



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

August 8, 2014

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon  
3930 Fairview Industrial Drive S.E.  
Salem, OR 97302-1166

Attn: Filing Center

**RE: PacifiCorp Notice of Property Disposition—Distribution Equipment**

Under ORS 757.480(2), PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) provides notice of the sale of property necessary or useful in the provision of utility service (Notice).

PacifiCorp provides retail electric service to Timber Products Company (Buyer) in Grants Pass, Oregon. The Buyer recently elected to convert its service to primary metering. To accomplish this, the Company agreed to sell certain distribution equipment in place to serve the Buyer. A copy of the Asset Purchase Agreement is included with this Notice as Attachment A.

The Buyer paid \$53,948.16 for the equipment. With the conversion to primary metering, PacifiCorp no longer needs the equipment to serve the Buyer. PacifiCorp will continue to be able to fulfill its obligation to provide safe, reliable electric service with its remaining facilities. The public is not harmed because the equipment sold only served the Buyer.

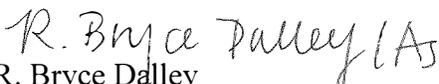
PacifiCorp respectfully requests that all correspondence and data requests regarding this matter be addressed to:

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com).

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Please direct informal questions with respect to this filing to Natasha Soares at 503-813-6583.

Sincerely,

  
R. Bryce Dalley  
Vice President, Regulation

Enclosure

**ATTACHMENT A**

**Asset Purchase Agreement**

**ASSET PURCHASE AGREEMENT**  
**between**  
**PACIFIC POWER**  
**and**  
**TIMBER PRODUCTS COMPANY, LP**

This Asset Purchase Agreement (the "Agreement"), is between Timber Products Company, LP, an Oregon partnership, ("Buyer"); and PacifiCorp, an Oregon corporation doing business in Oregon as Pacific Power ("Pacific Power"). Pacific Power and Buyer are sometimes referred to collectively as "Parties" and individually as "Party."

WHEREAS, Pacific Power owns a certain assets located in Grants Pass Oregon, Oregon; and

WHEREAS, Buyer has offered to purchase the facilities from Pacific Power and Pacific Power hereby agrees to sell the facilities to Buyer in accordance with and subject to all of the terms and conditions of sale as expressed herein, including among other things, approval of the Oregon Public Utility Commission, and Buyer's responsibility to independently obtain all easements and property rights necessary for the continued existence of the facilities; and

NOW, THEREFORE, for and in consideration of the mutual promises and covenants and conditions set forth in this Agreement, the sufficiency of which is hereby mutually acknowledged and accepted, the parties hereto agree as follows:

1. Definitions.

For purposes of this Agreement, the following terms used herein but not otherwise defined herein shall have the following meaning when used with initial capitalization, whether singular or plural:

1.01 "Assets" means those assets owned by Pacific Power, set forth in Exhibit A. "Commission" means the Oregon Public Utility Commission.

1.02 "Purchase Price" means the price Buyer will pay to Pacific Power in exchange for the Assets, pursuant to Section 2 herein.

1.03 "Transfer Date" means the date upon which Pacific Power conveys to Buyer the bill of sale for the Assets.

2. Sale and Purchase of Assets.

2.01 Assets to Be Sold. Subject to all of the terms and conditions of this Agreement, Pacific Power agrees to sell and Buyer agrees to buy all of Pacific Power's right, title and interest in the Assets.

2.02 Purchase Price. The Purchase Price for the Assets shall be Fifty Three Thousand, Nine Hundred Forty Eight dollars and Sixteen Cents (\$53,948.16.).

2.03 Payment. The Purchase Price shall be paid to Pacific Power by Buyer within fifteen (15) days of the date this Agreement is executed by both Parties; such payment shall be by check.

2.04 Instruments of Conveyance and Transfer. Subject to the satisfaction of the conditions precedent set forth in Section 8 below, and pursuant to all of the terms and conditions of this Agreement, Pacific Power shall execute and deliver to Buyer a bill of sale to vest in Buyer good and marketable title to the Assets, subject to no security interests, liens or encumbrances, and substantially in the form of the unexecuted bill of sale attached hereto as Exhibit C.

2.05 Proration of Personal Property Taxes. Personal property taxes shall be prorated between Pacific Power and Buyer as of the Transfer Date based upon days of ownership in the tax year in which the Transfer Date occurs. If for such year, Pacific Power has not previously paid such personal property taxes, Buyer shall pay such property taxes when due, and Buyer shall be solely liable for any penalty or interest owing as a result of an untimely property tax payment by Buyer, and Pacific Power shall pay to Buyer Pacific Power's pro rata share of property taxes paid by Buyer. If for such year, Pacific Power has previously paid such personal property taxes, Buyer shall pay to Pacific Power Buyer's pro rata share of property taxes paid by Pacific Power.

2.06 Sales, Transfer, and Other Taxes. Any sales, excise, transfer, purchase, use, or similar tax which may be payable by reason of the sale of all or a portion of the Assets shall be borne and paid by Buyer.

### 3. Ownership; Operation and Maintenance; Risk of Loss

3.01 Ownership. Pacific Power shall own the Assets until the Transfer Date.

3.02 Operation and Maintenance; Risk of Loss. After the Transfer Date, Buyer shall own and be solely responsible for the operation and maintenance of the Assets and risk of loss of the Assets. Prior to the transfer date, Pacific Power shall be responsible for the operation and maintenance of the Assets. For the life of the Assets, Buyer shall at all times operate and maintain the Assets in accordance with prudent utility practice.

### 4. Representations and Warranties of Pacific Power.

Pacific Power represents and warrants as follows:

4.01 Organization and Powers of Pacific Power. Pacific Power is an Oregon corporation, duly organized and validly existing under the laws of the State of Oregon, and is duly qualified to do business in the State of Oregon. Pacific Power has all requisite power and authority to own the Assets.

4.02 Authority Relative to Agreement; Governmental Authorization. Pacific Power has the power and authority to execute and deliver this Agreement and to consummate the

transactions contemplated hereby. This Agreement has been duly and validly authorized and constitutes the valid and binding obligation of Pacific Power enforceable in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedies of specific performance and injunctive relief are subject to the discretion of the court before which any proceeding may be brought. No declaration, filing or registration with, or notice to, or authorization, consent or approval of, any governmental or regulatory body or authority is necessary for the execution and delivery of this Agreement by Pacific Power or the consummation by Pacific Power of the transactions contemplated by this Agreement, provided that Pacific Power makes no representation or warranty with respect to approvals which may be required from the Oregon Public Utility Commission or the Federal Energy Regulatory Commission.

4.03 Non-Contravention; Approvals. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate, conflict with or result in a breach of any provision of, or constitute a default under, or result in the termination of any note, bond, mortgage, indenture, deed of trust, contract, lease or other instrument, obligation or agreement of any kind to which Pacific Power is now a Party or by which any of its assets may be bound or affected.

4.04 Title to the Assets. Pacific Power has good and marketable title to the Assets free and clear of all liens, mortgages, pledges, claims, charges, security interests or other encumbrances.

4.05 Condition of Assets. The Assets will be sold to Buyer "AS IS, WHERE IS." Pacific Power hereby disclaims and excludes herefrom, (a) any express or implied representation or warranty as to the value, condition, design, operation, or quality of the materials or workmanship in, or any defects in, the Assets, (b) any express or implied warranty of merchantability or fitness for use or for a particular purpose, or (c) any express or implied representation, guarantee, obligation, liability or warranty of Pacific Power, express or implied, of any kind, arising by law or from course of performance, course of dealing, or usage of trade.

## 5. Representations and Warranties of Buyer.

Buyer represents and warrants as follows:

5.01 Organization and Powers of Buyer. Buyer is duly qualified to do business in the State of Oregon. Buyer has all requisite power and authority to own the Assets.

5.02 Authority Relative to Agreement; Governmental Authorization. Buyer has the power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly and validly authorized and constitutes the valid and binding obligation of Buyer enforceable in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and except that the availability of the equitable remedies of specific performance and injunctive relief are subject to the discretion of the court before which any proceeding may be brought. No declaration, filing

or registration with, or notice to, or authorization, consent or approval of, any governmental or regulatory body or authority is necessary for the execution and delivery of this Agreement by Buyer or the consummation by Buyer of the transactions contemplated by this Agreement, provided that Buyer makes no representation or warranty with respect to approvals which may be required from the Oregon Public Utility Commission or the Federal Energy Regulatory Commission.

5.03 Non-Contravention; Approvals. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby will not violate, conflict with or result in a breach of any provision of, or constitute a default under, or result in the termination of any note, bond, mortgage, indenture, deed of trust, contract, lease or other instrument, obligation or agreement of any kind to which Buyer is now a Party or by which any of its assets may be bound or affected.

5.04 Condition of Assets. The Assets will be purchased by Buyer "AS IS, WHERE IS." Buyer acknowledges that Pacific Power disclaims and excludes herefrom, (a) any express or implied representation or warranty as to the value, condition, design, operation, or quality of the materials or workmanship in, or any defects in, the Assets, (b) any express or implied warranty of merchantability or fitness for use or for a particular purpose, or (c) any express or implied representation, guarantee, obligation, liability or warranty of Pacific Power, express or implied, of any kind, arising by law or from course of performance, course of dealing, or usage of trade.

## 6. Covenants of Pacific Power.

Pacific Power covenants and agrees as follows:

6.01 Conduct of Business. Pacific Power shall own and operate the Assets for the time periods set forth in Section 3 herein in accordance with its past practices and shall engage in no material transactions relating to the Assets out of the ordinary course of business, including entering into any contract or financing arrangement that limits Pacific Power's ability to sell the Assets to Buyer.

6.02 Insurance. Until the Transfer Date, Pacific Power shall continue to self-insure or carry insurance currently in effect related to the Assets, adequate to insure the Assets against loss or damage by fire and other risks, and public liability consistent with and in accordance with its past practices.

6.03 Reasonable Efforts. Subject to the terms of this Agreement and fiduciary obligations under applicable law, Pacific Power shall use commercially reasonable efforts to effectuate the transactions contemplated by this Agreement and to fulfill all of the conditions of the Parties' obligations under this Agreement and shall do all such acts and things as reasonably may be required to carry out Pacific Power's obligations hereunder and to complete the transaction contemplated by this Agreement.

6.04 Notification. Pacific Power will give Buyer prompt written notice of any event, condition or fact arising prior to the Transfer Date that would cause any of its representations and warranties in this Agreement to be untrue in any material respect.

6.05 Access to Assets. Until the Transfer Date, Pacific Power shall allow Buyer and its authorized agents and representatives reasonable access to the Assets.

## 7. Covenants of Buyer.

Buyer covenants and agrees as follows:

7.01 Conduct of Business. Prior to the Transfer Date, Buyer shall operate the Assets for the time periods set forth in Section 3 herein in accordance with Pacific Power's instructions, if any, and Pacific Power's past practices. Prior to the Transfer Date, Buyer shall engage in no material transactions relating to the sale or disposition of the Assets in whole or in part.

7.02 Insurance. After the Transfer Date, Buyer shall carry insurance adequate to insure the Assets against loss or damage by fire and other risks, and public liability consistent with and in accordance with its past practices for like assets.

7.03 Reasonable Efforts. Subject to the terms of this Agreement and fiduciary obligations under applicable law, Buyer shall use commercially reasonable efforts to effectuate the transactions contemplated by this Agreement and to fulfill all of the conditions of the Parties' obligations under this Agreement and shall do all such acts and things as reasonably may be required to carry out Buyer's obligations hereunder and to complete the transaction contemplated by this Agreement.

7.04 Notification. Buyer will give Pacific Power prompt written notice of any event, condition or fact arising prior to the Transfer Date that would cause any of its representations and warranties in this Agreement to be untrue in any material respect.

7.05 Access to Assets. Until the Transfer Date, Buyer shall allow Pacific Power and its authorized agents and representatives reasonable access to the Assets.

7.06 Indemnity. Buyer shall defend, indemnify, and hold harmless Pacific Power, its officers, directors, employees, and agents, from and against any and all liability, loss, damage, claims, suit or cause of action arising out of or relating to Buyer's ownership, operation or maintenance of the Assets. This obligation shall survive the termination of this Agreement and completion of the transactions contemplated by this Agreement.

7.07 Rights-of-way. Prior to the Transfer Date, Buyer shall independently obtain at Buyer's own expense, all easements or other real property rights, licenses or permissions, ("rights-of-way") necessary for Buyer to lawfully operate and maintain the Assets as they presently exist, and upon request, Buyer shall provide reasonably satisfactory evidence of having done so to Pacific Power.

7.08 Operation, Maintenance, Repair, or Replacement of the Assets. Buyer has or will arrange for qualified personnel to operate, maintain, and repair the Assets, and will in no way

rely on Pacific Power for such services. Buyer has or is prepared to locate and procure on its own behalf, replacement components, including transformers, in the event of failure of any or all of the Assets at any time. Buyer takes full responsibility for the installation of such replacement components.

8. Conditions Precedent; Bill of Sale.

All of the obligations of Pacific Power under this Agreement are subject to the fulfillment, prior to and upon the Transfer Date, of each of the following conditions:

8.01 Representations, Warranties and Covenants of Buyer. All representations and warranties made in this Agreement by Buyer shall be true and correct in all material respects as of the Transfer Date as fully as though such representations and warranties had been made on and as of the Transfer Date, and as of the Transfer Date, Buyer shall have complied in all material respects with all covenants made by it in this Agreement.

8.02 Litigation. At the Transfer Date, there shall not be in effect any order, decree, or injunction of a court of competent jurisdiction restraining, enjoining, or prohibiting the consummation of the transactions contemplated by this Agreement (each Party hereby agreeing to use its reasonable efforts, including reasonable appeals to higher courts, to have any such order, decree or injunction set aside or lifted), and no action shall have been taken, and no statute, rule, or regulation shall have been enacted, by any state or federal government or governmental agency in the United States which would prevent the consummation of such transactions.

8.03 Payment of Purchase Price, Bill of Sale. Additionally, Pacific Power's obligation to transfer title to the Assets to Buyer by providing Buyer with the bill of sale contemplated herein shall be contingent upon the following: buyer shall have paid to Pacific Power the Purchase Price. No later than thirty (30) days after first the date upon which all of the conditions of Sections 8.03 have been satisfied, Pacific Power shall convey to Buyer the bill of sale for the Assets.

9. Survival of Representations and Warranties.

All representations and warranties of the Parties, and all liability therefore, shall survive for a period of one year past the Transfer Date, at which time the obligations under this agreement shall cease and expire. Notwithstanding the forgoing, obligations under Section 7.06 shall continue indefinitely.

10. Termination.

10.01 Termination. This Agreement may be terminated and abandoned at any time prior to the Transfer Date if:

(a) The Parties agree in writing to terminate this Agreement by mutual consent; or

(b) Buyer delivers a written notice to Pacific Power to the effect that Pacific Power has defaulted in a material respect under one or more of its covenants and agreements

contained herein (which shall be specified in detail in such notice), and such condition or conditions have not been satisfied or such default or defaults have not been remedied (or waived by Buyer) within thirty (30) days after the date such notice is delivered by Buyer to Pacific Power; or

(c) Pacific Power delivers a written notice to Buyer to the effect that Buyer has defaulted in a material respect under one or more of its covenants and agreements contained herein (which shall be specified in detail in such notice), and such condition or conditions have not been satisfied or such default or defaults have not been remedied (or waived by Pacific Power) within thirty (30) days after the date such notice is delivered by Pacific Power to Buyer; or

(d) The Transfer Date shall not have occurred on or before March 31, 2014, or such later date to which the term of this Agreement may be extended pursuant to mutual agreement of the Parties, provided that one of the Parties gives notice to the other so terminating this Agreement and that the Party seeking such termination has not defaulted in a manner responsible for delaying the Transfer Date past May 30, 2014.

10.02 Effect of Termination. Except where specific terms and conditions of this Agreement provide that such terms and conditions survive termination of this Agreement, any termination pursuant to this Section 10 shall relieve both Parties hereto of their obligations set forth herein, and any such termination constitutes a failure of the conditions to the obligations of the Parties to implement this Agreement, except that nothing herein will relieve any Party from liability for any breach of this Agreement.

#### 11. Assignment.

Neither Party may assign its rights under this Agreement to any third Party without the written consent of the other Party.

#### 12. Jurisdiction Of Regulatory Authorities.

In the event that the Commission or any other state, federal, or municipal authority determines that any provision of this Agreement conflicts with or is in violation of applicable law, or issues any rules, regulations, or orders which require Pacific Power to alter or amend any of the provisions of this Agreement or to terminate this Agreement, or that otherwise preclude or materially interfere with or rescind the transfer of assets contemplated herein, this Agreement automatically shall be amended to comply with such determination, amendment, rule, regulation or order; or, if so ordered, this Agreement shall terminate without effecting transfer of the Assets to Buyer, or the Assets and the purchase price shall be returned if transfer has already occurred; and in any of the foregoing events, Pacific Power shall not be liable to Buyer for damages or losses of any kind whatsoever, including consequential damages, which Buyer may sustain as a result of such determination, amendment, rule, regulation, or order, or modification or termination of this transaction.

#### 13. Miscellaneous.

13.01 Amendment. This Agreement may be amended only by an instrument in writing executed by the Parties which expressly refers to this Agreement and states that it is an amendment hereto.

13.02 Section and Paragraph Headings. The Section and Subsection headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

13.03 Waiver. Any of the terms or conditions of this Agreement may be waived at any time and from time to time, in writing, by the Party entitled to the benefit of such terms or conditions.

13.04 Notices. All notices, requests, demands, and other communications given by Buyer or Pacific Power shall be in writing and shall be deemed to have been duly given when telecopied, when delivered personally in writing or when deposited into the United States mail, to the following addresses:

If to Pacific Power: Pacific Power  
Attention: Jim Hermann  
C&I Account Management  
825 NE Multnomah, Suite 800  
Portland, OR 97232

If to Buyer: Timber Products Company, LP \_\_\_\_\_  
Attention: Ron Holton \_\_\_\_\_  
P.O. Box 1669 \_\_\_\_\_  
Medford, Oregon 97501 \_\_\_\_\_  
541-618-3636

or to such other address as Buyer or Pacific Power may designate in writing.

13.05 Integrated Agreement. This Agreement, when executed, constitutes the entire agreement between the Parties hereto, and supersedes and negates all prior line extension agreements and understandings, oral and written, between the Parties hereto with respect to the Assets.

13.06 Waiver of Jury Trial

To the fullest extent permitted by law, each of the parties hereto waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this agreement. Each party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

13.06 Counterparts. This Agreement may be executed in two counterparts, each of which shall for all purposes be deemed to be an original and both of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the dates set forth below.

**TIMBER PRODUCTS COMPANY, LP**

**PACIFIC POWER**

By:   
Name: RON HOLTON  
Title: Purchasing Manager  
Date: 5/13/14

By:   
Name: Larry Young  
Title: Director Operations  
Date: 7/15/14

**EXHIBIT A  
DESCRIPTION OF ASSETS**

Facilities to be sold:

Component	Asset ID	Description	Serial Number	Acquisition Date	CO	Depreciation Cost
Transformer	01336005.0 208980	1500 kva 7200 277/480v Padmount 3 phase	SI#9174319	0531640YPM	4/29/1998	8010675 \$ 15,542.76
Wire		300ft 750 AL	SI #4218509			\$ 1,276.00
Wire		60 ft of 500 AL Neutral	SI #4218400			
Transformer	01336005.0 210981	1000kva 7200 277/480v padmount 3 phase	SI#9174236	Q501404TWK	10/26/1995	3220482 \$ 12,090.00
Wire		300ft 500cu	SI #1100085			\$ 859.00
Wire		60 ft. 350 cu Neutral	SI#4523502			
Transformer	01336005.0 209980	2500kva 7200 277/480v pad mount 3 phase	SI#9174400	#5780544N	12/1/1978	3207631 \$ 21,158.40
Wire		480ft 750al	SI#4218509			\$1,022.00
Wire		160 ft. 500 al Neutral	SI #4218400			
Legal		Transaction costs				\$2,000.00

EXHIBIT C

BILL OF SALE

SELLER: PACIFIC POWER

BUYER: ~~TIMBER PRODUCTS COMPANY, LP~~

FOR VALUABLE CONSIDERATION totaling (\$53,948.16.), the receipt of which is hereby acknowledged, Pacific Power, an Oregon corporation ("Seller"), hereby grants, bargains, sells and delivers to Timber Products Company, LP ("Buyer"), pursuant to an Asset Purchase Agreement dated as of 5-13-14, all of its right, title, and interest in and to all of the Assets listed on Exhibit A, attached to said Asset Purchase Agreement, and presently in the possession of Seller.

THE ASSETS ARE SOLD AND DELIVERED TO BUYER "AS IS, WHERE IS."

PACIFIC POWER HEREBY DISCLAIMS AND EXCLUDES HEREFROM, (A) ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, DESIGN, OPERATION, OR QUALITY OF THE MATERIALS OR WORKMANSHIP IN, OR ANY DEFECTS IN, THE ASSETS, (B) ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, OR (C) ANY EXPRESS OR IMPLIED REPRESENTATION, GUARANTEE, OBLIGATION, LIABILITY OR WARRANTY OF SELLER, EXPRESS OR IMPLIED, OF ANY KIND, ARISING BY LAW OR FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE.

DATED this 13 day of May, 2014.

Pacific Power

By: [Signature]  
Name: RON HOLTON  
Title: TIMBER PRODUCTS CO, LP  
Purchasing Manager