

**PUBLIC UTILITY COMMISSION OF OREGON
INTEROFFICE CORRESPONDENCE**

DATE: June 6, 2017

TO: Marc Hellman *A*

FROM: Kathy Zarate *KZ*

SUBJECT: PACIFICORP: (Docket No.UPN 34) Notice of Property Disposition – Non-Exclusive Temporary Use Easement with Cascade Living Group.

DISCUSSION AND ANALYSIS:

On March 22, 2017, PacifiCorp (Company) filed a Notice of Property Disposition (Notice) concerning a non-exclusive temporary use easement (Agreement) with Cascade Living Group (Cascade), located in Section 33 of township 7 south, range 5 west, Polk County, Oregon. PacifiCorp recently discovered that a portion of Cascade's parking lot is encroaching on PacifiCorp's property. In order to prevent Cascade from establishing prescriptive rights to a portion of the property, while allowing Cascade to continue to use its parking lot, the parties executed a non-exclusive temporary use easement agreement on January 23, 2017 (Agreement). The term of the Agreement is twenty years. The aggregate value of the easement to PacifiCorp is estimated to be \$2,800 per year for the first five years, with rent amount increasing every five years based on the change in the consumer price index. The value of the Agreement is estimated to be \$58,570 over the twenty year term, of which the amount of the easement proceeds allocated to Oregon is \$58,570.

Staff has reviewed the easement Agreement and found the estimated valuation of PacifiCorp's property to be of fair market value. My analysis was based on information received with the Notice, and from four responses by the Company to Staff's information requests. According to the Company, the value of the easement was based on comparable price rates in the area, and the property was not considered marketable to other potential parties.

PacifiCorp's use of the property under the easement Agreement will benefit the local community and will not interfere with PacifiCorp's ability to operate its facilities or impede access to the Company's property. The public is not harmed because the Company will continue to be able to fulfill its obligation to provide safe, reliable electric service.

The payments received by PacifiCorp will be transferred to the property sales balancing account for late disbursement to PacifiCorp Oregon customers.

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STAFF RECOMMENDATION:

Staff reviewed the Notice and the Easement. Staff also reviewed the Company's response to the four Staff information requests. Staff determined that the public is not harmed by this transaction. No further action is required on this docket.