



State of Utah  
Department of Commerce  
Division of Public Utilities

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## MEMORANDUM

To: Utah Public Service Commission

From: Utah Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

David Thomson, Technical Consultant

Clair Oman, Technical Consultant

Date: September 30, 2013

Re: **Review and Make Recommendations**

PacifiCorp's Affiliated Interest Report for the Year Ended December 31, 2012. Request to Review and Make Recommendations.

Docket No. 13-035-100

**The DPU Recommends that the Commission accept the PacifiCorp Affiliated Interest Report.**

## COMMENTS

On June 11, 2013, the Commission issued an Action Request to the Division for a review of PacifiCorp's Affiliated Transaction Report. The Division (DPU) requested additional time to complete this request. The Commission approved the extension request and the Action Request due date was moved to September 30, 2013. The DPU issued data requests and has completed a review of the report and the responses to the data requests

In accordance with the Stipulation in Docket 05-035-54 MidAmerican Energy Holdings Company and PacifiCorp (d.b.a. Rocky Mountain Power) agreed to comply with Commitment #8) which states:

“ PacifiCorp will file on an annual basis an affiliated interest report including an organization chart, narrative description of each affiliate, revenue for each affiliate and transactions with each affiliate.”

PacifiCorp filed the required report for CY 2012 May 31, 2013. The filed report did not contain the transaction information with each affiliate, otherwise it contained the information required by the commitment indicated above. The DPU requested the omitted affiliated transactions along with other information that was deemed necessary for the review and they were provided. The stipulation appears to be the only Commission requirement that the report be filed. The report also appears to be based to a degree on the requirements of the Oregon Public Utilities Commission relating to affiliate interest reporting.

The DPU has completed the review of the Affiliated Interest Report and the associated information. As a result of this review the DPU believes that:

1. Active affiliated interest relationships exist between PacifiCorp and the reported entities.
2. The activity between the affiliates as reported in the filing appear to be fair, reasonable, and not contrary to the public interest.
3. The Affiliated Interest Report should be accepted.

There remain two additional commitments contained in the Docket 05-035-54 Stipulation which should be contained in the Affiliated Interest Report. They are termed transaction commitments by PacifiCorp and are as follows:

**Commitment #7.** MEHC and PacifiCorp will comply with all applicable Commission statutes and regulations regarding affiliated interest transactions, including timely filing of applications and reports.

**Commitment #9.** PacifiCorp and MEHC will not cross-subsidize between the regulated and non-regulated businesses or between any regulated businesses, and shall comply with the Commission's applicable orders and rules with respect to such matters.

The DPU recommends that the Commission review these two commitments and consider requiring that the company include them as part of future reports on an attestation page to be signed by the CEO's of MEHC and PacifiCorp.

CC Michele Beck, Office of Consumer Services  
Dave Taylor, Rocky Mountain Power