

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-050556

In the Matter of the Statement of PacifiCorp	)	
for an order establishing compliance with	)	
RCW 80.08.040 with respect to its proposal to:	)	FIRST SUPPLEMENTAL
(1) issue and sell or exchange not more than	)	APPLICATION
\$1,000,000,000 of debt, (2) enter into credit	)	
support arrangements, (3) enter into currency	)	
swaps, and (4) contribute or sell additional	)	
debt to special purpose entities.	)	

PacifiCorp (the “Company”) files its First Supplemental Application in this Docket and hereby incorporates by reference into this First Supplemental Application all of the information included in the Company’s filing submitted to the Commission on April 11, 2005 (the “2005 Statement”), except to the extent the information included in the 2005 Statement is superseded by new information included in this First Supplemental Application. Capitalized terms used but not defined in this First Supplemental Application have the meanings given to them in the 2005 Statement.

In the 2005 Statement, the Company provided the Commission with certain background information with respect to the Company’s plan to (1) issue and sell or exchange, in one or more public offerings or private placements, fixed or floating rate debt (the “Debt”) in the aggregate principal amount not to exceed \$1,000,000,000 or, if the Debt is issued at an original issue discount, such greater amount as shall result in an aggregate offering price of not more than \$1,000,000,000 (or its equivalent amount in, or based upon, foreign currencies determined at the time of issue), (2) enter into letter of credit arrangements with one or more banks or such other agreements or arrangements as may be necessary or appropriate, from time to time, to provide

additional credit support for the payment of the principal of, interest on and premium (if any) on such Debt, (3) enter into one or more currency swaps, and (4) contribute or sell additional Debt to special purpose entities (SPE) in an amount based upon the common securities of the SPE.

In the 2005 Statement, the Company undertook to augment the information included in the 2005 Statement with reasonably detailed information about the Company's more specific financing plans as they develop. In that light, the Company now proposes to issue and sell or exchange, in one or more public offerings or private placements, up to \$400,000,000 of the Company's First Mortgage Bonds. This Statement is filed pursuant to RCW 80.08.040.

The Company respectfully requests that the Commission issue an order confirming that the Company has complied with RCW 80.08.040 with respect to its proposal to issue and sell or exchange up to \$400,000,000 of the Company's First Mortgage Bonds.

For the Commission's reference, to the extent that information in this First Supplemental Application supersedes information in the 2005 Statement, such new information is included under the same section headings as had been included in the 2005 Statement.

The Company respectfully represents that:

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

Bruce N. Williams, Treasurer  
PacifiCorp  
825 N.E. Multnomah, Suite 1900  
Portland, OR 97232  
Telephone: (503) 813-5662

Jeffery B. Erb, Assistant General Counsel  
PacifiCorp  
825 N.E. Multnomah, Suite 1900  
Portland, OR 97232  
Telephone: (503) 813-5029

The Commission is also requested to dispatch copies of all notices and communications to the following:

Gary R. Barnum  
Stoel Rives LLP  
900 S.W. Fifth Avenue, Suite 2600  
Portland, OR 97204-9268  
Telephone: (503) 294-9114

It is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

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

By regular mail:                    Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 800  
Portland, Oregon 97232

By fax:                                (503) 813-6060

Informal questions should be directed to Shayleah LaBray at tel. (503) 813-6176.

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

June 2, 2006.

(k) A statement of the bond indenture or other limitations on interest and dividend coverage, and the effects of these limitations on this issuance:

*See Exhibit H.*

(l) 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 36 of the Company's Quarterly Report on Form 10-Q, enclosed herewith as Exhibit L. In addition:

1. In September 2004, the Wyoming Public Service Commission approved a stipulation for a stand-alone pass-on of increased net wholesale purchased

electricity costs. This stipulation was effective September 15, 2004 and resulted in an overall price increase of \$9.3 million annually, or 2.7%.

2. In October 2004, the Washington Utilities and Transportation Commission issued an order adopting a multi-party settlement agreement with limited conditions. A subsequent supplemental order was issued in November 2004, resulting in a total rate increase of \$15.5 million annually, or 7.8%, effective November 16, 2004.
3. In January 2005, the Idaho Public Utility Commission (“IPUC”) 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.
4. In February 2005, the Utah Public Service Commission 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.
5. In July 2005, the IPUC formally ordered approval of a stipulated rate increase. New rates became effective September 16, 2005. On that date, unrelated pre-existing surcharges expired, so the net effect to customers of the \$5.75 million stipulated base increase was an increase in rates of \$2.1 million annually, or an average increase of 1.7%.

6. In September 2005, the Oregon Public Utility Commission (“OPUC”) issued an order approving an increase of \$25.9 million, or an average increase of 3.2%, effective October 2005.
7. In April 2006, long-term special contracts for the Company’s Klamath basin irrigation customers expired. Under the contracts, customers received power at rates less than the Company’s average retail rates charged to other customers on general irrigation tariffs. Following expiration of these contracts, the OPUC issued an order authorizing the transition of Klamath basin irrigators to generally applicable cost based rates.

(m) Any other applicable exhibits:

Incorporated by  
reference to:

<u>Exhibit</u>	<u>Docket</u>	<u>Exhibit</u>	<u>Description</u>
A-1	UE-021259	A	Third Restated Articles of Incorporation effective November 20, 1996, as amended effective November 29, 1999
A-2			Bylaws, as amended effective May 23, 2005
B	UE-050556	B	Resolutions of the Board of Directors authorizing the proposed issuances
C			A statement (1) explaining the measure of control or ownership exercised over the applicant by a utility, bank, trust company, banking association, underwriter, or electrical equipment supplier, and (2) explaining that the applicant is a member of any holding company system
D	UE-050556		Balance Sheet, actual and pro forma, dated December 31, 2004
E	UE-050556		Income Statement, actual and pro forma, for the 12 months ended December 31, 2004
F			SEC Registration Statement on Form S-3, as filed with the SEC on September 6, 2005
G	UE-050556		Source and Uses of Treasury Funds, actual and pro forma, dated December 31, 2004

H		A statement of the bond indenture or other limitations on interest and dividend coverage, and the effects of those limitations on this issuance
I*		Prospectus
J*		Underwriting Agreement, Agency Agreement or Bond Purchase Agreement
K	UE-050556 (as amended)	Maximum All-in Spread over the Benchmark Treasury Yield
L		Quarterly Report on Form 10-Q for the quarter ended December 31, 2005 <a href="http://sec.gov/Archives/edgar/data/75594/00000755940600012/p10q123105.htm">http://sec.gov/Archives/edgar/data/75594/00000755940600012/p10q123105.htm</a>

\* Exhibit or supplement to the Exhibit is to be filed as soon as available.

PRAYER

PacifiCorp respectfully requests that the Commission issue its Order confirming that PacifiCorp has complied with the requirements of RCW 80.08.040 with regard to its proposal to issue and sell or exchange, in one or more public offerings or private placements, fixed or floating rate First Mortgage Bonds, in the aggregate principal amount of not more than \$400,000,000 or, if the First Mortgage Bonds are issued at an original issue discount, such greater amount as shall result in an aggregate offering price of not more than \$400,000,000 (or its equivalent amount in, or based upon, foreign currencies determined at the time of issue).

Dated at Portland, Oregon on May \_\_\_\_, 2006.

PACIFICORP

By: \_\_\_\_\_  
Bruce N. Williams  
Treasurer

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

VERIFICATION

I, Bruce N. Williams, declare, under penalty of perjury, that I am the duly appointed Treasurer of PacifiCorp and am authorized to make this verification. The Statement and the attached exhibits were prepared at my direction and were read by me. I know the contents of the Statement and the attached exhibits and they are true, correct, and complete of my own knowledge except those matters stated on information or belief which I believe to be true.

WITNESS my hand and the seal of PacifiCorp on this \_\_\_\_ day of May, 2006.

\_\_\_\_\_  
Bruce N. Williams

(Seal)