

SECURITIES AND EXCHANGE COMMISSION
(Release No. 35-27988; International Series Release No. 1292; 70-10312)

ScottishPower plc

Order Authorizing Solicitation of Proxies

June 27, 2005

Scottish Power plc (“ScottishPower”), Glasgow, Scotland, United Kingdom, a foreign registered holding company, has filed a declaration (“Declaration”) with the Securities and Exchange Commission (“Commission”), under section 12(e) of the Public Utility Holding Company Act of 1935, as amended (“Act”), and rules 54, 62(d) and 65 under the Act.

ScottishPower and its intermediate registered holding companies ScottishPower NA1 Ltd., ScottishPower NA2 Ltd, and PacifiCorp Holdings, Inc. (“PHI”) (“Intermediate Holding Companies”), either directly or indirectly hold the common stock of PacifiCorp, an electric utility subsidiary of ScottishPower. ScottishPower and the Intermediate Holding Companies intend to sell the common stock of PacifiCorp (“Common Stock”) to a non-affiliated third-party, MidAmerican Energy Holdings Company (“MidAmerican”). The proposed sale of the Common Stock is referred to as the “Transaction” in the discussion to follow. This Declaration seeks approval under section 12(e) of the Act for ScottishPower to solicit proxies from its Shareholders to approve the Transaction at an extraordinary general meeting of Shareholders to be held on July 22, 2005 (“Extraordinary General Meeting”).

PacifiCorp is a wholly-owned public utility subsidiary company of ScottishPower that serves approximately 1.6 million retail customers in a service territory aggregating about 136,000 square miles in portions of six western states: Utah, Oregon, Wyoming,

Washington, Idaho and California. On May 23, 2005, ScottishPower, PHI and MidAmerican entered into an agreement (“Agreement”) under which ScottishPower and PHI agreed to sell and transfer to MidAmerican, and MidAmerican agreed to purchase from ScottishPower and PHI, all of the Common Stock of PacifiCorp.

In consideration for the sale and transfer of the Common Stock, MidAmerican agreed to pay to ScottishPower and PHI an amount equal to \$5.1 billion in cash and to assume approximately \$4.3 billion in net debt and preferred stock, which will remain at PacifiCorp.

In addition, ScottishPower has agreed to make annual payments of \$4.0 million to MidAmerican on each anniversary of completion of the Transaction for a period of 25 years. Such amounts represent royalty payments in respect of certain non-regulated businesses currently reported as part of the PacifiCorp segment in the financial reports for the ScottishPower System, which were not included in the Transaction.

Completion of the Transaction is conditioned upon, among other things: (i) the approval of the shareholders of ScottishPower; (ii) approvals of this Commission, the Federal Energy Regulatory Commission, the Department of Justice or Federal Trade Commission, the Federal Communications Commission and the Nuclear Regulatory Commission, all without conditions that would have a material adverse effect on the PacifiCorp business; (iii) approvals at state utilities commissions in Oregon, Utah, Washington, Wyoming, California and Idaho, provided that such state approvals are not subject to conditions whose effect would be meaningfully adverse to the business of PacifiCorp; (iv) the representations and warranties of the parties contained in the Agreement remaining true and correct; (v) the parties performing their covenants and

obligations under the Agreement in all material respects; and (vi) no material adverse effect in relation to PacifiCorp having occurred.

ScottishPower is required under the rules of the United Kingdom Listing Authority (“Listing Rules”) to convene a meeting of its Shareholders for the purpose of obtaining required stockholder approval relating to the Transaction.¹ In addition, Section 2.19 of the Agreement requires that ScottishPower will seek to obtain the affirmative vote of a majority of votes cast by its shareholders of its ordinary shares represented at the Extraordinary General Meeting. In the event ScottishPower does not receive a majority vote of the Shareholders, the Transaction cannot be completed.

JP Morgan Chase Bank, the American depositary of ScottishPower ordinary shares (the “Depositary”), has appointed all American depositary shareholders (the “ADS Holders”), on its register to attend and vote on the Transaction at the Extraordinary General Meeting.² Each ADS Holder has the right to vote in person or may appoint the Depositary or any other person to act as its proxy. The Depositary will be available at the Extraordinary General Meeting to verify appointments and the right to attend the Extraordinary General Meeting.

¹ Under the Listing Rules, the Transaction will be a Class 1 transaction for ScottishPower. A Class 1 transaction is defined as a transaction where at least one of the ratios in the five calculations as set out in the Listing Rules (based upon assets, profits, turnover, consideration to market capitalization and gross capital of, in this case, ScottishPower and PacifiCorp) is 25% or more. Where a UK listed company proposes to enter into a Class 1 transaction, it must, among other things, obtain the prior approval of its shareholders in general meeting, and any agreement effecting the transaction must be conditional upon such approval being obtained.

² Each American Depositary share represents four ScottishPower ordinary shares.

ScottishPower intends to begin mailing definitive proxy materials to its stockholders on June 30, 2005, for the Extraordinary General Meeting. As noted above, ScottishPower's Extraordinary General Meeting will be held on July 22, 2005. Accordingly, ScottishPower requests that its proposal to solicit proxies for shareholder approval of the Transaction be permitted to become effective immediately under rule 62(d).³

The proposed transactions are subject to the requirements of rules 53 and 54. ScottishPower states that it is in compliance with all the requirements of rule 53(a), except clause (1). As of March 31, 2005, the ScottishPower system had an "aggregate investment," as the term is defined in rule 53 under the Act, in exempt whole generators ("EWGs") and foreign utility companies ("FUCOs"), as defined in sections 32 and 33 of the Act, respectively, of approximately \$2.44 billion. The ScottishPower system's consolidated retained earnings as of March 31, 2005 was approximately \$2.16 billion. As a consequence, ScottishPower's aggregate investment exceeds the safe harbor requirement of rule 53(a). In its financing order issued last year, the Commission authorized ScottishPower to maintain aggregate investment in EWGs and FUCOs up to \$4.68 billion ("Current Aggregate Investment").⁴ ScottishPower also states that none of

³ ScottishPower will seek approval under section 12(d) of the Act to execute the Transaction by a subsequent application.

⁴ *ScottishPower, plc, et al.*, Holding Co. Act Release No. 27851; International Series Release No. 1276 (May 28, 2004). The Commission reserved jurisdiction over aggregate investment in excess of the Current Aggregate Investment Limit up to \$12.5 billion at any one time outstanding, pending completion of the record.

the adverse conditions specified in rule 53(b) exist. ScottishPower states that it satisfies all of the other conditions of paragraphs (a), (b) and (c) of rule 53.

Fees and expenses in connection with the proposed solicitation of proxies are estimated to be \$1,169,000. ScottishPower further states that no U.S. state or federal commission, other than this Commission, has jurisdiction over the proposed proxy solicitation. The United Kingdom Listing Authority does have jurisdiction over the proxy solicitation under United Kingdom law.

It appears to the Commission that the Declaration should be permitted to become effective immediately under rule 62(d).

IT IS ORDERED, under rule 62 under the Act, that the Declaration regarding the proposed solicitation of proxies from ScottishPower shareholders become effective immediately, subject to the terms and conditions contained in rule 24 under the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jill M. Peterson
Assistant Secretary