



September 1, 2017

Utah Public Service Commission Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, UT 84114

Attention: Gary Widerburg

**Commission Secretary** 

Re: Docket No. 17-999-01 PacifiCorp Common Stock Dividend Notice

We are in receipt of the DPU memo to the Utah Public Service Commission ("Commission") in the above matter, and we respectfully request the Commission consider this explanation of the 4-day delay in the notice discussed in the memo. As noted, the PacifiCorp Board declared the common stock dividend effective Tuesday, August 8. PacifiCorp's Corporate Secretary, Jeffrey Erb, filed the notice with the Commission on Thursday, August 17. This was 9 calendar days after declaration, which is 4 days longer than the 5 day period described in UCA 54-4-27(2)(a). If UCA 54-4-27(2)(a) describes business days instead of calendar days (the statute does not specify), then the delay was 2 days longer than the statutory period.

The delay occurred because the PacifiCorp corporate paralegal who tracks these requirements recently left the company. We have a comprehensive, sequential checklist for compliance with all of the requirements for declaration of a common stock dividend, including timing for this notice and reference to the applicable statute, but the checklist is administered by humans. While a replacement corporate paralegal was hired this summer, Mr. Erb had not yet fully trained the new paralegal on compliance with the checklist, and more importantly, should have focused on the checklist earlier. Mr. Erb and the new paralegal did meet to go over the requirements of the checklist and got the notice filed immediately thereafter, albeit on Thursday, August 17.

I can assure the DPU and Commission that the company had absolutely no intention of unilaterally shortening the Commission's time for review by delaying the notification – the delay of 4 days past the statutory period was purely inadvertent, and to my knowledge has not occurred before. To prevent any delays in the future, in the next two weeks, we will build an internal control linked to the Company's docketing system of record that will provide a concrete "tickler" to a team of personnel, including RMP Regulation, who will work to assure the notices are filed within the 5-day allowance. This control will eliminate the effect of the loss of one key employee, and will give the issue broader exposure within the company and system-based tracking.

I fully appreciate the DPU's statements that granting waivers in these situations would render the statute meaningless – however, I can assure you that the memo itself has prompted a behavioral

change and an internal control process improvement that will assure we do not miss the statutory requirement. In that sense, re-dating the dividend or levying a fine are not necessary to change the company's behavior – that has already been done. Statutory compliance is of utmost importance to the company.

We respectfully request you waive the notice delay and find the dividend declaration effective, because a) the notice was a maximum of 4 days late, b) the delay was an inadvertent error and not an attempt to shorten the Commission's time for review, c) the delay was a first offense, d) the proposed dividend was, as of August 31, found to pose no significant effect on the Company's financial health, and e) PacifiCorp commits to build and implement improved internal controls that will systematically ensure compliance with this statutory deadline, which controls will be described in a follow-up report back to the DPU.

Thank you for your consideration.

Sincerely,

effrey K. Larsen

Vice President, Regulation

CC: Chris Parker, DPU