

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF PACIFICORP FOR SHORT-TERM DEBT) CASE NO. PAC-E-06-1
AUTHORITY OF \$1.5 BILLION)
) ORDER NO. 29999
)

On February 24, 2006, PacifiCorp filed an Application with the Idaho Public Utilities Commission for an Order authorizing PacifiCorp to borrow not more than \$1.5 billion aggregate principal amount in short-term debt through April 30, 2011. If granted, the authority would extend the short-term debt authority granted in Commission Order Nos. 27457, 28346, 28970 and 29374 that is set to expire on April 30, 2006. The other terms and conditions of the previous debt authority would not be changed. The Commission, having fully considered the Application, attached exhibits, its files and records relating to this Application, and the applicable laws and rules, grants the Application.

FINDINGS OF FACT

PacifiCorp was incorporated under Oregon law in August 1987 for the purpose of facilitating a merger with Utah Power & Light Company, a Utah corporation, and changing the state of incorporation of PacifiCorp from Maine to Oregon. PacifiCorp uses the assumed business names of Pacific Power & Light Company and Utah Power & Light Company within their respective service territories located in the states of California, Idaho, Oregon, Utah, Washington and Wyoming.

PacifiCorp proposes to enter into Agreements and Other Arrangements and to issue Paper through April 30, 2011 on the terms and conditions specified in Order Nos. 27457, 28346, 28970 and 29374. The type of issue (promissory notes, revolving credit, commercial paper) and the terms of issue including interest rate will be determined at the date of issue. The short-term debt may include (1) unsecured short-term promissory notes issued to and borrowings from U.S. or foreign commercial banks (or their affiliates) under the following facilities: (a) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under one or more revolving credit agreements (Agreements); and (b) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under other borrowing arrangements (Other

Arrangements); and (2) commercial paper (Paper) issued in the U.S. or overseas in an aggregate principal amount not to exceed \$1.5 billion outstanding at any one time; provided, further, that the aggregate principal amounts outstanding under the Agreements, Other Arrangements and Paper not exceed \$1.5 billion at any one time.

Proceeds from the short-term borrowings will be used for the improvement or maintenance of service or facilities, construction purposes, acquisition of utility property, the discharge or lawful refunding of obligations that were incurred for utility purposes, or the reimbursement of PacifiCorp's treasury for funds used for the foregoing purposes; all of these purposes as permitted under *Idaho Code* § 61-901.

PacifiCorp has paid the fees required by *Idaho Code* § 61-905.

CONCLUSIONS OF LAW

PacifiCorp is an electric corporation within the definition of *Idaho Code* § 61-119 and is a public utility within the definition of *Idaho Code* § 61-129.

The Idaho Public Utilities Commission has jurisdiction over this matter pursuant to the provisions of *Idaho Code* § 61-901 *et seq.*, and the application reasonably conforms to Rules 141-150 of the Commission's Rules of Procedure (IDAPA 31.01.01.141-.150).

The method of issuance is proper.

The general purposes to which the proceeds will be put are lawful purposes under the Public Utilities Laws of the State of Idaho and are compatible with the public interest. However, this general approval of the general purposes to which the proceeds will be put is neither a finding of fact nor a conclusion of law that any particular construction program of PacifiCorp which may be benefited by the approval of this application has been considered or approved by this Order, and this Order shall not be construed to that effect.

The issuance of an order authorizing the proposed financing does not constitute agency determination/approval of the type of financing or the related costs for ratemaking purposes, which determination the Commission expressly reserves until the appropriate proceeding.

The Application should be approved.

ORDER

IT IS THEREFORE ORDERED that PacifiCorp's Application for authority to:

(1) Issue unsecured short-term promissory notes to and borrow from U.S. or foreign commercial banks (or their affiliates) under:

(a) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under one or more revolving credit agreements; and

(b) not more than \$1.5 billion in aggregate principal amount outstanding at any one time under other borrowing arrangements; and

(2) Issue and sell its commercial paper in the U.S. or overseas in an aggregate principal amount not to exceed \$1.5 billion outstanding at any one time; provided, further, that the aggregate principal amounts outstanding under the Agreements, Other Arrangements and Paper not exceed \$1.5 billion at any one time, is granted.

IT IS FURTHER ORDERED that PacifiCorp is hereby authorized to issue the Securities in the manner and for the purposes described in the Application with continuing authority to refund, extend, renew or replace the same without further order of the Commission, provided that the fees, interest rates and expenses charged or incurred in connection with any transactions entered into under the authority of this order, and any refunding, extension, renewal or replacement thereof, are competitive with market prices for similar transactions.

IT IS FURTHER ORDERED that such authorization remains effective through April 30, 2011, so long as the Company maintains a BBB- or higher senior secured debt rating, as indicated by Standard & Poor's Rating Services, and a Baa3 or higher senior secured debt rating, as indicated by Moody's Investors' Service, Inc.

IT IS FURTHER ORDERED that if PacifiCorp's senior secured debt ratings fall below the investment grade levels referenced in the above ordering paragraph (Downgrade), the authority granted to PacifiCorp as provided in this Order will not terminate, but instead such authority will continue for a period of 180 days from the date of the Downgrade (Continued Authorization Period), provided that PacifiCorp:

(1) Promptly notifies the Commission in writing of the Downgrade; and

(2) Files a supplemental application with the Commission within seven (7) days after the Downgrade, requesting a supplemental order (Supplemental Order) authorizing the Company to issue short-term debt as provided in

this Order, notwithstanding the Downgrade. Until PacifiCorp receives the Supplemental Order, any such short-term debt incurred or issued by PacifiCorp during the Continued Authorization Period will become due or mature no later than the final date of the Continued Authorization Period.

IT IS FURTHER ORDERED that regulatory treatment of any gross-up provisions continue to be deferred until the situation occurs.

IT IS FURTHER ORDERED that this authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuation, estimates, or determination of costs, or any other matter that may come before this Commission pursuant to its jurisdiction and authority as provided by law.

IT IS FURTHER ORDERED that nothing in this Order and no provision of Chapter 9, Title 61, Idaho Code, or any act or deed done or performed in connection with this Order shall be construed to obligate the State of Idaho to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed under the provisions of Chapter 9, Title 61, Idaho Code.

IT IS FURTHER ORDERED that PacifiCorp shall file, as they become available, the following:


- a. The "Report of Securities Issued" required by 18 CFR § 34.10;
- b. Verified copies of any Agreement entered into pursuant to this order; and
- c. An annual verified statement setting forth in reasonable detail the disposition of the proceeds during each year of the Agreements.

IT IS FURTHER ORDERED that issuance of this Order does not constitute acceptance of PacifiCorp's exhibits or other material accompanying the Application for any purpose other than the issuance of this Order.

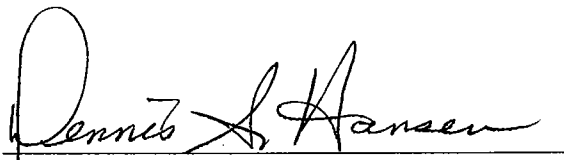
THIS IS A FINAL ORDER. Any person interested in this order (or in issues finally decided by this order) or in interlocutory orders previously issued in this Case No. PAC-E-06-1 may petition for reconsideration within twenty-one (21) days of the service date of this order with regard to any matter decided in this order or in interlocutory orders previously issued in this Case No. PAC-E-06-1. Within seven (7) days after any person has petitioned for reconsideration, any

other person may cross-petition for reconsideration in response to issues raised in the petition for reconsideration. See *Idaho Code* § 61-626.

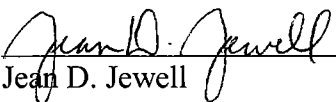
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this *14th* day of March 2006.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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