

Service Date: December 19, 1989

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 for an Order either )  
disclaiming jurisdiction over or, )  
in the alternative, authorizing )  
(1) a 2-for-1 split of PacifiCorp's )  
common stock effected by means of )  
a 100 percent stock dividend and )  
(2), by reason of the stock split, )  
a 100 percent increase in the )  
number of shares of common stock )  
previously authorized for issuance )  
under its Dividend Reinvestment )  
and Stock Purchase Plan. )

UTILITY DIVISION  
DOCKET NO. 89.12.45  
DEFAULT ORDER NO. 5450

On December 1, 1989, PacifiCorp (the Company) filed with the Montana Public Service Commission its verified application, pursuant to Sections 69-3-501 through 69-3-507, MCA, requesting an order either disclaiming jurisdiction over or, in the alternative, authorizing (1) a 2-for-1 split of PacifiCorp's common stock effected by means of a 100 percent stock dividend and (2) by reason of the stock split, a 100 percent increase in the number of shares of common stock previously authorized for issuance under its Dividend Reinvestment and Stock Purchase Plan.

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 the Company'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 December 18, 1989, there came before the Commission for final action the matters and things in Docket No. 89.12.45, 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. The Company is a corporation organized and existing under and by virtue of the laws of the State of Oregon and is qualified to transact business in the State of Montana.
2. The Company is operating as a public utility as defined in Section 69-3-101, MCA, and is engaged in furnishing electric 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. On November 15, 1989, the Company's Board of Directors approved, subject to any required regulatory approval, a 2-for-1 split of the Company's common stock. The split is to be effected by means of a 100 percent stock dividend on the outstanding shares of the Company's common stock on the record date, currently set for January 23, 1990. No shareholder approval or amendment of the Company's Restated Articles of Incorporation is required prior to the stock split. On the payment date for the stock dividend, each holder of common stock as of the record date would receive a certificate for additional shares equal in amount to the number of shares of common stock previously owned. It is expected that the new certificates would be mailed on March 1, 1990, subject to change should the record date be moved to a later date.
6. Pursuant to Docket No. 85.12.51, Order No. 5181a, and Docket No. 87.9.49, Order No. 5298a, the Commission authorized the issuance of up to 5,000,000 shares of the

Company's common stock under the DRIP. Since the date of the initial order in this matter, 3,078,683 shares have been so issued. As a result of the proposed stock split, the number of shares expected to be issued under the DRIP will be increased by 100 percent. These shares may be issued from time to time under the DRIP as more fully set forth in the Company's application under Docket No. 85.12.51, Order No. 5181a.

7. The Company believes that the 2-for-1 split of its common stock will increase and broaden its shareholder base. The Company expects that increased liquidity in the market for the Company's common stock will result from the lower unit price caused by the split and that this, in turn, will be a means of generating additional investor interest in the stock. Wider knowledge of and interest in the Company may result in a broader market for other classes of the Company's securities.

8. The proposed stock split will result in no change in the common equity of the Company's shareholders and the aggregate capital represented by the common stock will remain unchanged. The Company will receive no proceeds as a result of the proposed stock split and no underwriting or other commissions or related fees will be paid in connection with the distribution of additional shares to existing holders of the Company's common stock.

9. Under the Oregon Business Corporation Act, ORS Chapter 60 as currently in effect, par value and capital accounts are no longer meaningful concepts. No transfers to or from specific accounts are required or contemplated in connection with the issuance of stock. As mentioned above, the proposed stock split will result in no change in the Company's common equity. Accordingly, the Company does not expect to make any transfers to or from capital accounts in connection with the stock split.

10. The Company estimates that the expenses associated with the stock split will not exceed \$640,000 and states that all such expenses will be borne by the Company's shareholders and will not be passed on to customers.

11. The proposed stock split will not generate proceeds.

12. The issuance of an order authorizing the proposed stock split does not constitute agency determination/approval of any issuance-related ratemaking issues, which issues are expressly reserved until the appropriate proceeding.

## CONCLUSIONS

1. The proposed stock split to which the application relates will be for lawful objects within the corporate purposes of the Company.
2. The application should be approved.

## ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. The application of PacifiCorp for authority to effect a 2-for-1 split of PacifiCorp's common stock effected by means of a 100 percent stock dividend and by reason of the stock split, a 100 percent increase in the number of shares of common stock previously authorized for issuance under its Dividend Reinvestment and Stock Purchase Plan, is approved.
2. PacifiCorp shall file as soon as available:  
  
The "Report of Securities Issued" required by 18 CFR 34.10.
3. 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.
4. Approval of the transaction authorized shall not be construed as precedent to prejudice any future action of this Commission.
5. This order shall be effective upon execution.

DONE IN OPEN SESSION at Helena, Montana, this 18th day of December, 1989, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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CLYDE JARVIS, Chairman

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HOWARD L. ELLIS, Commissioner

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WALLACE W. "WALLY" MERCER, Commissioner

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DANNY OBERG, Commissioner

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JOHN B. DRISCOLL, Commissioner

Ann Peck  
Commission Secretary

(SEAL)

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