

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

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IN THE MATTER Of The Application)	
Of PACIFICORP dba PACIFIC POWER &)	
LIGHT COMPANY for an Order)	UTILITY DIVISION
authorizing it to issue and sell)	DOCKET NO. 87.3.11
not more than \$150,000,000 of its)	DEFAULT ORDER NO. 5262
No Par Serial Preferred Stock.)	

On January 26, 1987, PacifiCorp 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, in one or more public offerings prior to December 31, 1988, not more than \$150,000,000 in aggregate principal amount of its No Par Serial Preferred Stock (Preferred Stock) On February 9, 1987 , the Commission issued its order approving Pacific's requests.

On March 16, 1987, Pacific filed an application to amend its authority to allow it to issue and sell in one or more public offerings not more than \$250,000,000 in aggregate principal amount of its Preferred Stock.

The 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.

For detailed information with respect to the general character of Pacific's business and the territories served by it, reference is made to its annual reports on file with the Commission.

The application sets forth Counsel who will pass upon the legality of the proposed issuance, the other regulatory authorizations required, and the propriety of the proposed issue.

At a regular open session of the Montana Public Service Commission held in its offices at 2701 Prospect Avenue, Helena, Montana, on March 30, 1987, there came before the Commission for final action the matters and things in Docket No. 87.3.11, and the Commission, having fully considered the application, the amended 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 sell, in one or more public offerings prior to December 31, 1988, not more than \$250,000,000 in aggregate principal amount of its No Par Serial Preferred Stock. The number of shares issued will depend upon the stated value assigned to each share with the aggregate stated value not to exceed \$250,000,000. This represents an increase of \$100,000,000 in aggregate principal amount from the amount originally requested by Pacific and approved by the Commission.

6. ESTIMATED RESULTS OF THE FINANCING

	<u>Total</u>	<u>Per \$100</u>
Gross Proceeds	\$250,000,000	\$100.00
Less: Underwriting Fees Approximately 1.35%*	<u>\$ 3,375,000</u>	<u>\$ 1.35</u>
Proceeds Payable to Pacific	\$246,625,000	\$ 98.65
Less: Other Issuance Expenses	<u>875,000</u>	<u>0.35</u>

Net Proceeds to Pacific	\$245,750,000	\$ 98.30
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7. All of the other expected terms and conditions related to the additional Preferred Stock will be as described by Pacific in its initial application and approved by the Commission for the initial \$150,000,000 of Preferred Stock.

8. The net proceeds of the issuance 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 issuance of Preferred Stock will be for lawful objects within the corporate purposes of Pacific. The method of financing is proper.

*Assumes the level of fees associated with the issuance of DARTS that Pacific proposes as its initial offering under this docket.

The application should be approved.

ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. The application of PacifiCorp dba Pacific Power & Light Company, filed on March 16, 1987, for authority to issue and sell, in one or more public offerings prior to December 31, 1988, not more than \$250,000,000 in aggregate principal amount of its No Par Serial Preferred Stock, pursuant to Sections 69-3-501 through 69-3-507, MCA, and to use the proceeds for normal utility purposes, is approved.

2. PacifiCorp dba Pacific Power & Light Company shall file the following as they become available:

- a. The "Report of Securities issued" required by 18 CFR 34.30.
- b. Verified copies of any agreement entered into in connection with the issuance of Preferred Stock 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.

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. The authority granted in this order is not in addition to the authority granted by this Commission in Docket No. 87.1.4, Default Order No. 5255.

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

6. 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.

7. This order shall be effective upon execution.

DONE IN OPEN SESSION at Helena, Montana, this 30th day of March, 1987,
by a 4 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARAVIS, Chairman

HOWARD L. ELLIS, Commissioner

TOM MONAHAN, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Ann Purcell
Commission Secretary

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