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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UI 196

In the Matter of )  
 )  
 PACIFICORP. )  
 )  
 Application for an order approving the West )  
 Valley generation facilities lease agreement )  
 with PacifiCorp Power Marketing. )

ORDER

DISPOSITION: ORDER NO. 02-361 AMENDED

On March 6, 2002, PacifiCorp filed an application seeking the Commission’s approval of a fifteen-year generation facilities lease agreement for the West Valley Project between PacifiCorp and PacifiCorp Power Marketing (PPM). At its public meeting on May 28, 2002, the Commission approved the application. On May 31, 2002, the Commission issued Order No. 02-361 memorializing the decision.

On August 13, 2002, the Commission gave notice of intent to amend Order No. 02-361, pursuant to ORS 756.568. That statute provides, in part:

The Public Utility Commission may at any time, upon notice to the public utility or telecommunications utility and after opportunity to be heard as provided in ORS 756.500 to 756.610, rescind, suspend or amend any order made by the commission. ...

The notice indicated the Commission's intent to delete the following statement:

In granting this application, we make no determination on the prudence of the West Valley project lease beyond the \$1.2 million that was included in the UE 134 stipulation.

The notice explains that Docket UI 196 is an application to approve a transaction between PacifiCorp and its affiliate, PacifiCorp Power Marketing, Inc. The issue of prudence is not a proper subject of an affiliated interest application under ORS 757.495. Prudence of an expense or capital expenditure is a matter that should be addressed in a rate proceeding under ORS 757.210. The Commission wishes to make clear that it was not approving the prudence of the transaction in Order No. 02-361.

The notice allowed parties to file an objection to the proposed amendment by August 21, 2002. Responses to objections were due September 3, 2002. No objections were received.

The Commission finds the order should be amended as set forth in the notice of intent.

**ORDER**

IT IS SO ORDERED.

Made, entered, and effective \_\_\_\_\_.

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**Roy Hemmingway**  
Chairman

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**Lee Beyer**  
Commissioner

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**Joan H. Smith**  
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.