



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Public Service Commission

THAD LeVAR
Chair

DAVID R. CLARK
Commissioner

March 7, 2023

Jeffery B. Erb
Corporate Secretary
PacifiCorp
825 NE Multnomah St., Ste. 2000
Portland, OR 97232-2152

Chris Parker
Director
Division of Public Utilities
P.O. Box 146751
Salt Lake City, UT 84114-6741

Re: PacifiCorp's Declaration of Dividend, Compliance Filing; Docket No. 23-999-01

Dear Messrs. Erb and Parker,

On January 24, 2023, the Public Service Commission (PSC) received PacifiCorp's Notice of Common Dividend – Compliance Filing notifying the PSC of its declaration as of January 25, 2023 of a cash dividend ("Compliance Filing"), consistent with Commitment U13 of the Stipulation approved in Docket No. 05-035-54.

On February 9, 2023, the PSC received the Division of Public Utilities' (DPU) filing recommending the PSC acknowledge the Compliance Filing ("DPU Comments"). DPU indicates that it calculated PacifiCorp's financial condition for the periods ending December 31, 2017 through December 30, 2021 in Docket No. 22-999-01 ("June 2022 Comments"). DPU states it used the same analysis to determine if there would be an impairment in issuing a dividend to shareholders in this docket.¹ Specifically, DPU relied on its findings in the June 2022 Comments and the Financial Results Summary in Exhibit 1, and filed the original Exhibit 1 in this docket, relabeling it as "Exhibit 1" to the DPU Comments.² In addition to DPU's findings in Exhibit 1, DPU reviewed PacifiCorp's financial information through the third quarter of 2022. For example, DPU provided PacifiCorp's total revenue, total accounts receivable, and net plant and equipment. DPU states it also recalculated PacifiCorp's Return on Equity for 2021. Based on its findings in Exhibit 1 and its review of PacifiCorp's financials through the third quarter of 2022,

¹ DPU references Utah Code Ann. § 54-4-27 which identifies the notification and approval requirements a gas or electric corporation must follow before paying a dividend. It explains its understanding of the terms "impaired" and "impairment" in the statute to mean that "(1) the payment of the dividend will result in actions being taken against the [utility] by creditors, rating agencies, or others [...] or (2) the payment of the dividend would result in a reduced ability of the [utility] to provide service through a lack of working capital or other financial capacity to continue its operations in the same manner as it would if the dividend were not paid." DPU comments, at 2.

² Any references to "Exhibit 1" and "Financial Results Summary" hereinafter are those that are attached to DPU's comments in this docket.

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DPU then determined that the dividend payments referenced in the Compliance Filing will not impact PacifiCorp's financial standing or financial stability.

The PSC appreciates DPU's analysis and encourages DPU to continue to perform these analyses in the future. Unless DPU finds the payment of a dividend will cause an impairment under the relevant laws, however, the PSC deems a "no action" recommendation from DPU to be appropriate. The PSC assumes, based on DPU's analysis, that no further action from the PSC is required and will take no further action in this matter unless a statutory or other legal requirement for the PSC to approve or acknowledge the Compliance Filing is identified.

Sincerely,

/s/ Gary L. Widerburg

PSC Secretary

DW#327228