

May 18, 2018

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

Attn: Filing Center

RE: UP ___ —PacifiCorp's Application for Approval of the Sale of Property

PacifiCorp d/b/a Pacific Power encloses for filing its Application for Approval for the sale of property in Point of Rocks, Wyoming.

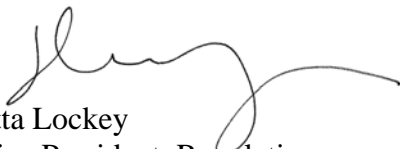
PacifiCorp respectfully requests that all information requests regarding this matter be addressed to:

By E-Mail (preferred): datarequest@pacificorp.com

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

Please direct any informal inquiries regarding this filing to Natasha Siores at (503) 813-6583.

Sincerely,


Etta Lockey
Vice President, Regulation

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP _____

In the Matter of

PACIFICORP, d/b/a PACIFIC POWER

Application for Approval of the Sale of
Certain Assets in Point of Rocks,
Wyoming.

**PACIFICORP'S APPLICATION
FOR APPROVAL**

Under ORS 757.480(1)(a) and in accordance with OAR 860-027-0025, PacifiCorp, d/b/a Pacific Power, seeks approval from the Public Utility Commission of Oregon (Commission) of the asset sale transaction described in the Form of Release (Agreement) between Bridger Coal Company (BCC) and Utah America Energy, Inc. (UAE). Under the Agreement, BCC proposes to sell to UAE four shuttle cars for a total asset purchase price of \$240,000. PacifiCorp holds a 66.67 percent interest in BCC through its direct, wholly-owned subsidiary Pacific Minerals, Inc. Therefore, PacifiCorp's share of the sale is \$160,000. A copy of the Agreement is included as Attachment A. In support of this Application, PacifiCorp states the following:

I. BACKGROUND

BCC is the primary coal supplier to the Jim Bridger power plant located in southwest Wyoming. BCC consists of two principal operating units: a surface operation and an underground operation. The coal from both operations is delivered to the Jim Bridger power plant.

Development of the underground mine has reached a point where it is no longer necessary to operate eight shuttle cars to sustain longwall operations and productivity levels. In April 2018, mine management evaluated the mine's fleet of eight shuttle cars and selected

the four most reliable units to retain for continued use and retired from service the remaining four shuttle cars. The four retired shuttle cars have all exceeded reliable and economic service lives and require major rebuilds for long-term continued use.

To maximize recovery value and avoid further risk of deterioration, a determination was made to sell the shuttle cars immediately. Inquiries were sent to 19 prospective buyers to solicit bids for the retired assets. Two bids were received, with UAE being the only buyer to provide a bid for all four shuttle cars.

The sale price attributed to the four shuttle cars BCC proposes to sell to UAE under the Agreement is \$240,000. PacifiCorp's share of the sale is \$160,000 and the Oregon-allocated share of the sale is approximately \$42,000. As more fully explained below, this transaction will not affect PacifiCorp's ability to perform its public duties.

II. COMPLIANCE WITH OAR 860-027-0025(1) FILING REQUIREMENTS

A. Name and Address

PacifiCorp's exact name and address of its principal business office are:

PacifiCorp
825 NE Multnomah Street
Portland, OR 97232

B. State in which incorporated; date of incorporation; other states in which authorized to transact utility business

PacifiCorp is a corporation organized and existing under and by the laws of the State of Oregon. PacifiCorp's date of incorporation is August 11, 1987. PacifiCorp is authorized to provide retail electric service in Oregon, California, Washington, Idaho, Wyoming and Utah.

C. Communications and notices

All notices and communications with respect to this Application should be addressed

to:

Robert Betcone Jr.
Senior Attorney
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Telephone: 503.813.5620
Email: bob.betconejr@pacificorp.com

PacifiCorp Oregon Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
Email: OregonDockets@pacificorp.com

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (**preferred**) datarequest@pacificorp.com

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

Informal inquiries may also be directed to Natasha Siores, Manager, Regulatory Affairs, at (503) 813-6583.

D. Principal officers

NAME	TITLE
William H. Fehrman	Chairman of the Board & Chief Executive Officer of PacifiCorp
Cindy A. Crane	President & Chief Executive Officer, Rocky Mountain Power
Stefan Bird	President & Chief Executive Officer, Pacific Power
Nikki L. Kobliha	Vice President, Chief Financial Officer & Treasurer

E. Description of business; designation of territories served

PacifiCorp engages in the generation, purchase, transmission, distribution and sale of electric energy in Benton, Clackamas, Clatsop, Coos, Crook, Deschutes, Douglas, Gilliam, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, Lincoln, Linn, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Umatilla, Wallowa, Wasco, and Washington Counties in Oregon. PacifiCorp also engages in the generation, purchase,

transmission, distribution and sale of electric energy in the states of California, Idaho, Utah, Washington, and Wyoming.

F. Statement showing for each class and series of capital stock: brief description; amount authorized; amount outstanding; amount held as required securities; amount pledged; amount owned by affiliated interests; amount held in any fund

Not applicable. This transaction does not involve the sale of financial instruments or PacifiCorp stock.

G. Statement showing for each class and series of long-term debt and notes: brief description of amount authorized; amount outstanding; amount held as required securities; amount pledged; amount held by affiliated interests; amount in sinking and other funds

Not applicable. This transaction does not involve the sale of financial instruments.

H. Purpose of application; description of consideration and method of arriving at amount thereof

The purpose of this application is to satisfy ORS 757.480 and OAR 860-027-0025. PacifiCorp files this Application to obtain Commission approval of the sale of certain assets, specifically four shuttle cars, to UAE. Development of the underground mine has reached a point where the size of support equipment necessary to sustain longwall operations and productivity levels no longer requires eight shuttle cars. Mine management evaluated the mine's fleet of shuttle cars and selected the four most reliable units to retain for continued use. The remaining four shuttle cars were retired from service in April 2018. To maximize recovery value and avoid the risk of further deterioration, BCC solicited bids from 19 prospective buyers. Two firm bids were received. The first bid was received from UAE, offering \$60,000 per car for all four shuttle cars. The second offer received was for two shuttle cars at \$15,000 per car. BCC determined it could sell the shuttle cars without affecting PacifiCorp's ability to provide reliable and safe electric service. The total transaction price for the highest bid is \$240,000.

I. Statement of facilities to be disposed of; description of present use and proposed use; inclusion of all operating facilities of parties to the transaction

BCC is selling four Joy 10SC32B Shuttle Cars to UAE. The four shuttle cars were retired from operation in April 2018 and are no longer necessary to maintain longwall operations. BCC has determined that selling the assets sought by UAE will not impair PacifiCorp's ability to provide reliable and safe electric service. Refer to Attachment A for more detail on the four shuttle cars.

J. Statement by primary account of cost of the facilities and applicable depreciation reserve

The four shuttle cars being retired were originally purchased for \$796,491.84, \$796,491.85, \$679,405.84, and \$679,405.85. All four shuttle cars are fully depreciated so there is no book value or applicable depreciation reserve.

K. Required filings with other state or federal regulatory bodies

This transaction does not require approvals from any other state or federal regulatory bodies.

L. Facts relied upon by applicant to show transaction is within the public interest

ORS 757.480 requires Commission approval for sales of property necessary and useful in the performance of public service with a value in excess of \$100,000. See ORS 757.480(1)(a). OAR 860-027-0025(1)(l) requires that the utility show that such a proposed sale is "consistent with the public interest." The Commission has previously held that this standard requires only a "no harm" showing.¹

¹ See, e.g., *In the Matter of a Legal Standard for Approval of Mergers*, Docket UM 1011, Order No. 01-778 (Sept. 4, 2001) ("The remainder of the statutory scheme, those statutes governing transfer, sale, affiliated interest transactions, and contracts, either expresses no standard (for instance, ORS 757.480, .485) and has been read to require a no harm standard, or contains a 'not contrary to the public interest' standard (ORS 757.490, .495.)") (emphasis added); *In the Matter of the Application of PacifiCorp*, Docket UP 168, Order No. 00-112, at 6 (Feb. 29, 2000) (regarding the sale of the Centralia generating plant); *In the Matter of Portland General Electric*, Docket UP 158, Order No. 00-111, at 2 (Feb. 29, 2000) (regarding the sale of the Colstrip generating units); *In the Matter*

The proposed transaction will not harm customers. The four shuttle cars have been retired and are no longer necessary to support longwall operations or productivity levels at the Bridger Coal Underground Mine. PacifiCorp does not need to retain ownership of the assets to continue to provide electric service.

M. Reasons relied upon for entering into the proposed transaction; benefits to customers

Please refer to sections I. and L., and the Background Section, above.

N. Amount of stock, bonds, or other securities, now owned, held or controlled by applicant, of the utility from which stock or bonds are proposed to be acquired

Not applicable. This transaction does not involve the sale of stock or other financial instruments.

O. Statement of franchises held; date of expiration; facilities of transferees

Not applicable. This transaction will not affect PacifiCorp's service territory.

III. COMPLIANCE WITH OAR 860-027-0025(2) FILING REQUIREMENTS

A. Exhibit A—Articles of Incorporation

Not applicable. Review of the Articles of Incorporation would not advance the Commission's analysis of this Application because the subject transaction involves the sale of distribution assets and does not affect PacifiCorp's corporate structure or governance.

B. Exhibit B—Bylaws

Not applicable. Review of PacifiCorp's bylaws would not advance the Commission's analysis of this Application because the subject transaction involves the conveyance of assets and does not affect the company's corporate structure or governance.

C. Exhibit C—Resolution of directors authorizing transaction

of the Application of Portland General Electric, Docket UP 165/UP 170, Order No. 99-730, at 7(Nov. 29, 1999) (regarding the sale of the Centralia generating plant).

Not applicable. This transaction did not require approval from the PacifiCorp's board of directors.

D. Exhibit D—Mortgages, trust, deeds or indentures securing obligation of each party

This asset type is not subject to a mortgage.

E. Exhibit E—Balance sheet showing booked amounts, adjustments to record the proposed transaction and pro forma, with supporting fixed capital or plant schedules in conformity with the forms in the annual report

This transaction will not materially affect PacifiCorp's balance sheet.

F. Exhibit F—Known contingent liabilities

There are no known contingent liabilities associated with this transaction.

G. Exhibit G—Comparative income statements showing recorded results of operations, adjustments to record the proposed transaction and pro forma, in conformity with the form in the annual report

Not applicable. The transaction will not materially affect PacifiCorp's income statement.

H. Exhibit H—Analysis of surplus for the period covered by income statements referred to in G

Not applicable. The transaction will not materially affect PacifiCorp's income statement.

I. Exhibit I—Copy of contract for transaction and other written instruments

Included with this Application as Attachment A is a copy of the Form of Release by and between Bridger Coal Company and Utah American Energy, Inc.

J. Exhibit J—Copy of each proposed journal entry to be used to record the transaction

Please see Attachment B to this Application for the proposed journal entries to be used to record this transaction.

K. Exhibit K—Copy of each supporting schedule showing the benefits, if any, which each applicant relies upon to support the facts required by (1)(l) of this rule and reasons as required by (1)(m).

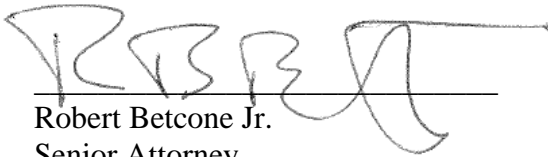
This Application and attachments contain the necessary information to demonstrate the benefits of this transaction and for the Commission to base its decision. However, the company is prepared to provide additional information as requested by the Commission.

IV. PRAYER FOR RELIEF

PacifiCorp respectfully requests a Commission order (1) finding that the sale of the assets will not harm PacifiCorp's customers and is consistent with the public interest; and (2) granting other such relief as the Commission deems necessary and proper.

Respectfully submitted this 18th day of May 2018,

By:


Robert Betcone Jr.
Senior Attorney
PacifiCorp

ATTACHMENT A
Form of Release

FORM OF RELEASE

This Release (“Release”) is entered into by and between Bridger Coal Company (“Company”) and UtahAmerican Energy, Inc. (“Purchaser”).

RECITALS

- A. Company and Purchaser have entered into an agreement whereby Company agrees to sell and Purchaser agrees to purchase the below-described Equipment.
- B. Company and Purchaser desire to identify certain work (the “Work”) to be performed by Purchaser necessary to take possession of the Equipment pursuant to this Release and to reach certain other understandings with respect to the Work.

AGREEMENT

It is therefore agreed as follows:

1. **Scope of Work and Location:**

Location

Purchaser shall perform the Work to remove and take possession of the **four shuttle cars** located at Bridger Coal Company, 932 Nine Mile Road, Point of Rocks, WY 82942

Joy Shuttle Cars

1. JOY 10SC32B **Shuttle Car 104** Standard; BID PRICE \$60,000.00
2. JOY 10SC32B **Shuttle Car 105** Non-Standard; BID PRICE \$60,000.00
3. JOY 10SC32B **Shuttle Car 106** Standard; BID PRICE \$60,000.00
4. JOY 10SC32B **Shuttle Car 107** Non-Standard; BID PRICE \$60,000.00

The Joy 10SC32B shuttle car is a high production machine designed for mid to high seam applications. 1.8m-3.0m (73”-118”) with a rated payload capacity of 15 tons. The rated payload is the maximum amount the drive train and chassis is rated to haul. The actual carrying capacity is dependent on numerous factors, including but not limited to the conveyor width, sideboard height, density of the material as conveyed, the ability of the continuous miner to load the shuttle car and the mining height.

MODEL DESIGNATION 10SC32-48BXW-5

LINE FEATURES 10SC32B 8/01/06

ELECTRICAL FEATURES

- Cable enters cable reel from the bottom
- Trailing cable connection external to cable reel
- 20mm pitch spooling device drive chain
- Vacuum contactors
- All motors are vacuum pressure impregnated
- Trip Gong – Boxing Bell is incorporated into machine design

Sold as is – no implicit warranty on design or performance

Scope of Work;

Company shall load the equipment.

Purchaser shall provide all necessary equipment to transport the Equipment from the Work Site. Risk of loss to the Equipment shall pass to Purchaser upon removal of the Equipment from the Work Site.

Notice to Company’s Designated Representative and Company Site Contact are required at least 48 hours prior to removal. Such Notice may be in the form of a telephone call or email.

2. **Period of Performance of Work:**

The period of performance begins upon execution of this Release and payment is received.

3. **Designated Representatives:**

Purchaser: **Shayla Olson -- Purchasing Manager**
UtahAmerican Energy, Inc.
PO Box 910
East Carbon, Utah 84520
Telephone 435-650-8915 Email: solson@coalsource.com

Company: **Peggi Herdt - Investment Recovery**
PacifiCorp NTO
1407 West North Temple
Salt Lake City, UT 84116
Telephone: O 801-220-2221 C 385-315-8270 Email: peggi.herdt@pacificorp.com

Company Site Contact:

Keldon Mann - Mgr., Exploration & Geology
PacifiCorp- Bridger Coal Plant
932 Nine Mile Road
Point of Rocks, WY 82942
Telephone: O: (307) 922-7740 C: 435 687 0852or 307 922 1423
E: Keldon.Mann@PacifiCorp.com

4. **Pricing:**

As consideration for the satisfactory performance of the Work and transfer of title to the Equipment to Purchaser, **Purchaser shall pay Company two hundred and forty thousand dollars and zero cents (\$240,000.00)**. Upon such payment, Company shall be deemed to have bargained, sold, assigned, transferred, and set over unto Purchaser, its successors and assigns, all right, title, and interest in and to the Equipment, and Company warrants generally that title thereto is free from all claims, liens, and encumbrances.

5. **Payment/Retention Provisions:**

The following special payment and/or retention provisions shall apply:

Invoice will be sent to Purchaser via email. Equipment will be released once payment is received. . Upon removal of the Equipment from the Work Site, this Release shall terminate except with respect to any claim that a party may have against the other party, where such claim accrued prior to termination.

6. **Additional Terms and Conditions Applicable to this Release and the Performance of the Work:**

Entire Contract; Miscellaneous; Execution. The Release constitutes the complete agreement between the parties with respect to the Work and supersedes and replaces all other terms and conditions contained in any offer, quotation, proposal or other written or oral correspondence, all of which are merged herein. In case of a conflict in the provisions of the Release, first, the provisions on the face of the Release and, second, the terms and conditions Of the On-Site Services Standard Terms and Conditions shall control. The failure of either party to insist upon or enforce strict performance of any term shall not be construed as a waiver or relinquishment to the extent of any right to enforce such term or condition on any future occasion. Any provision of the Release prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the

remaining provisions of the Release. The Release may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. Any executed counterpart transmitted by facsimile, electronic communication in portable document format (.pdf), or similar transmission by either party shall be deemed an original and shall be binding upon such party. The Release has been executed by duly authorized representatives of the parties and shall be effective as of date of execution by Company. Purchaser shall not commence Work until the fully executed Release is returned to the Company

IN WITNESS WHEREOF, this Release has been executed by the duly authorized representatives of the parties and shall be effective as of the date executed by Company.

PURCHASER:

Utah American Energy, Inc.

By: _____

Name: _____

Title: _____

Date: _____

COMPANY:

Bridger Coal Company

By: _____

Name: _____


Title: _____

Date: _____

ATTACHMENT B

Proposed Journal Entries

Bridger Coal Company
Sale of Retired Shuttle Cars (four each)
Accounting Entries

		<u>Debit</u>	<u>Credit</u>
<u>Retirement of (4) shuttle cars</u>			
BCC Account 1730	Accumulated Depreciation - Mining Equipment	\$ 2,951,795.38	
BCC Account 1630	Property Plant & Equipment - Mining Equipment		\$ 2,951,795.38
<u>Receipt of cash</u>			
BCC Account 1008	Cash	\$ 240,000.00	
BCC Account 4220	Revenue - Gain or Loss on Sale of Asset		\$ 240,000.00
			
FERC Account 151	SAP Account 120156 - Coal Inventory Jim Bridger Plant PacifiCorp's share will be transferred to coal inventory. As coal inventory is consumed, the credit to fuel inventory is reflected as credit to fuel consumed FERC 501.		\$ 160,000.00