(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF PACIFICORP FOR (1) AUTHORITY TO ISSUE AND SELL OR EXCHANGE NOT MORE THAN $750,000,000 OF DEBT, (2) AUTHORITY TO ENTER INTO CREDIT SUPPORT ARRANGE­MENTS AND (3) AUTHORITY TO ENTER INTO CURRENCY EXCHANGES                                                                                           | )))))))) | CASE NO. PAC-E-97-3ORDER NO.  27154 |

On February 22, 1996, PacifiCorp filed its application pursuant to Chapter 9, Title 61, of the Idaho Code and Rules 141 through 150 of the Commission’s Rules of Procedure requesting an order authorizing PacifiCorp to (1) issue and sell or exchange, in one or more public offerings or private placement, fixed or floating rate debt (Debt) in the aggregate principal amount of not more than $750,000,000 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 $750,000,000 (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, the interest on, and the premium (if any) on the Debt, and (3) enter into one or more currency exchanges.  On April 4, 1996, the Commission issued Order No. 26393 approving PacifiCorp’s request.

On August 25, 1997, PacifiCorp filed an amendment to its Application requesting a $400,000,000 increase in its authority to issue Debt in this Case, as PacifiCorp has issued $700,000,000 of the Debt originally authorized.  PacifiCorp requests that such amended authority remain in effect through December 31, 1999.

FINDINGS OF FACT

PacifiCorp 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 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, Montana, Oregon, Utah, Washington and Wyoming.

Approximately 99 percent of PacifiCorp’s direct utility revenues in 1996 were derived from its electric operations and approximately 4 percent of those revenues were derived from its Idaho operations.

PacifiCorp represents that the proposed issuance of Debt, as amended, will be substantially as set forth in its original Application in this Case.

Offering costs (excluding other issuance expenses) are not expected to exceed 2.00% for the Debt.

The expected results of the offering and sale of the Debt not yet in place are expected to be as follows:

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|  |          Total            |       Per $100.00        |
| Gross Proceeds | $450,000,00 | $100.00 |
| Less:Underwriting Fees at Approximately 2% |              9,000,000 |                       2.00 |
| Proceeds Payable to the Company | $441,000,000 | $98.00 |
| Less:Other Issuance Expenses |                  520,000 |                       .116 |
| Net Proceeds to the Company |           $440,480,000 |                   $97.884 |

PacifiCorp intends to use the proceeds of the additional Debt for purposes set forth in Idaho Code § 61-901.  Proceeds may be used for one or more of the following purposes:  the acquisition of property; the construction, completion, extension, or improvement of facilities; the improvement of service; the discharge or refunding of obligations; and to reimburse PacifiCorp for funds expended from income or other treasury funds that were not derived from the issuance of securities, provided that the funds to be reimbursed were used in furtherance of one or more of the utility purposes authorized by Idaho Code § 61-901.  To the extent that the funds to be reimbursed were used for the discharge or refunding of obligations, those obligations or their precedents were originally incurred in furtherance of a utility purpose.

Issuance of the additional Debt proposed are part of an overall plan to finance the cost of PacifiCorp’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.

PacifiCorp requests that such authority remain in effect through December 31, 1999.

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

CONCLUSIONS OF LAW

PacifiCorp is an electrical 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 mater pursuant to the provisions of Idaho Code § 61-901 et seq., and the amended Application reasonably conforms to Rules 141 through 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 of the additional Debt will be put are lawful purposes under the Public Utility Law of the State of Idaho and are compatible with the public interest.  However, this general approval of the general purposes to which the proceeds of the additional Debt will be put is neither a finding of fact nor a conclusion of law that any particular construction program of PacifiCorp which may be benefitted by the approval of this amended Application has been considered or approved by this Order, and this Order shall not be constructed to that effect.

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

The Application should be approved as amended.

ORDER

IT IS THEREFORE ORDERED that the amended application of PacifiCorp for a $400,000,000 increase in the Debt authority in this Case is granted.

IT IS FURTHER ORDERED that, except as modified by this Order, the Commission’s Order No. 26303, dated April 4, 1996, shall remain in full force and effect.

IT IS FURTHER ORDERED that the authority granted herein shall remain in effect through December 31, 1999.

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 this 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 the following as they become available:

a.The “Report of Securities Issued” required by 18 CFR 34.10.

b.Verified copies of any agreement entered into in connection with the issuance of Debt pursuant to this order.

c.A verified statement setting forth in reasonable detail the disposition of the proceeds of each offering made pursuant to this order.

IT IS FURTHER ORDERED that PacifiCorp shall contact the Commission Staff as soon as possible prior to the issuance of debt for the purpose of reporting the estimated interest rates and other terms of the issuance.  PacifiCorp shall also, after issuance, provide to the Staff work papers demonstrating the cost effectiveness of the type of security selected for issuance.  These two requirements are for information purposes and are not utilized to determine the legality of the issue.

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 may petition for reconsideration within twenty-one (21) days of the service date of this Order.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this \_\_\_\_ day of September 1997.

DENNIS S. HANSEN, PRESIDENT

RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

MYRNA J. WALTERS

COMMISSION SECRETARY

vld:O:PAC-E-97-3.tc

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

October 1, 1997