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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Request of ROCKY MOUNTAIN POWER for Waiver of Solicitation Process and for Approval of Significant Energy Resource Decision	Docket No. 08-035-35 MOTION OF ROCKY MOUNTAIN POWER FOR AN ACCOUNTING ORDER TO ESTABLISH A REGULATORY ASSET AND ACQUISITION PREMIUM
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Rocky Mountain Power, a division of PacifiCorp, (“Rocky Mountain Power” or “PacifiCorp”), hereby requests that the Public Service Commission of Utah (“Commission”) enter an accounting order to establish a regulatory asset in connection with the proposed acquisition of the generation plant (“Plant”) that is the subject of the Verified Request for Waiver of the Solicitation Process and for Approval of Significant

Energy Resource Decision filed April 1, 2008, in this docket.¹ In support of this Motion, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp. PacifiCorp is an Oregon corporation that provides electric service to retail customers through its Rocky Mountain Power division in the states of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington. Rocky Mountain Power is a public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves approximately 760,000 customers and has approximately 2,400 employees in Utah. Rocky Mountain Power's principal place of business in Utah is 201 South Main Street, Suite 2300, Salt Lake City, Utah 84111.

2. Rocky Mountain Power files this petition pursuant to Utah Code Ann. §54-4-1 and §54-4-23 which provide the Commission with general jurisdiction to supervise and regulate, and the power to establish a system of account to be kept by public utilities subject to its jurisdiction.

3. On April 11, 2008, PacifiCorp entered into a definitive Purchase and Sale Agreement (“PSA”), pursuant to which PacifiCorp agree to purchase the Plant subject to regulatory approval and other typical conditions to closing. The PSA provides that PacifiCorp shall make an exclusivity payment in the amount of \$8.7 million (“Exclusivity Payment”) to the seller of the Plant (“Seller”). The Exclusivity Payment provides PacifiCorp the exclusive right to negotiate with Seller concerning the Proposed Transaction during the exclusivity period (from February 27, 2008 until the

¹ PacifiCorp’s proposed acquisition of the Plant will be referred to hereinafter as the “Proposed Transaction.”

earlier of termination of the Purchase and Sale Agreement or the Closing) (“Exclusivity Period”). During the Exclusivity Period, Seller is prohibited from negotiating with, soliciting new bids, or accepting any bids from any person or entity associated with the sale, lease or other disposition of the Plant (and other associated output, rights and assets). The Exclusivity Payment of \$8.7 million represents a deposit towards the total purchase price under the PSA. Upon closing of the sale, the remainder of the purchase price will be paid.

4. The Proposed Transaction provides that at the closing, Seller shall transfer 100% of the equity interests of the company owning the Plant (the “Company”) to PacifiCorp, and the Company will become a direct, wholly-owned subsidiary of PacifiCorp. One day after closing, the subsidiary Company will be dissolved and merged into PacifiCorp.

5. In order to match the benefits and costs of the Proposed Transaction, PacifiCorp will record the Exclusivity Payment within Account 182.3 (Other Regulatory Assets). It will remain in Account 182.3 until the closing date of the Transaction. At the closing date, the Exclusivity Payment amount will be credited to Account 182.3 and debited to Account 123.1 (Investment in Subsidiary Companies), in accordance with 18 C.F.R. Ch. I, Pt. 101. Additionally, the remainder of the purchase price and expenses incidental to the acquisition will be included in Account 123.1 as part of the total costs of the acquisition. When the subsidiary Company is dissolved and merged into PacifiCorp, the amount in Account 123.1 (Investment in Subsidiary Companies) will be transferred to the appropriate accounts in PacifiCorp. The plant asset balances will be transferred to Account 102 (Electric Plant Purchase or Sold) until approvals are received from the

Federal Energy Regulatory Commission to transfer from Account 102 to Account 101 (Electric Plant in Service) and Account 114 (Electric Plant Acquisition Adjustment) for any acquisition premium reflecting the difference between the transferred book value and the purchase price.

6. Accounting for the Exclusivity Payment costs related to this Proposed Transaction as a regulatory asset will encourage utility investment and will serve to more fairly balance the risks and benefits between shareholders and customers, especially in a situation where a time-limited commercial opportunity exists. Expensing the costs of a failed acquisition and not recovering those costs in rates, significantly discourages the utility from investing in resources for the benefit of ratepayers. In the event that the Proposed Transaction does not close, the Company requests that these costs continue to be treated as a regulatory asset as requested in Account 182.3 Rate treatment of the Exclusivity Payment will be determined in a future rate proceeding if the transaction does not close, or approved by the Commission for future rate base treatment if approved.

WHEREFORE, Rocky Mountain Power respectfully requests an accounting order authorizing it to record the Exclusivity Payment costs in Account 182.3 (Other Regulatory Assets) during the pendency of the Proposed Transaction review and approval process and to remain in the this account in the event that the Proposed Transaction does not close. Further, the Company requests approval to record any acquisition premium in FERC Account 114. In the event that the Commission approves the proposed transaction, the acquisition premium in Account 114 and the Exclusivity Payment that would be transferred to Account 101 would be reflected in rate base. If the Proposed

Transaction does not close, then the rate treatment for the Exclusivity Payment costs will be determined in a future rate proceeding.

DATED: April 11, 2008.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing **MOTION OF ROCKY MOUNTAIN POWER FOR AN ACCOUNTING ORDER TO ESTABLISH A REGULATORY ASSET AND ACQUISITION PREMIUM** to be served upon the following by electronic mail to the addresses shown below on April 11, 2008:

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