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Portland, Oregon 97232
(503) 464-5000

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IDAHO PUBLIC
UTILITIES COMMISSION



January 17, 2003

Idaho Public Utility Commission
Statehouse
472 West Washington Street
Boise, ID 83720

PAC-E-03-01

ATTN: Ms. Jean D. Jewell
Commission Secretary

Re: CASE NOS. U-1046-129, U-1046-159, U-1046-163, PAC-S-90-4, PAC-S-92-4 AND PAC-S-95-2:

In the matter of the Supplemental Application of PACIFICORP for Pollution Control Revenue Bond authority in Case Nos. U-1046-129, U-1046-159, U-1046-163, PAC-S-90-4, PAC-S-92-4 and PAC-S-95-2.

Dear Commissioners:

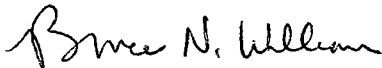
PacifiCorp (Company) respectfully requests that the Commission enter its order, effective upon issuance, authorizing the Company to (1) amend and restate certain trust indentures, loan agreements and related documents entered into pursuant to Order Nos. 18169 in Case No. U-1046-129, 20937 in Case No. U-1046-159, 21666 in Case No. U-1046-163, 23468 in Case No. PAC-S-90-4, 24479 in Case No. PAC-S-92-4, and 26039 in Case No. PAC-S-95-2 to make them generally consistent with those entered into under Order No. 25443 in Case No. PAC-S-94-1, (2) enter into such other agreements or arrangements with the issuers of the related Pollution Control Revenue Bonds (Applicable Bonds) and with other entities as may be reasonably necessary to effect the borrowings and to provide credit enhancement for the Applicable Bonds, including the issuance of the Company's First Mortgage Bonds as collateral for the Applicable Bonds, and (3) replace or modify from time to time the credit enhancement arrangements supporting the Applicable Bonds.

The Company believes that these changes are necessary in order for the Company to achieve more cost-effective financing terms for the Applicable Bonds. The Company is not seeking authorization to increase the aggregate principal amount of the Applicable Bonds.

PacifiCorp respectfully requests that the Commission issue its order on or before February 28, 2003, in lieu of within 30 days after the filing of the enclosed application as required by *Idaho Code* §61-904. PacifiCorp respectfully requests twenty certified copies of any order issued in this matter. Notice of this Application will be published within seven days as required by the Commission's Rules of Procedure. A check in the amount of the application fee will be sent under separate cover.

Your attention to this matter is appreciated.

Sincerely,



Bruce N. Williams
Treasurer

Enclosures: Application (1 original and 4 copies)
Proposed Form of Order (1 original and 4 copies)
Diskette containing the proposed Form of Order

CC: T. Carlock

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. U-1046-129
CASE NO. U-1046-159
CASE NO. U-1046-163
CASE NO. PAC-S-90-4
CASE NO. PAC-S-92-4
CASE NO. PAC-S-95-2

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IDAHO PUBLIC
UTILITIES COMMISSION

In the Matter of the Supplemental Application)
of PACIFICORP for Pollution Control Revenue) SUPPLEMENTAL
Bond authority in Case Nos. U-1046-129,) APPLICATION
U-1046-159, U-1046-163, PAC-S-90-4,)
PAC-S-92-4 and PAC-S-95-2)

PacifiCorp (Company) hereby applies for an order of the Idaho Public Utilities Commission (Commission) amending the following orders (Orders): Order No. 18169 in Case No. U-1046-129, dated July 8, 1983 (1983 Order); Order No. 20937 in Case No. U-1046-159, dated December 23, 1986 (1986 Order); Order No. 21666 in Case No. U-1046-163, dated January 4, 1988 (1988 Order); Order No. 23468 in Case No. PAC-S-90-4, dated December 20, 1990 (1990 Order); Order No. 24479 in Case No. PAC-S-92-4, dated September 2, 1992 (1992 Order); and Order No. 26039 in Case No. PAC-S-95-2, dated May 30, 1995 (1995 Order).

The Orders generally authorized the Company to (1) borrow the proceeds of not more than \$850,000,000 aggregate principal amount of Pollution Control Revenue Bonds (Bonds) to be issued by certain counties or municipalities (Issuers)¹ and (2) enter into such agreements or

¹ The 1983 Order authorized the Company to borrow the proceeds of not more than \$300,000,000 of Bonds to be issued by Sweetwater County, Wyoming. The 1986 Order authorized the Company to borrow the proceeds of not more than \$20,000,000 of Bonds to be issued by the City of Forsyth, Montana. The 1988 Order authorized the Company to borrow not more than \$165,000,000 to be issued by Sweetwater and Converse Counties, Wyoming and the Cities of Forsyth, Montana and Gillette, Wyoming. The 1990 Order authorized the Company to borrow the proceeds of not more than \$90,000,000 of Bonds to be issued by Emery County,

arrangements with the Issuers and with other entities as may be reasonably necessary to effect the borrowings and to provide credit enhancement for the Bonds.

Of the Bonds, \$150,925,000 aggregate principal amount (Applicable Bonds) were issued in nine series pursuant to nine separate trust indentures (Trust Indentures) between the respective Issuers and trustees, and the proceeds of the issuances were borrowed by the Company pursuant to nine separate loan agreements (Loan Agreements) between the respective Issuers and the Company.² As set forth in greater detail in the Orders, the borrowings were made to finance, or refinance, the cost of pollution control, solid waste disposal and sewage facilities (Facilities) at certain of the Company's electric generating plants.

In Order No. 25443 in Case No. PAC-S-94-1, dated March 22, 1994 (1994 Order), the Commission authorized the Company to (1) borrow the proceeds of certain series of Pollution Control Revenue Refunding Bonds (1994 Refunding Bonds) to be issued by various counties

Utah; and Lincoln County, Wyoming. The 1992 Order authorized the Company to issue not more than \$150,000,000 of Bonds to be issued by Emery County, Utah; Lincoln, Sweetwater and Converse Counties, Wyoming; and Moffat County, Colorado. The 1995 Order authorized the Company to issue not more than \$125,000,000 of Bonds to be issued by Emery and Carbon Counties, Utah; Lincoln, Sweetwater, Converse and Campbell Counties, Wyoming; Moffat and Routt Counties, Colorado; and Lewis County, Washington.

² The nine series of Applicable Bonds and the aggregate principal amount of each series are as follows: (i) \$15,000,000 Pollution Control Revenue Bonds (Series 1984) issued by Sweetwater County, Wyoming; (ii) \$8,500,000 Flexible Rate Demand Pollution Control Revenue Bonds (Series 1986) issued by the City of Forsyth, Montana; (iii) \$17,000,000 Customized Purchase Pollution Control Revenue Refunding Bonds (Series 1988) issued by Converse County, Wyoming; (iv) \$45,000,000 Pollution Control Revenue Refunding Bonds (Series 1991) issued by Lincoln County, Wyoming; (v) \$9,335,000 Pollution Control Revenue Refunding Bonds (Series 1992A) issued by Sweetwater County, Wyoming; (vi) \$6,305,000 Pollution Control Revenue Refunding Bonds (Series 1992B) issued by Sweetwater County, Wyoming; (vii) \$22,485,000 Pollution Control Revenue Refunding Bonds (Series 1992) issued by Converse County, Wyoming; (viii) \$5,300,000 Environmental Improvement Revenue Bonds (Series 1995) issued by Converse County, Wyoming; and (ix) \$22,000,000 Environmental Improvement Revenue Bonds (Series 1995) issued by Lincoln County, Wyoming.

(1994 Issuers),³ (2) enter into such agreements or arrangements as may be reasonably necessary to effect the borrowings and to provide credit enhancement for the 1994 Refunding Bonds, including the issuance of the Company's First Mortgage Bonds (First Mortgage Bonds), and (3) replace or modify from time to time the credit enhancement arrangements supporting the 1994 Refunding Bonds. The 1994 Refunding Bonds were issued pursuant to separate trust indentures (1994 Trust Indentures) between the respective 1994 Issuers and a trustee, and the proceeds of the issuances were borrowed by the Company pursuant to separate loan agreements (1994 Loan Agreements) between the respective 1994 Issuers and the Company. (See Exhibits F and G.)

With this application, the Company requests amendments to the Orders authorizing the Company to (1) amend and restate the Trust Indentures, Loan Agreements and related documents pertaining to the Applicable Bonds to make them generally consistent with those entered into pursuant to the 1994 Order, (2) enter into such other agreements or arrangements with other entities as may reasonably be necessary to effect the borrowings and to provide credit enhancement for the Applicable Bonds, including the issuance of First Mortgage Bonds as collateral for the Applicable Bonds, and (3) replace or modify from time to time the credit enhancement arrangements supporting the Applicable Bonds.

The Company believes that these changes are necessary in order for the Company to achieve more cost-effective financing terms for the Applicable Bonds. The Company is not seeking authorization to increase the \$150,925,000 aggregate principal amount of the Applicable Bonds or to change the basic terms of the financings set forth in the Orders.

³ The 1994 Order authorized the Company to borrow the proceeds of not more than \$225,000,000 of 1994 Refunding Bonds to be issued by Emery and Carbon Counties, Utah; Lincoln, Sweetwater, and Converse Counties, Wyoming; and Moffat County, Colorado.

This application is filed pursuant to Chapter 9, Title 61, of the *Idaho Code* and Section 14 of the Commission's Rules of Practice and Procedure.

The Company respectfully represents that:

- (a) The Official Name of the Applicant and Address of Its Principal Business Office.

PacifiCorp
Suite 2000
825 N.E. Multnomah
Portland, OR 97232

- (b) The State and Date of Incorporation; each State in Which It Operates as a Utility.

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 the Company 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, Oregon, Utah, Washington and Wyoming.

- (c) The Name, Address, and Telephone Number of Persons Authorized to Receive Notices and Communications.

Bruce N. Williams, Treasurer
PacifiCorp
825 N.E. Multnomah, Suite 1900
Portland, OR 97232
Telephone: (503) 813-5662

The Commission is also requested to dispatch copies of all notices and communications to the following:

John M. Schweitzer
Stoel Rives LLP
900 S.W. Fifth Ave., Suite 2600
Portland, OR 97204-1268
Telephone: (503) 294-9225

Electronic copies of Data Requests should be sent to datarequest@pacificorp.com. Informal inquires may be addressed to Robert C. Lively – Manager, Regulation (801-220-4052).

(d) The Date by which Commission Action is Requested.

By February 28, 2003, in lieu of within 30 days after the filing of this application as required by *Idaho Code* §61-904.

(e) Background.

Pursuant to the Orders, the Applicable Bonds were issued in \$150,925,000 aggregate principal amount in nine series and the proceeds were loaned to the Company. The relevant terms and conditions relating to these borrowings by the Company are set forth in the Orders. However, the Trust Indentures, Loan Agreements and related documents used in 1983, 1986, 1988, 1990, 1992 and 1995 contain a different mechanism for changing interest rate modes from the mechanism contained in the 1994 Trust Indentures, 1994 Loan Agreements and related documents and do not permit the Company to provide security for the Applicable Bonds in the form of First Mortgage Bonds. Therefore, the Company proposes to amend and restate the Trust Indentures, Loan Agreements and related documents pertaining to the Applicable Bonds to make them generally consistent with those entered into pursuant to the 1994 Order. The Company may also enter into agreements with third parties to provide credit enhancement for the Applicable Bonds, including the issuance of up to \$150,925,000 aggregate principal amount of First Mortgage Bonds. As previously disclosed to the Commission, various credit enhancement arrangements have been used by the Company in connection with the issuance of other series of pollution control revenue bonds. At this time, none of the Applicable Bonds are credit enhanced.

(f) Full Description of the Securities Proposed to be Issued.

The Applicable Bonds are consistent with the description contained in the Company's application in Case No. PAC-S-94-1, which is incorporated herein by reference. The Applicable

Bonds would not exceed the \$150,925,000 aggregate principal amount borrowed pursuant to the Orders. Thus, the Company is not proposing to incur additional debt. Only technical changes to the Trust Indentures, Loan Agreements and related documents will be made. The First Mortgage Bonds issued as security for the Applicable Bonds would not exceed the principal amount of Applicable Bonds issued. Maturity of the Applicable Bonds is determined based upon an engineer's certificate verifying the economic life of the Facilities. The Company contemplates extending the maturities of three of the nine series of Applicable Bonds consistent with the economic lives of the Facilities.

(g) Effect of the Transactions.

The proposed transactions will enable the Company to update the Trust Indentures, Loan Agreements and related documents for the Applicable Bonds described in the Orders and to enter into credit enhancement agreements with unrelated third parties, including the issuance of First Mortgage Bonds as security for repayment of the Applicable Bonds.

(h) The Purposes of the Financings.

The purposes of the financings are to permit the Company to finance, or refinance, the Facilities on a cost-effective basis.

(i) Statement That Applications for Authority to Finance Are Required to Be Filed with State Governments.

The Company will file applications with the Idaho Public Utilities Commission, the Public Utility Commission of Oregon and the Washington Utilities and Transportation Commission. The California Public Utilities Commission, the Utah Public Service Commission and the Wyoming Public Service Commission have exempted the Company from their respective securities and encumbrance approval statutes. The Company will not be required to obtain

authorization from the Securities and Exchange Commission under the Public Utility Holding Company Act of 1935.

(j) A Statement of the Facts Relied upon to Show That the Issuance is Appropriate.

As a public utility, the Company is expected to acquire, construct, improve and maintain sufficient utility facilities to serve its customers adequately and reliably at reasonable cost. The proposed issuances are part of an overall strategy 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 or other financing it could arrange.

The proposed arrangements will provide the Company access to funds in the municipal, tax-exempt bond market which are believed to be less costly than other means of financing the Facilities. Given the current capital structure and the condition of the securities markets, the Company believes that the proposed financing arrangements constitute the financing of choice to finance the Facilities.

Accordingly, the proposed financing (1) is for lawful objects within the corporate purposes of the Company, (2) is compatible with the public interest, (3) is necessary or appropriate for or consistent with the proper performance by the Company of its service as a public utility, (4) will not impair its ability to perform that service, and (5) is reasonably necessary or appropriate for these purposes.

(k) A Summary of Rate Changes that Occurred during or after or That Will Become Effective after the Period Described by the Income Statement enclosed as Exhibit I.

Information concerning rate changes is set forth in Item 5, Part II of the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002, a copy of which is attached.

(l) Exhibits.

The following exhibits are made a part of this application:

Incorporated by reference to:

<u>Exhibit</u>	<u>Case</u>	<u>Exhibit</u>	<u>Description</u>
A	PAC-E-02-4	A	Third Restated Articles of Incorporation effective November 20, 1996, as amended effective November 29, 1999
B	PAC-E-02-4	B	Bylaws, as amended effective November 29, 1999
C			Resolutions of Board of Directors authorizing the proposed issuances
D			1994 Application
E			1994 Order
F			Trust Indenture between Carbon County, Utah and the First National Bank of Chicago dated as of November 1, 1994
G			Loan Agreement between Carbon County, Utah and PacifiCorp dated as of November 1, 1994
H			Balance Sheet, dated September 30, 2002 (Pro forma amounts are not included because debt is not increased)
I			Income Statement, dated September 30, 2002 (Pro forma amounts are not included because debt is not increased)

PRAYER

The Company respectfully requests that the Commission enter its order in this matter, effective upon issuance, authorizing PacifiCorp to (1) amend and restate the Trust Indentures, Loan Agreements and related documents pertaining to the Applicable Bonds to make them generally consistent with those entered into under the 1994 Order, (2) enter into such other agreements or arrangements with the Issuers and with other entities as may be reasonably necessary to effect the borrowings and to provide credit enhancement for the Applicable Bonds, including the issuance of its First Mortgage Bonds as collateral for the Applicable Bonds, and (3) replace or modify from time to time the credit enhancement arrangements supporting the Applicable Bonds.

Dated at Portland, Oregon on January 17, 2003.

PACIFICORP

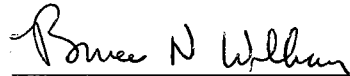
By: Bruce N. Williams
Bruce N. Williams
Treasurer

John M. Schweitzer
John M. Schweitzer for
Steel Rives LLP
900 S.W. Fifth Ave., Suite 2600
Portland, OR 97204-1268
Telephone: (503) 294-9225
Attorneys for PacifiCorp

VERIFICATION

I, Bruce N. Williams, declare, under penalty of perjury, that I am the duly appointed Treasurer of PacifiCorp and am authorized to make this verification. The application and the attached exhibits were prepared at my direction and were read by me. I know the contents of the application and the attached exhibits and they are true, correct, and complete of my own knowledge except those matters stated on information or belief which I believe to be true.

WITNESS my hand and the seal of PacifiCorp on this 17th day of January, 2003.



Bruce N. Williams

(Seal)

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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In the Matter of the Supplemental)	CASE NO. U-1046-129
Application of PACIFICORP for)	CASE NO. U-1046-159
Pollution Control Revenue Bond)	CASE NO. U-1046-163
authority in Case Nos. U-1046-129, U-)	CASE NO. PAC-S-90-4
1046-159, U-1046-163, PAC-S-90-4,)	CASE NO. PAC-S-92-4
PAC-S-92-4 and PAC-S-95-2)	CASE NO. PAC-S-95-2

ORDER NO. _____

Pursuant to orders previously issued by the Commission,¹ PacifiCorp (Company) was generally authorized to (1) borrow the proceeds of not more than \$850,000,000 aggregate principal amount of Pollution Control Revenue Bonds (Bonds) to be issued by certain counties or municipalities (Issuers)² and (2) enter into such agreements or arrangements with the Issuers and with other entities as may be reasonably necessary to effect the borrowings and to provide credit enhancement for the Bonds. Of the Bonds, \$150,925,000 aggregate principal amount

¹ The applicable orders (Orders) are as follows: Order No. 18169 in Case No. U-1046-129 dated July 8, 1983 (1983 Order); Order No. 20937 in Case No. U-1046-159 dated December 23, 1986 (1986 Order); Order No. 21666 in Case No. U-1046-163 dated January 4, 1988 (1988 Order); Order No. 23468 in Case No. PAC-S-90-4 dated December 20, 1990 (1990 Order); Order No. 24479 in Case No. PAC-S-92-4 dated September 2, 1992 (1992 Order); and Order No. 26039 in Case No. PAC-S-95-2 dated May 30, 1995 (1995 Order).

² The 1983 Order authorized the Company to borrow the proceeds of not more than \$300,000,000 of Bonds to be issued by Sweetwater County, Wyoming. The 1986 Order authorized the Company to borrow the proceeds of not more than \$20,000,000 of Bonds to be issued by the City of Forsyth, Montana. The 1988 Order authorized the Company to borrow not more than \$165,000,000 to be issued by Sweetwater and Converse Counties, Wyoming and the Cities of Forsyth, Montana and Gillette, Wyoming. The 1990 Order authorized the Company to borrow the proceeds of not more than \$90,000,000 of Bonds to be issued by Emery County, Utah; and Lincoln County, Wyoming. The 1992 Order authorized the Company to issue not more than \$150,000,000 of Bonds to be issued by Emery County, Utah; Lincoln, Sweetwater and Converse Counties, Wyoming; and Moffat County, Colorado. The 1995 Order authorized the Company to issue not more than \$125,000,000 of Bonds to be issued by Emery and Carbon Counties, Utah; Lincoln, Sweetwater, Converse and Campbell Counties, Wyoming; Moffat and Routt Counties, Colorado; and Lewis County, Washington.

(Applicable Bonds) were issued in nine series pursuant to nine separate trust indentures (Trust Indentures) between the respective Issuers and trustees, and the proceeds of the issuances were borrowed by the Company pursuant to nine separate loan agreements (Loan Agreements) between the respective Issuers and the Company.³

On January ___, 2003, the Company filed its supplemental application in the named matters pursuant to Chapter 9, Title 61, of the *Idaho Code* and the Commission's Rules of Procedure (IDAPA 31.01.01.141-.150) requesting a supplemental order for authority to (1) amend and restate the Trust Indentures, Loan Agreements and related documents pertaining to the Applicable Bonds to make them generally consistent with those entered into pursuant to Order No. 25443 in Case No. PAC-S-94-1, dated March 22, 1994 (1994 Order),⁴ (2) enter into

³ The nine series of Applicable Bonds and the aggregate principal amount of each series are as follows: (i) \$15,000,000 Pollution Control Revenue Bonds (Series 1984) issued by Sweetwater County, Wyoming; (ii) \$8,500,000 Flexible Rate Demand Pollution Control Revenue Bonds (Series 1986) issued by the City of Forsyth, Montana; (iii) \$17,000,000 Customized Purchase Pollution Control Revenue Refunding Bonds (Series 1988) issued by Converse County, Wyoming; (iv) \$45,000,000 Pollution Control Revenue Refunding Bonds (Series 1991) issued by Lincoln County, Wyoming; (v) \$9,335,000 Pollution Control Revenue Refunding Bonds (Series 1992A) issued by Sweetwater County, Wyoming; (vi) \$6,305,000 Pollution Control Revenue Refunding Bonds (Series 1992B) issued by Sweetwater County, Wyoming; (vii) \$22,485,000 Pollution Control Revenue Refunding Bonds (Series 1992) issued by Converse County, Wyoming; (viii) \$5,300,000 Environmental Improvement Revenue Bonds (Series 1995) issued by Converse County, Wyoming; and (ix) \$22,000,000 Environmental Improvement Revenue Bonds (Series 1995) issued by Lincoln County, Wyoming.

⁴ The 1994 Order authorized the Company to (1) borrow the proceeds of not more than \$225,000,000 of Pollution Control Revenue Refunding Bonds (1994 Refunding Bonds) to be issued by the counties (1994 Issuers) of Emery and Carbon (Utah), Lincoln, Sweetwater and Converse, (Wyoming) and Moffat (Colorado), (2) enter into such agreements or arrangements as may be reasonably necessary to effect the borrowings and to provide credit enhancement for the 1994 Refunding Bonds, including the issuance of the Company's First Mortgage Bonds (First Mortgage Bonds), and (3) replace or modify from time to time the credit enhancement arrangements supporting the 1994 Refunding Bonds. The 1994 Refunding Bonds were issued pursuant to separate trust indentures (1994 Trust Indentures) between the respective 1994 Issuers and a trustee, and the proceeds of the issuances were borrowed by the Company pursuant to

such other agreements or arrangements with the Issuers and with other entities as may be reasonably necessary to effect the borrowings and to provide credit enhancement for the Applicable Bonds, including the issuance of its First Mortgage Bonds as collateral for the Applicable Bonds, and (3) replace or modify from time to time the credit enhancement arrangements supporting the Applicable Bonds.

Company Representations Regarding the Issuance:

As set forth in greater detail in the Orders, the borrowings were made to finance, or refinance, the cost of pollution control, solid waste disposal and sewage facilities (Facilities) at certain of the Company's electric generating plants.

The Company believes that the proposed changes will enable the Company to achieve more cost-effective terms for the Applicable Bonds. The Company is not seeking authorization to increase the \$150,925,000 aggregate principal amount of the Applicable Bonds or to change the basic terms of the financings set forth in the Orders. Only technical changes to the Trust Indentures, Loan Agreements and related documents will be made.

Pursuant to the Orders, the Applicable Bonds were issued in \$150,925,000 aggregate principal amount in nine series and the proceeds were loaned to the Company. The relevant terms and conditions relating to these borrowings by the Company are set forth in the Orders. However, the Trust Indentures, Loan Agreements and related documents used in 1983, 1986, 1988, 1990, 1992 and 1995 contain a different mechanism for changing interest rate modes from the mechanism contained in the 1994 Trust Indentures, 1994 Loan Agreements and related documents and do not permit the Company to provide security for the Applicable Bonds in the form of First Mortgage Bonds. Therefore, the Company proposes to amend and restate the Trust

separate loan agreements (1994 Loan Agreements) between the respective 1994 Issuers and the Company.

Indentures, Loan Agreements and related documents pertaining to the Applicable Bonds to make them generally consistent with those entered into pursuant to the 1994 Order. The Company may also enter into agreements with third parties to provide credit enhancement for the Applicable Bonds, including the issuance of up to \$150,925,000 of First Mortgage Bonds. As previously disclosed to the Commission, various credit enhancement arrangements have been used by the Company in connection with the issuance of other series of pollution control revenue bonds. At this time, none of the Applicable Bonds are credit enhanced.

FINDINGS OF FACT

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, Oregon, Utah, Washington and Wyoming.

The Company has paid the fees required by *Idaho Code* §61-905.

CONCLUSIONS OF LAW

The Company 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 matter pursuant to the provisions of *Idaho Code* §61-901 et seq., and the 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 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 will be put is neither a finding of fact nor a conclusion of law that any particular construction program of the Company which may be benefited by the approval of this Application has been considered or approved by this Order, and this Order shall not be construed to that effect.

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

The Application should be approved.

ORDER

IT IS THEREFORE ORDERED that the application of PacifiCorp to (1) amend and restate the Trust Indentures, Loan Agreements and related documents pertaining to the Applicable Bonds to make them generally consistent with those entered into pursuant to the 1994 Order, (2) enter into such other agreements or arrangements with the Issuers and with other entities as may be reasonably necessary to effect the borrowings and to provide credit enhancement for the Applicable Bonds, including the issuance of its First Mortgage Bonds as collateral for the Applicable Bonds, and (3) replace or modify from time to time the credit enhancement arrangements supporting the Applicable Bonds is hereby granted.

IT IS FURTHER ORDERED that, except as modified above, the authorities granted to PacifiCorp in the Orders shall remain in full force and effect.

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:

1. The "Report of Securities Issued" required by 18 CFR § 34.10.
2. Verified copies of any agreement entered into pursuant to this Order.
3. Verified copies of any credit enhancement arrangements entered into pursuant to this Order.

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 (or in issues finally decided by this order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration in response to issues raised in the petition for reconsideration. See *Idaho Code* §61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this _____
day of _____, 2003.

PAUL KJELLANDER, President

DENNIS S. HANSEN, Commissioner

MARSHA H. SMITH, Commissioner

ATTEST:

JEAN D. JEWELL, Secretary

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EXHIBIT C

PCRB Obligations

IDAHO PUBLIC
UTILITIES COMMISSION

WHEREAS, the Board of Directors of PacifiCorp (the "Company") has previously authorized the Company to enter into loan and other agreements with respect to various pollution control revenue bond financings (the "PCRB Obligations"), and has delegated various authorities relating to the PCRB Obligations to officers of the Company; and

WHEREAS, from time to time, it becomes necessary or desirable for the Company to change the interest rate mode or other provisions of the PCRB Obligations and to replace the letters of credit or alternate credit enhancement arrangements supporting the PCRB Obligations; and

WHEREAS, due to various changes in officers and office titles, it appears desirable to update and clarify the authorities previously delegated to officers of the Company by the Board of Directors with respect to the PCRB Obligations now, therefore, be it

RESOLVED, that each of the President and Chief Executive Officer, the Senior Vice President and General Counsel, and the Treasurer is hereby authorized, in the Company's name and on its behalf, to negotiate, execute and deliver any agreements, instruments and other documents (including, without limitation, reimbursement or surety agreements) as in the judgment of the officer or officers taking such action may appear desirable or appropriate for the purpose of, from time to time, changing the interest rate mode or other provisions of the PCRB Obligations, or replacing letters of credit or alternate credit enhancement arrangements supporting the PCRB Obligations, and containing such terms and provisions as shall be approved by the officer or officers executing such documents, his, her or their execution thereof to be conclusive evidence of such approval, provided that such arrangements do not increase the principal amount of the Company's liability with respect to the PCRB Obligations; and further

RESOLVED, that the officers of the Company are hereby authorized, in the Company's name and on its behalf, to negotiate, execute and deliver such other agreements and documents and to do and perform all such further acts and things as in the judgment of such officer or officers may be desirable or appropriate in order to fully carry out the intent and accomplish the purposes of the foregoing resolution.

PCRB Obligations; First Mortgage Bonds

WHEREAS, the Board of Directors of PacifiCorp (the "Company"), by resolutions adopted October 17, 2002 (the "October 2002 Resolutions") authorized the officers of the Company to negotiate, execute and deliver any agreements, instruments and other documents as may appear desirable or appropriate for the purpose of changing the interest rate mode or other provisions of the Company's various pollution control revenue bond financings (the "PCRB Obligations"), or of replacing letters of credit or alternate credit enhancement arrangements supporting the PCRB Obligations; and

WHEREAS, it now appears desirable to provide for the issuance of the Company's First Mortgage Bonds in connection with the credit enhancement arrangements for certain of the Company's PCRB Obligations; now, therefore, be it

RESOLVED, that the Board of Directors of the Company hereby authorizes the issuance by the Company, from time to time, of not to exceed \$150,925,000 in aggregate principal amount of one or more new series of its First Mortgage Bonds (the "Bonds") to be issued under, and secured by, the Company's Mortgage and Deed of Trust dated as of January 9, 1989 to Morgan Guaranty Trust Company of New York (JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), successor), as Trustee, as heretofore amended and supplemented and as it may be further amended and supplemented (the "PacifiCorp Mortgage"); and further

RESOLVED, that the Bonds may be issued in connection with providing credit enhancement for the Company's PCRB Obligations, in such amounts, at such times, at such prices, may bear interest at such variable, floating, or fixed rates, may be redeemable at such redemption prices, mature at such date or dates and have such other terms and characteristics, as shall be fixed by or pursuant to further action or actions of the Board of Directors or an Authorized Officer (as defined below); and further

RESOLVED, that each of the President and Chief Executive Officer, the Chief Financial Officer, the Senior Vice President and General Counsel, and the Treasurer (each, an "Authorized Officer") is hereby authorized, in the Company's name and on its behalf, to negotiate, execute and deliver any agreements, instruments and other documents (including, without limitation, indentures supplemental to the PacifiCorp Mortgage) as in the judgment of the officer or officers taking such action may appear desirable or appropriate for the purpose of, from time to time, issuance of the Bonds in connection with providing credit enhancement for the PCRB Obligations, and containing such terms and provisions as shall be approved by the officer or officers executing such documents, his, her or

EXHIBIT C

their execution thereof to be conclusive evidence of such approval, provided that such arrangements do not increase the principal amount of the Company's liability with respect to the applicable PCRB Obligations; and further

RESOLVED, that the acts of the officers of the Company in filing applications with the Idaho Public Utilities Commission, the Public Utility Commission of Oregon and the Washington Utilities and Transportation Commission, together with various exhibits to said applications, for orders authorizing the issuance and delivery by the Company of the Bonds, are hereby approved, ratified and confirmed; and further

RESOLVED, that the officers of the Company are hereby authorized and directed, in the Company's name and on its behalf, to make any and all such further filings with, and to take any and all such further action in the proceedings before, federal and state regulatory authorities as in the judgment of the officer or officers taking such action may appear desirable or appropriate for the purpose of obtaining any and all such further regulatory approvals, authorizations or consents as may be required to be obtained by the Company in connection with the issuance of the Bonds; and further

RESOLVED, that the officers of the Company are hereby authorized, in the Company's name and on its behalf, to negotiate, execute and deliver such other agreements and documents and to do and perform all such further acts and things as in the judgment of such officer or officers may be desirable or appropriate in order to fully carry out the intent and accomplish the purposes of the foregoing resolutions; and further

RESOLVED, that the October 2002 Resolutions shall remain in full force and effect.

RECEIVED
FILED



BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
2003 JAN 21 AM 9:51 CASE NO. _____

IDAHO PUBLIC
UTILITIES COMMISSION

In the Matter of the Application of)
PACIFICORP for authority to (1))
borrow the proceeds of not more than)
\$225,000,000 of Pollution Control)
Revenue Refunding Bonds to be issued)
by various Counties, (2) enter into)
such agreements or arrangements with)
the Counties and with other entities)
as may be reasonably necessary to)
effect the borrowings and to provide)
credit enhancement for the Refunding)
Bonds, including the issuance of)
First Mortgage and Collateral Trust)
Bonds, and (3) replace or modify from)
time to time the credit enhancement)
arrangements supporting the Refunding)
Bonds.)

COPY

APPLICATION

PacifiCorp (Company) applies for an order of the Idaho Public Utilities Commission (Commission) authorizing the Company to (1) borrow the proceeds of not more than \$225,000,000 of Pollution Control Revenue Refunding Bonds (Refunding Bonds) to be issued by the Counties of Emery, Utah, Carbon, Utah, Lincoln, Wyoming, Sweetwater, Wyoming, Converse, Wyoming, and Moffat, Colorado (Counties), (2) enter into such agreements or arrangements with the Counties and with other entities as may be reasonably necessary to effect the borrowings and to provide credit enhancement for the Refunding Bonds, including the issuance of its First Mortgage and Collateral Trust Bonds as collateral for the Refunding Bonds, and (3) replace or modify from time to time the credit enhancement arrangements supporting the Refunding Bonds. This application is filed pursuant to Chapter 9, Title 61, of the Idaho Code and Section 14 of the Commission's Rules of Practice and Procedure.

The borrowings will be made in connection with the refunding of up to nine series of outstanding pollution control revenue bonds (Prior Bonds) which were issued

to finance, or refinance, the cost of certain pollution control, solid waste disposal and sewage facilities at the Jim Bridger, Carbon, Dave Johnston, Huntington, Hunter, Naughton and Craig electric generating plants. For a more detailed description, see Exhibit N.

On September 2, 1992, under Case No. PAC-S-92-4, Order No. 24479, the Commission authorized the Company to borrow the proceeds of not more than \$150,000,000 of pollution control revenue refunding bonds to be issued by various counties. Pursuant to that authority, the Company refunded six series of bonds aggregating \$109,325,000. This application is intended to increase and replace the unused authority granted by the Commission under Case No. PAC-S-92-4.

The Company respectfully represents that:

- (a) The official name of the applicant and address of its principal business office:

PacifiCorp
700 N.E. Multnomah, Suite 1600
Portland, OR 97232

- (b) The state and date of incorporation: each state in which it operates as a utility:

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.

- (c) The name, address, and telephone number of persons authorized to receive notices and communications:

Robert F. Lanz, Vice President
PacifiCorp
700 N.E. Multnomah, Suite 1600
Portland, OR 97232
Telephone: (503) 731-2110

The Commission is also requested to dispatch copies of all notices and communications to the following:

John R. Stageberg
PacifiCorp
700 N.E. Multnomah, Suite 1600
Portland, OR 97232
Telephone: (503) 731-2074

John M. Schweitzer
Stoel Rives Boley Jones & Grey
700 N.E. Multnomah, Suite 950
Portland, OR 97232
Telephone: (503) 872-4821

- (d) The date by which Commission action is requested:

March 8, 1994.

- (e) A full description of the securities:

- (1) Type and nature of securities--

The Counties will issue the Refunding Bonds. The Company will enter into an agreement with each of the Counties pursuant to which it will receive the proceeds of such issuance and agree to make payments sufficient to pay principal of, interest on, and premium (if any) on the Refunding Bonds, and to cover certain additional expenses. The aggregate principal amount of the Refunding Bonds will not exceed \$225,000,000. In order to achieve a lower cost of money, the Company also expects to enter into one or more agreements with unrelated third parties, such as commercial banks or insurance companies, to provide further assurance to the purchasers of the Refunding Bonds that the principal of, the interest on, and the premium (if any) on the Refunding Bonds will be paid on a timely basis. These arrangements may involve the issuance of the Company's First Mortgage and Collateral Trust Bonds as collateral for the Refunding Bonds in an

