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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UI 231

In the Matter of	)	
	)	ORDER
PACIFICORP	)	
	)	
Application for Approval of a Sublease of	)	
Liberty Centre Office Space from an Affiliate,	)	
PPM Energy, Inc.	)	

**DISPOSITION: APPLICATION APPROVED WITH CONDITIONS**

On May 18, 2004, PacifiCorp filed an application with the Public Utility Commission of Oregon (Commission) pursuant to ORS 757.495 and OAR 860-027-0040, requesting approval of a sublease contract with PPM Energy, Inc. (PPM), an affiliated interest. A description of the investigation into the agreement 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 October 5, 2004, the Commission adopted Staff's recommendation.

**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 to enter into an affiliated interest transaction with PPM Energy, Inc., is approved, subject to certain conditions, as further stated in Appendix A.

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

BY THE COMMISSION:

\_\_\_\_\_  
**Becky L. Beier**  
Commission Secretary

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.