



State of Utah  
Department of Commerce  
Division of Public Utilities

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**To:** Utah Public Service Commission

**From:** Utah Division of Public Utilities  
Chris Parker, Director  
Energy Section  
Artie Powell, Manager  
Joni Zenger, Technical Consultant

**Date:** October 27, 2015

**Re:** 14-035-150 - Rocky Mountain Power's Report of Exchange of Certain Transmission Assets with Idaho Power Company.

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**RECOMMENDATION** (Replace the October 6, 2015 filing with the October 8, 2015 Replacement Copy of the Closing Letter).

The Division of Public Utilities (Division) reviewed Rocky Mountain Power's (Company) Replacement Notification of Closing Letter filed with the Utah Public Service Commission (Commission) on October 8, 2015 and determined that the Commission should replace the initial October 6, 2015 Closing Letter, with the October 8, 2015 Replacement Copy of the Closing Letter in the above-referenced docket. No other action is required by the Commission in this matter.

**ISSUE**

On October 6, 2015, the Company filed a letter, dated October 5, 2015, with the Commission, notifying it that all necessary approvals from the Federal Energy Regulatory Commission (FERC) and from the states that required approval of the exchange of transmission assets with Idaho Power Company (California, Idaho, Oregon, Washington, and Wyoming) had been secured, and the transaction was on track to close on October 30, 2015. The October 30, 2015 closing allows the Company and Idaho Power to begin operations under the new agreement by November 4, 2015.

On October 8, 2015, the Company filed with the Commission a Replacement Copy of the Closing Letter, which led the Commission to issue an Action Request to the Division on October

22, 2015, to review and make recommendations in this matter. This memo is in response to the Commission’s October 22, 2015 Action Request.

## **DISCUSSION**

The Division reviewed the October 6, as well as the October 8, 2015, Closing Letters in this matter. In addition, the Division had telephone and email conversations with the Company to obtain further clarification on the two closing letters. Both letters are dated October 5, 2015. In addition, both letters are close to identical. However, there is one statement that was added in the October 8, 2015 Replacement Copy of the Closing Letter that was inadvertently left out of the initial October 6, 2015 filing of the Closing Letter.

Here are the two sentences that are the only difference between the two closing letters:

October 6, 2015 Closing Letter: PacifiCorp and Idaho Power recently became like-kind exchange transactions (§1031 Exchange).

October 8, 2015 Replacement Closing Letter: PacifiCorp and Idaho Power recently became aware of guidance issued by the Internal Revenue Service (IRS) relating to §1031 tax-deferred like-kind exchange transactions (§1031 Exchange).

The Division provides the replacement sentence with the addition in highlighting below. Further, the Division has attached a full copy of the Replacement Copy of the Closing Letter, with the additional verbiage in yellow highlighting, for the Commission’s convenience in locating the change in the letter.

October 8, 2015 Replacement Closing Letter: PacifiCorp and Idaho Power recently became aware of guidance issued by the Internal Revenue Service (IRS) relating to §1031 tax-deferred like-kind exchange transactions (§1031 Exchange).

Again, this is the only difference found in the two Closing Letters. The Closing Letter and notification of regulatory approvals update was filed for informational purposes only. The Company explained to the Division that it wanted to include the additional verbiage of IRS guidance, but had just received it and had intended to put it in the October 6, 2015 filing. The Division points out that the omission of the above-highlighted section occurs in only the PDF versions of the filings. The Word version of both the October 6, 2015 and October 8, 2015 Closing Letters contain the added words and are both correctly filed. For clarity purposes, the Division believes the Commission should accept the October 8 replacement filing, as it contains correct verbiage in both the Word and the PDF versions of the Closing Letter.

## **CONCLUSION**

The Division concludes that the Company’s October 8, 2015, Replacement Copy of its Closing Letter should be accepted and filed in place of the October 6, 2015 Closing Letter in this docket. Otherwise, there is no further action required by the Commission. As a result of the Division’s findings and report to the Commission in this matter, the Division requests that this Action Request be closed.

CC: Bob Lively, RMP  
Michele Beck, OCS