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State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Utah Public Service Commission

From: Division of Public Utilities

Chris Parker, Director
Artie Powell, Manager, Energy Section
Justin Christensen, Utility Analyst

Subject: In the Matter of Rocky Mountain Power's Notice of Acquisition of Electrical Systems and Related Assets from Eagle Mountain City, Utah, Docket No. 15-035-08.

Date: February 19, 2015

RECOMMENDATION: (No Action)

The Division recommends that the Commission takes no action at this time.

BACKGROUND

In an Application dated January 21, 2015 Rocky Mountain Power (RMP, or Company), a division of PacifiCorp, submitted its report concerning RMP's Acquisition of Electrical Systems and Related Assets from Eagle Mountain City (City). On January 23, 2015 the Commission issued its Action Request to "Review Notice and Make Recommendations". This is the Division's response to the request.

ANALYSIS

The City has been seeking to sell its electric utility, which operates within municipal boundaries, to the Company. The Company believes it is prudent to purchase the City's assets and provide electricity to Customers within the City's boundary. In addition to certain specified plant purchases or acquisitions, the Company is required to file a Report with the Commission when acquiring plant devoted to Utah service over \$10,000,000 or 5% of its gross plant, whichever is less. This acquisition for \$21,000,000 meets the value threshold and triggers the reporting requirement. The specific reporting requirements are found in R746-401-3(D). The Division has reviewed the filing and has determined the Company's Report meets the Commission's reporting requirements.

The Company anticipates no immediate negative impacts on current ratepayers. The Company has also stated the cost and revenue associated with this acquisition will have a minimal impact on the revenue requirement. The prudence of this purchase will be examined in the next general rate case.

CONCLUSIONS AND RECOMMENDATIONS

The Division has reviewed the report and has determined that the Company has met reporting requirements per rule R746-401-3. Therefore the Division recommends that the Commission take no action at this time.

CC: Paul Clements, PacifiCorp
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