicative of the exact pricing terms and timing of the proposed issuance of the Shares, and the Company's capitalization will likely be different from that included in Exhibit D.

(h) The purposes of the financings:

The proceeds from the issuances and sales of the Shares will be used for one or more of the following purposes: (1) the acquisition of property, (2) the construction, completion, extension, or improvement of facilities, (3) the improvement of service, (4) the discharge or

refunding of obligations, and (5) the reimbursement of the Company's treasury funds expended from income or from other treasury funds that were not derived from the issuance of securities.

(i) Statement that applications for authority to finance are required to be filed with state governments:

In 2002 and 2005, the Company filed applications (collectively, the "PHI Equity Applications") for authority to issue and sell Shares of Common Stock to its former direct corporate parent, PacifiCorp Holdings, Inc., a Delaware corporation and an indirect subsidiary of Scottish Power plc, a public limited company incorporated under the laws of Scotland. The PHI Equity Applications were made with the Commission and also with the Public Utility Commission of Oregon and the Idaho Public Utilities Commission. The Company subsequently issued 59,736,311 Shares of its Common Stock to PacifiCorp Holdings, Inc. for a total consideration of approximately \$635 million.¹ The Company is making new filings with those commissions, as well as with the Public Service Commission of Utah, and such filings are (except for the identification of the Company's "Parent") substantially similar to the PHI Equity Applications. This application is substantially similar to the other filings. The California Public Utilities Commission and the Wyoming Public Service Commission have exempted the Company from their respective securities statutes.

(j) A statement of the facts relied upon to show that the issuance is appropriate:

As a public utility, the Company is expected to acquire, construct, improve and maintain sufficient utility facilities to serve its customers adequately and reliably at reasonable cost. The

¹ While authority to issue approximately 5.1 million Shares of the Company's Common Stock to PacifiCorp Holdings, Inc. remains under the orders issued in connection with the PHI Equity Applications, the Company has no intent to issue any such Shares to PacifiCorp Holdings, Inc. because it is no longer the Company's "Parent." As such, the Company acknowledges that the unused authority that remains under the Commission's Order issued in Docket Nos. UE-021259 and UE-050555 should be terminated.

proposed issuances are part of a program to finance the Company's facilities, taking into consideration prudent capital ratios, earnings coverage tests and market uncertainties as to the relative merits of the various types of securities the Company could sell.

Accordingly, as required by RCW 80.08.030, the proceeds from the issuances and sales of the Shares will be used for one or more of the following purposes (1) the acquisition of property, (2) the construction, completion, extension, or improvement of facilities, (3) the improvement of service, (4) the discharge or refunding of obligations, and (5) the reimbursement of the Company's treasury funds expended from income or from other treasury funds that were not derived from the issuance of securities. These purposes are for lawful objects within the corporate purposes of the Company, are compatible with the public interest, are necessary or appropriate for or consistent with the proper performance by the Company of its service as a public utility, will not impair its ability to perform that service, and are reasonably necessary or appropriate for these purposes.

(k) A summary of rate changes which occurred during or after or which will become effective after the period described by the income statement included as Exhibit E:

Please see the disclosures beginning on page 13 of the Company's Annual Report on Form 10-K for the year ended March 31, 2006, enclosed herewith as Exhibit G. In addition:

1. In January 2005, the Idaho Public Utility Commission approved the Company's application to reduce the BPA credit effective January 31, 2005. The change will result in an 8.0% reduction in the credit given to residential customers and a 20.5% reduction in the credit given to small-farm customers. Changes in the level of the BPA credit affect the net electricity costs to customers but do not impact the Company's results of operations or earnings.

2. In February 2005, the Public Service Commission of Utah approved a stipulation settling a general rate case. Under the stipulation, the Company was awarded an increase in prices of \$51.0 million annually, resulting in an average price increase of 4.7%, effective as of March 1, 2005.

(1) Exhibits:

The following exhibits are made a part of this application:

<u>Exhibit</u>	<u>Description</u>
A	Third Restated Articles of Incorporation effective November 20, 1996, as amended effective November 29, 1999
B	Bylaws, as amended effective May 23, 2005
C*	Resolutions of the Board of Directors authorizing the proposed issuances
D	Balance Sheet, actual and pro forma, dated December 31, 2005
E	Income Statement, actual and pro forma, for the 12 months ended December 31, 2005
F	Source and Uses of Treasury Funds, actual and pro forma, dated December 31, 2005
G	Annual Report on Form 10-K for the year ended March 31, 2006 http://sec.gov/Archives/edgar/data/75594/000007559406000028/p10k.htm

* Exhibit to be filed with the Commission as soon as available.

CONCLUSION

The Company respectfully requests that the Commission enter an order in this matter affirming that PacifiCorp has complied with the requirements of RCW 80.08.040 with respect to its proposal to issue and sell, from time to time and for cash, up to 30,000,000 Shares of its Common Stock to PPW Holdings LLC. The Company requests that such confirmation remain in effect until all of the Shares have been issued.

Dated at Portland, Oregon on June 8th, 2006.

PACIFICORP

By: _____

Bruce N. Williams, Treasurer
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Stoel Rives LLP
900 S.W. Fifth Avenue, Suite 2600
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Telephone: (503) 294-9114
Attorneys for PacifiCorp

DECLARATION

I, Bruce N. Williams, declare, under penalty of perjury under the laws of the state of Washington, that the contents of the application and the attached exhibits are true, correct, and complete of my own knowledge except those matters stated on information or belief which I believe to be true. I am the duly appointed Treasurer of PacifiCorp and am authorized to make this declaration and hereby declare that the proceeds of this financing are for one or more of the purposes allowed by RCW 80.08.030.

WITNESS my hand and the seal of PacifiCorp on this 8th day of June, 2006.

Bruce N. Williams

(Seal)