

**PUBLIC UTILITY COMMISSION OF OREGON
INTEROFFICE CORRESPONDENCE**

DATE: June 15, 2017
TO: Marc Hellman *MH*
FROM: Kathy Zarate *KZ*
SUBJECT: PACIFICORP: (Docket No. UPN 35) Notice of Property Disposition – Non-Exclusive Temporary Use Easement with the Utah Department Transportation.

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 the Utah Department of Transportation (UDOT), located in 5400 South to 4100, and Project No. S-0085(5)0, on, and /or across Mountain View corridor, Utah. The Utah Department of Transportation (UDOT) is in the process of constructing the Mountain View Corridor highway project in Salt Lake County, Utah (Project). The Project runs alongside certain PacifiCorp property that is used in the operation and maintenance of large voltage electric transmission lines, substations, and other related utility purposes. In order to continue progress with the Project, UDOT needs to access two specific parcels of PacifiCorp property to construct an access road in a portion of those parcels (Property).

The parties executed two Non-Exclusive Access Easements (collectively, Easements), one for each parcel of the Property, on January 10, 2017, each of which was recorded January 24, 2017. The Easements grant to PacifiCorp a perpetual easement and right of way for access incident to the construction and maintenance of the Project.

The parties also signed two temporary Construction Access Agreements (Agreements), one for each parcel of property, which grant PacifiCorp an easement to access a portion of the Property until completion of the Project or three years, whichever occurs first. The agreements are dated January 23, 2017, and were recorded January 24, 2017.

The Easements are valued at approximately \$31,941.81, and the Agreements are valued at approximately \$12,768.77. Based on that appraisal, the value of the underlying property is estimated to be \$2.41 per square foot utilizing a factor of 30 percent of the underlying property value¹.

Staff has reviewed the Agreements and Easements 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

¹ OPUC Data request N. 1

information requests. According to the Company, the value of the easements 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 Easements and Agreements 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 later disbursement to PacifiCorp's Oregon customers.

STAFF RECOMMENDATION:

Staff reviewed the Notice, the Easements and the Agreements. Staff also reviewed the Company's responses 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.