

Service Date: December 23, 1992

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) UTILITY DIVISION
of PACIFICORP for authority to) DOCKET NO. 92.12.77
issue and sell not more than) DEFAULT ORDER NO. 5681
5,000,000 shares of its Common)
Stock.)

On July 5, 1991, PacifiCorp (Company), a corporation organized and existing under and by virtue of the laws of the State of Oregon 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 the Company to issue and sell, in one offering or from time to time through December 31, 1992, not more than 5,000,000 shares of its Common Stock. On July 31, 1991, the Commission granted the Company's request under Docket No. 91.7.26, Default Order No. 5563.

On December 4, 1992, the Company filed an amendment to its application seeking to extend its authority in this matter through December 31, 1993. This filing was assigned Docket No. 92.12.77.

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 1701 Prospect Avenue, Helena,

Montana, on December 21, 1992, there came before the Commission for final action the matters and things in Docket No. 92.12.77, 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 Company 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. The Company 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.
- 4.The Commission has jurisdiction over the subject matter of the application under Section 69-3-102, MCA.
- 5.Notice of the application was published as a part of the Commission's regular weekly agenda.
- 6.The Company proposes to issue and sell, in one offering or from time to time through December 31, 1993, not more than 5,000,000 shares (of which 4,357,800 have been issued and sold) of its Common Stock. One or more underwriters or agents will assist the Company with the marketing and distribution of new shares of Common Stock pursuant to an arrangement under which the new shares would be sold on an underwritten or agency basis. The new shares will be offered to the public pursuant to an effective Registration Statement under the Securities Act of 1933 relating to the new shares. The underwriters and agents to be selected by the Company will have extensive experience in underwriting and marketing securities of all types, will be familiar with the Company and its long-term financing goals and will be available

to the Company's management for consultation on financial matters. They will assist the Company in evaluating market conditions and in formulating the terms and timing of the issuances.

7. The dividends paid on the Company's Common Stock are set from time to time by the Company's Board of Directors.

8. The new shares of Common Stock will be issued pursuant to the Company's Second Restated Articles of Incorporation, as amended (Restated Articles), and will constitute additional shares within the 750,000,000 authorized. The new shares of Common Stock will rank equally with outstanding shares in all respects. The rights are set forth in the Company's Restated Articles.

9. The Company expects to issue the Common Stock in one offering or from time to time through December 31, 1993. The new shares of Common Stock will be permanent capital with a perpetual life.

10. Underwriting or agency fees are not expected to exceed 3.50 percent of the public offering price for the Common Stock.

11. The expected results of the offering and sale of the shares of Common Stock remaining to be sold in this matter are as follows:

ESTIMATED RESULTS OF THE FINANCINGS

	TOTAL	PER SHARE
Gross Proceeds	\$ 14,128,400	\$22.00*
Less: Agents'/Underwriters' Compensation**	494,494	0.77
Proceeds Payable to Company	\$ 13,633,906	\$21.23
Less: Other Issuance Expenses	47,000	0.07
Net Proceeds	\$ 13,586,906	\$21.16

*Based upon the November 4, 1992 closing stock price.

**Assumes all shares are sold through an underwritten transaction.

12. The net proceeds of the issuances will be used to reimburse the Company'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 further-

ance 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.

13. Issuances of the Common Stock proposed are part of an overall plan to finance the cost of the Company'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.

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

CONCLUSIONS OF LAW

1. The proposed issuances of Common Stock to which the application relates will be for lawful objects within the corporate purposes of the Company. The method of financing is proper.

2. The application should be approved.

ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. The application of PacifiCorp filed on December 4, 1992, for authority to issue and sell, in one offering or from time to time through December 31, 1993, not more than 5,000,000 shares (of which 4,357,800 have been issued and sold) of its Common Stock, pursuant to Sections 69-3-501 through 69-3-507, MCA, and to use the proceeds as described in the application, is approved. This authority is in addition to the authority granted under Docket No. 92.10.56, Default Order No. 5655.

2. 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 Common 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 the order.

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.Section 69-3-507, MCA, provides that neither the issuance of securities by PacifiCorp 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 21st day of December, 1992, by a 5 - 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DANNY OBERG, Chairman

WALLACE W. "WALLY" MERCER, Vice Chairman

BOB ANDERSON, Commissioner

JOHN B. DRISCOLL, Commissioner

TED C. MACY, Commissioner

ATTEST:

Kathlene M. Anderson
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. •