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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UI 223

In the Matter of	)	
	)	ORDER
PACIFICORP	)	
	)	
Application for approval of a waiver of the	)	
information filing requirements for a class of	)	
transactions that take place between PacifiCorp	)	
and PacifiCorp Foundation for Learning, an	)	
affiliated interest.	)	

**DISPOSITION: APPLICATION APPROVED WITH CONDITIONS**

On October 30, 2003, PacifiCorp filed an application with the Public Utility Commission of Oregon (Commission) pursuant to OAR 860-027-0040, 0041, 0043, and 0100, requesting a waiver for the information and reporting requirements of the cited administrative rules. PacifiCorp Foundation for Learning was created in 1988 by PacifiCorp and is a tax-exempt charitable entity under federal tax law. The affiliated interest relationship is established under ORS 757.015(5). In docket UM 918 testimony (Order No. 99-616), PacifiCorp agreed to increase its endowment to the Foundation by 12.5%. A description of the filing and its procedural history is contained in the Staff Report, attached as Appendix A, and incorporated by reference.

Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules. At its Public Meeting on January 6, 2004, the Commission adopted Staff's recommendation. This written order memorializes the Commission's formal decision made at the January 6, 2004 Public Meeting.

**OPINION**

**Jurisdiction**

ORS 757.005 defines a "public utility" and the Company is a public utility subject to the Commission's jurisdiction.

**Affiliation**

An affiliated interest relationship exists under ORS 757.015.

**Applicable Law**

ORS 757.495 requires public utilities to seek approval of contracts with affiliated interests within 90 days after execution of the contract.

ORS 757.495(3) requires the Commission to approve the contract if the Commission finds that the contract is fair and reasonable and not contrary to the public interest. However, the Commission need not determine the reasonableness of all the financial aspects of the contract for ratemaking purposes. The Commission may reserve that issue for a subsequent proceeding.

**CONCLUSIONS**

1. The Company is a public utility subject to the jurisdiction of the Commission.
2. An affiliated interest relationship exists.
3. The agreement is fair, reasonable, and not contrary to the public interest.
4. The application should be approved, with certain conditions.

**ORDER**

IT IS ORDERED that the application of PacifiCorp for a waiver from the information and reporting requirements of OAR 860-027-0040, 0041, and 0100 for the reverse service transactions between PacifiCorp and PacifiCorp Foundation for Learning, subject to the conditions stated in the Staff Report attached as Appendix A, is approved.

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

BY THE COMMISSION:

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**Becky L. Beier**  
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order to a court pursuant to ORS 756.580.

ITEM NO. CA6

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: JANUARY 6, 2003**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE** \_\_\_\_\_  N/A

**DATE:** December 15, 2003

**TO:** Lee Sparling through Marc Hellman and Rebecca Hathorn

**FROM:** Marion Anderson

**SUBJECT:** PACIFIC POWER & LIGHT: (Docket No. UI 223) Application for approval of a waiver of the information filing requirements for a class of transactions that take place between PacifiCorp and PacifiCorp Foundation for Learning.

**STAFF RECOMMENDATION:**

The Commission should approve PacifiCorp's application for waiver of the information and reporting requirements for a class of transactions that take place between PacifiCorp and PacifiCorp Foundation for Learning with the following conditions:

1. PacifiCorp shall provide the Commission access to all books of account, as well as all documents, data and records of PacifiCorp and PacifiCorp Foundation for Learning that pertain to transactions between the two.
2. The Commission reserves the right to review for reasonableness all financial aspects of this arrangement in any rate proceeding or earnings review under an alternative form of regulation.
3. PacifiCorp shall notify the Commission in advance of any substantive changes to the agreement, including any material changes in any cost. Any changes to the agreement terms that alter the intent and extent of activities under the agreement from those approved herein shall be submitted for approval in an application for a supplemental order (or other appropriate format) in this docket.

APPENDIX A  
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**DISCUSSION:**

This application was filed on October 30, 2003 pursuant to OAR 860-027-0040, 0041, 0043, and 0100. PacifiCorp requests a Commission waiver for the information and reporting requirements of the cited administrative rules. PacifiCorp Foundation for Learning (Foundation) was created in 1988 by PacifiCorp and is a tax-exempt charitable entity under federal tax law. The affiliated interest relationship is established under ORS 757.015(5). It provides grants for community improvement, arts, education, etc. In docket UM 918 testimony (Order No. 99-616), PacifiCorp agreed to increase its endowment to the Foundation by 12.5%.

There are both forward and reverse service affiliated interest transactions between PacifiCorp and the Foundation. The PacifiCorp donations constitute the former transactions and are entered in non-regulated accounts. These transactions will not appear on the annual affiliated interest Commission report but do appear on the Oregon Supplement to the FERC Form 1. Some PacifiCorp employees are primarily assigned to Foundation activities and their fully loaded costs are billed to and paid by the Foundation in accord with the Commission's transfer pricing policy. These reverse service charges will be reported on the annual affiliated interest Commission report.

Staff does not object to PacifiCorp's request. Adequate tracking access is provided by aforementioned condition 1.

**PROPOSED COMMISSION MOTION:**

PacifiCorp's application for waiver from the information and reporting requirements of OAR 860-027-0040, 0041, and 0100 for the transactions between PacifiCorp and PacifiCorp Foundation for Learning, subject to the conditions stated in this memorandum, be approved.

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