

DECISION MEMORANDUM

TO: COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSIONER KEMPTON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL

DATE: APRIL 22, 2008

SUBJECT: CASE NO. PAC-E-08-02
PACIFICORP'S REQUEST FOR AN ACCOUNTING ORDER
AUTHORIZING THE COMPANY TO ESTABLISH A
REGULATORY ASSET

On April 11, 2008, Rocky Mountain Power a division of PacifiCorp filed an Application for an accounting order authorizing the Company to establish a regulatory asset for costs associated with a payment made to the owner of a generation facility. The payment gives PacifiCorp an exclusive opportunity to negotiate for the purchase of all tangible and intangible assets, contracts, permits and other rights associated with the generation facility. The details of the payment and potential purchase were provided by the Company in confidential proprietary documents filed with the Application. The Application states that PacifiCorp made a payment in the amount of \$8.7 million for the exclusive right to negotiate with the seller during a specific period regarding the proposed transaction. During the exclusivity period, the seller is prohibited from negotiating with other potential buyers or lessors of the property. The \$8.7 million payment also is a deposit toward the total purchase price.

PacifiCorp requests by its Application an accounting order authorizing the Company to establish a regulatory asset for the payment made by the Company. PacifiCorp acknowledges that an accounting order would not determine the prudence or rate treatment of the payment. That review would be made in a future rate proceeding.

PacifiCorp requested that its Application be processed by Modified Procedure.

Staff recommends that the Application of PacifiCorp for an accounting order be processed by Modified Procedure with comments due June 5, 2008.

COMMISSION DECISION

Should the Application of PacifiCorp for an accounting order authorizing a regulatory asset be processed by Modified Procedure with comments due June 5, 2008?



Weldon B. Stutzman
Deputy Attorney General

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