

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-4254
July 9, 2009

R E S O L U T I O N

Resolution E-4254. PacifiCorp, d.b.a. Pacific Power (“PacifiCorp” or “Company”). **PROPOSED OUTCOME:** This Resolution approves PacifiCorp Advice Letter 372-E seeking approval under Public Utilities Code Section 851, General Order 96-B and Resolution ALJ-202 to exchange a 5.0 acre parcel of property associated with the Company’s Soda Springs hydroelectric generation facility (“Soda Springs Property”) for an adjacent 3.5 acre parcel of property (“Gunnell Property”) owned by Mr. Owen Gunnell and Mrs. Gay Gunnell (“Gunnells”). This transaction will result in the Soda Springs Property no longer being used by the Company. The land is located west of Soda Springs, Idaho. **ESTIMATED COST:** The effect of this transaction on rates will be negligible.

By Advice Letter 372-E Filed on December 24, 2008

SUMMARY

This Resolution approves PacifiCorp Advice Letter 372-E seeking approval under Public Utilities Code Section 851, General Order 96-B and Resolution ALJ-202 to exchange a 5.0 acre parcel of property associated with the Company’s Soda Springs hydroelectric generation facility (“Soda Springs Property”) for an adjacent 3.5 acre parcel of property (“Gunnell Property”) owned by Mr. Owen Gunnell and Mrs. Gay Gunnell (“Gunnells”). This transaction will result in the Soda Springs Property no longer being used by the Company. The land is located west of Soda Springs, Idaho. The effect of this transaction on rates will be negligible.

Advice Letter 372-E was processed pursuant to Resolution ALJ-202. This Resolution is effective immediately.

BACKGROUND

Utilities proposing to sell, lease, dispose of, or otherwise encumber property must comply with PU Code Section 851. Ordinarily, such a proposal would entail a full Application to the Commission, including a review pursuant to CEQA or a demonstration that such a review is not necessary. The Commission on August 25, 2005, initiated a 24-month pilot program per Resolution ALJ-186 that provides for an expedited process for certain transactions meeting criteria specified in the Resolution. On August 23, 2007, the Commission approved Resolution ALJ-202, which extends the pilot program an additional 36 months. Resolution ALJ-202 provides for an expedited process for certain transactions meeting criteria specified in the ALJ Resolution. For proposals that meet the requirements, an Advice Letter may be filed demonstrating the applicability of the pilot program to the utility's proposal and requesting an expedited review of the Advice Letter, resulting in a Resolution confirming that the proposal meets the requirements of Resolution ALJ-202 and granting approval to the proposed project.

On December 24, 2008, PacifiCorp filed Advice Letter 372-E pursuant to the pilot program requesting approval to exchange a 5.0 acre parcel of property associated with the Company's Soda Springs hydroelectric generating facility for an adjacent 3.5 acre parcel of property owned by Mr. Owen Gunnell and Mrs. Gaye Gunnell.

Protests or comments were due to the Commission on January 13, 2009. No protests or comments were filed.

PacifiCorp owns the Soda Springs Property, which consists of approximately 5.0 acres of real property located near a 3.5 acre parcel of property owned by the Gunnells. The Gunnells will pay PacifiCorp approximately \$1,500 for the difference in value between the two parcels of land. The Company currently leases the Soda Springs Property to the Gunnells for purposes of growing crops. With the land exchange, the Company intends to use the Gunnell Property for wildlife habitat and protection buffer around the reservoir associated with its Soda Springs hydroelectric project.

This transaction will not affect PacifiCorp's ability to perform its public duties. Additionally, the effect of this transaction on rates will be negligible.

This transaction satisfies ALJ-202, section II:

1. The activity proposed in the transaction will not require environmental review by the CPUC as a lead agency or responsible agency under the California Environmental Quality Act because the project meets the criteria for categorical exemption for existing facilities. See Cal. Code Regs. Tit. 14 §15325. This transaction involves the exchange of land currently being used for agricultural purposes. A portion of the land will continue to be used for agricultural purposes and the other portion of the land will be used to restore wildlife habitat. This meets the criteria for categorical exemption 15325 as a transfer of ownership to preserve existing conditions and historic resources.
2. The transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates;
3. Any financial proceeds from the transaction will be allocated 50 percent to customers and 50 percent to shareholders in accordance with D.06-05-041.
4. If the transaction results in a fee interest transfer of real property, the property does not have a fair market value in excess of \$5 million. The fair market value is \$3,375. This is well below the \$5 million threshold.
5. The transaction will not materially impact the ratebase of the utility.
6. The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application. The value of the property being sold is not significant; the property will not be used for utility service; and environmental reviews have already been conducted during the FERC's relicensing of the Soda Springs hydroelectric project. (105 FERC ¶61,237).

NOTICE

Notice of AL 372-E was made by publication in the Commission's Daily Calendar. PacifiCorp states that a copy of the Advice Letter was mailed and distributed in accordance with Section 3.14 of General Order 96-B.

PROTESTS

No protests or comments to Advice Letter 372-E were filed.

DISCUSSION

Energy Division has reviewed PacifiCorp's Advice Letter 372-E and finds that it satisfies the criteria for inclusion in the pilot program specified in Resolution ALJ-202. Additionally, AL 372-E satisfies the filing requirements specified in Appendix A Section IV 1-13 of Resolution ALJ-202.

The Energy Division has independently reviewed the CEQA Guidelines Rule 2.4 adopted in the Commission Rules of Practice and the California code of Regulations (title 14 Section 154300) and determined that the project is exempt from CEQA for the Commission's decision-making purposes.

The Energy Division finds that expedited treatment pursuant to Section II of Resolution ALJ-202 is appropriate for AL 372-E and that no reason to deny the approval of AL 372-E exists pursuant to Section VII. A. 3 of Resolution ALJ-202.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. On December 24, 2008, PacifiCorp filed Advice Letter 372-E pursuant to the pilot program requesting approval to exchange a 5.0 acre parcel of property associated with the Company's Soda Springs hydroelectric generating facility for an adjacent 3.5 acre parcel of property owned by Mr. Owen Gunnell and Mrs. Gaye Gunnell.
2. The land is located west of Soda Springs, Idaho.

3. Protests or comments were due to the Commission on January 13, 2009.
4. No protests or comments were filed.
5. PacifiCorp owns the Soda Springs Property, which consists of approximately 5.0 acres of real property located near a 3.5 acre parcel of property owned by the Gunnells.
6. The Gunnells will pay PacifiCorp approximately \$1,500 for the difference in value between the two parcels of land.
7. With the land exchange, PacifiCorp intends to use the Gunnell Property for wildlife habitat and protection buffer around the reservoir associated with its Soda Springs hydroelectric project.
8. This transaction will not affect PacifiCorp's ability to perform its public duties.
9. The effect of this transaction on rates will be negligible.
10. The Energy Division has reviewed PacifiCorp's Advice Letter 372-E and finds that it satisfies the criteria for inclusion in the pilot program specified in Resolution ALJ-202.
11. The activity proposed in the transaction will not require environmental review by the CPUC as a lead agency or responsible agency under the California Environmental Quality Act because the project meets the criteria for categorical exemption for existing facilities. See Cal. Code Regs. Tit. 14 §15325.
12. The transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates
13. The transaction will not materially impact the ratebase of the utility.
14. The transaction does not warrant a more comprehensive review that would be provided through a formal Section 851 application.

THEREFORE IT IS ORDERED THAT:

1. The request of PacifiCorp seeking approval under Public Utilities Code Section 851, General Order 96-B and Resolution ALJ-202 to exchange a 5.0 acre parcel of property associated with the Company's Soda Springs hydroelectric generation facility for an adjacent 3.5 acre parcel of property as requested in Advice Letter AL 382-E is approved.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on July 9, 2009; the following Commissioners voting favorably thereon:

/s/ Paul Clanon

Paul Clanon
Executive Director

MICHAEL R. PEEVEY
PRESIDENT
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners