

**PUBLIC UTILITY COMMISSION OF OREGON
INTEROFFICE CORRESPONDENCE**

DATE: June 21, 2018

TO: John Crider *JC*

FROM: Kathy Zarate *KZ*

SUBJECT: PACIFICORP: (Docket No. UPN 55) Notice of Property Disposition – Roadway Easements in the City of Salt Lake and Meridian, Utah.

DISCUSSION AND ANALYSIS:

On April 4, 2018, PacifiCorp (Company) filed a Notice of Property Disposition (Notice) concerning five roadway easements (Easement) in the City of Salt Lake and Meridian. The proposed Easements will traverse over and across portions of PacifiCorp's Camp Williams – Mona # 345 kV transmission corridor (PacifiCorp Parcel) which is located in the NE1/4 of section 16, Township 5 South, Range 1 West, Salt Lake base and Meridian, Utah. The parties executed the easement agreements on February 7, 2018. The aggregate value of the Easements to PacifiCorp is estimated to be \$30,800 to access an adjacent property on which it operates a gravel mining operation. The amount of the Easements proceeds allocated to Oregon is \$8,000.

PacifiCorp granted JD VI, LLC use of a portion of the transmission corridor for an access route to their gravel mining operation. JD VI, LLC requested a 40-foot access easement that crosses into the transmission corridor right-of-way.

Staff has reviewed the Easements Agreements and found the estimated valuation of PacifiCorp's roadway to be of fair market value. My analysis was based on information received with the Notice, and from one response by the Company to Staff's information request. 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.

According to the Company, the total compensation agreed to for the easement was \$30,800 on a total company basis. An important part of a real estate contract is the concept that a land right such as an easement is transferred in exchange for "good and valuable consideration," typically money. It is customary in many states, including Utah where this easement was recorded, for the author of a document recorded at a county recorder's office and available for public viewing to insert a placeholder dollar amount to establish that "good and valuable consideration" was exchanged but the parties to the agreement have chosen to keep the actual amount confidential. \$10.00 is a placeholder amount used frequently in historical documents and frequently still today¹.

¹ See Data request No. 1.

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PacifiCorp's use of the property under the Easement 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.

STAFF RECOMMENDATION:

Staff reviewed the Notice and the Easements. Staff also reviewed the Company's response to Staff information requests. Staff determined that the public is not harmed by this transaction.

However, Staff highly recommends that revenue from the Agreement regarding the Easements proceeds allocated to Oregon, which are \$8,000, should be placed into the Property Sales Balancing Account until it can be returned to customers.

No further action is required on this docket.

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