

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

In the Matter of the Application)
of PACIFICORP dba PACIFIC POWER &)
LIGHT COMPANY for an Order (1))
authorizing it to issue and sell not)
more than 5,000,000 additional shares)
of its Common Stock under its Dividend)
Reinvestment and Stock Purchase Plan,)
as amended, and (2) amending the)
authority granted in Docket No.)
83.5.39.)

UTILITY DIVISION
DOCKET NO. 85.12.51
DEFAULT ORDER NO. 5181a

On December 9, 1985, PacificCorp dba Pacific Power & Light Company (Pacific), a corporation organized and existing under and by virtue of the laws of the State of Maine and qualified to transact business in Montana, filed with the Montana Public Service Commission its verified application, pursuant to Sections 69-3-501 through 69-3-507, MCA, requesting an order authorizing Pacific to issue and sell not more than 5,000,000 shares of its common stock of a par value \$3.25 (new shares) to holders of its stock and to other persons, in each case pursuant to its Dividend Reinvestment and Stock Purchase Plan as amended (Plan) and amending Default Order No. 4989 in Docket No. 83.5.39 to authorize the issuance and sale by Pacific, pursuant to the Plan of shares of its common stock not yet issued pursuant to such order. On December 30, 1985, the Commission issued its order approving Pacific's request to issue 5,000,000 pursuant to its Plan.

On January 3, 1986, Pacific filed its supplemental application in the named docket requesting the Commission issue an amending order permitting Pacific to use the proceeds from the Plan to refund its \$4.07 No Par Serial Preferred Stock and its 15% Serial Preferred Stock.

The supplemental application is supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of the issuance of securities by electric and gas utility companies operating within Montana.

At a regular open session of the Montana Public Service Commission held in its offices at 2701 Prospect Avenue, Helena, Montana, on January 20, 1986, there came before the Commission for final action the matters and things in Docket No. 85.12.51, and the Commission, having fully considered the application and all the data and records pertaining to it on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS

1. Pacific is a corporation organized and existing under and by virtue of the laws of the State of Maine and is qualified to transact business in the State of Montana.
2. Pacific is operating as a public utility as defined in Section 69-3-101, MCA, and is engaged in furnishing electric and water service in Montana.
3. The Commission has jurisdiction over the subject matter of the application under Section 69-3-102, MCA.
4. Notice of the application was published as a part of the Commission's regular weekly agenda.
5. Pacific proposes to issue and sell not more than 5,000,000 additional shares of its common stock under the Plan.
6. As initially approved, all of the net proceeds from the Plan were to have been used to reimburse Pacific's treasury for funds expended from income and from other treasury funds that were not derived from the issuance of securities.

As amended, the net proceeds of the issuance will be used by Pacific to redeem two series of its preferred stock. If all such shares are redeemed, approximately \$16,487,000 and \$18,700,000 of the proceeds will be used to pay for the redemption of the \$4.07 No Par Serial Preferred Stock and the 15% Serial Preferred Stock, respectively. Redemption expenses are expected to total \$50,000. The remaining proceeds will be used to reimburse Pacific's treasury for funds expended from income and from other treasury funds that were not derived from the issuance of securities. The funds to be reimbursed were used in furtherance of one or more of the utility purposes authorized by Section 69-3-501 MCA. 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.

CONCLUSIONS

The proposed common stock issuance, as amended, to which the application relates will be for lawful objects within the corporate purposes of Pacific. The method of financing is proper. The supplemental application should be approved.

ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. The supplemental application of PacifiCorp dba Pacific Power & Light Company, filed January 3, 1986 for authority to issue and sell not more than 5,000,000 shares of the common stock pursuant to its Dividend Reinvestment and Stock Purchase Plan, as amended, until all the shares authorized have been sold, pursuant to Sections 69-3-501 through 69-3-507, MCA, and to use the proceeds for normal utility purposes, is approved.

2. Except as specifically modified in this Order, Default Order No. 5181 in Docket No. 85.12.51 shall remain operative.

3. Issuance of this order does not constitute acceptance of PacifiCorp dba Pacific Power & Light Company's exhibits or other material accompanying the application for any purpose other than the issuance of this order.

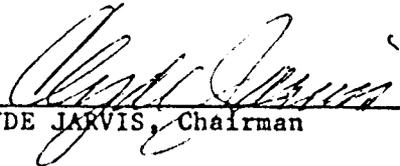
4. Approval of the transaction authorized shall not be construed as precedent to prejudice any future action of this Commission.

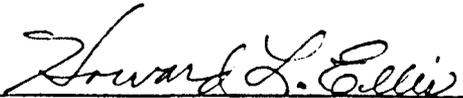
5. Section 69-3-507, MCA, provides that neither the issuance of securities by PacifiCorp dba Pacific Power & Light Company pursuant to the provisions of this order, nor any other act or deed done or performed in connection with the issuance, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed, or guaranteed.

6. This order shall be effective upon execution.

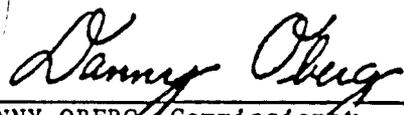
DONE IN OPEN SESSION at Helena, Montana, this 20th day of January, 1986,
by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.


CLYDE JARVIS, Chairman

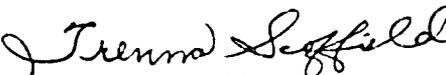

HOWARD L. ELLIS, Commissioner


JOHN B. DRISCOLL, Commissioner


DANNY OBERQ, Commissioner


TOM MONAHAN, Commissioner

ATTEST:


Trena Scoffield
Commission Secretary

(SEAL)

Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.