

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of	DOCKET UE-240239
PACIFICORP d/b/a PACIFIC POWER & LIGHT COMPANY,	ORDER 01
For Order Approving an Agreement for Transfer of [PROPERTY DESCRIPTION] to LHM DEV E, LLC	GRANTING APPLICATION

BACKGROUND

- 1 On April 9, 2024, PacifiCorp d/b/a Pacific Power And Light Company, (PacifiCorp or Company) filed with the Washington Utilities and Transportation Commission (Commission) an application seeking approval under RCW 80.12.020, WAC 480-143-120, and WAC 480-07370(b) for an order authorizing the Purchase and Sale Agreement (Transfer Agreement) between the Company and LHM, DEV E LLC. The Transfer Agreement outlines the conveyance of real property, known as the North Temple Property (NTP), in Salt Lake City, Utah. The Company also requested an accounting order authorizing deferral of any net proceeds arising from the execution of the Transfer Agreement.
- 2 PacifiCorp acquired the NTP in the 1940s. Since acquiring the property, PacifiCorp's corporate headquarters (North Temple Office or NTO) have been located on the NTP since approximately 1955. The NTO facility and employees located there provide support for PacifiCorp's entire six-state service territory, including Washington. The Company intends to construct new headquarter facilities on the NTP to replace existing facilities. The NTP also includes non-Company entities and facilities.
- 3 The Company does not request any prudence determinations or any rate changes associated with the new headquarter facilities sited on the NTP in this filing.
- 4 In this filing, PacifiCorp requests Commission approval for transfer of property of certain parcels of land on the NTP from the Company to LHM DEV E. The parcels of land included in the Transfer Agreement are either undeveloped or not necessary for utility operations. The parcels where the Company intends to construct new utility facilities are neither available for purchase by nor transfer to LHM DEV E.

- 5 The Transfer Agreement outlines terms under which LHM DEV E can successively exercise option to purchase acreage on the NTP at an agreed-upon price with escalation adjustments. The Transfer Agreement also includes assessment of land value and environmental liabilities. LHM DEV E is not required to exercise all options at once and can exercise the option over time in multiple transactions with the Company. The full terms of the Transfer Agreement are protected under a confidentiality agreement.
- 6 PacifiCorp indicates that the transfer of property is in the public interest. The Company's application states that this represents an opportunity to realize revenue from underutilized property or property that will not be used for plans to construct new utility facilities. There is no request for a rate adjustment and no request for prudence determination in the application.
- 7 The Company's application also requests approval of deferred accounting treatment for any regulatory liabilities associated with the transaction and transfer of property. At the time of the application, the proceeds from the transaction cannot be determined due to the structure of the Transfer Agreement as it relates to when LHM DEV E exercises the option.
- 8 On December 10, 2024, PacifiCorp filed a letter with the Commission stating that they are seeking approval of the transfer at this time and will pursue approval of the deferred accounting treatment at a later date.
- 9 Staff recommends that the Commission approve the property transfer agreement. Review of the Company's application and supporting documentation demonstrates that the transfer of property is in the public interest, as the Company expects to realize revenues from the transaction. A portion of the revenues stand to benefit Washington ratepayers. The application also does not result in a rate change to PacifiCorp's Washington ratepayers.

FINDINGS AND CONCLUSIONS

- 10 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 11 (2) PacifiCorp is a public service company subject to Commission jurisdiction.

- 12 (3) This matter came before the Commission at its regularly scheduled meeting on December 19, 2024.
- 13 (4) After reviewing the petition PacifiCorp filed in Docket UE-240239 on April 9, 2024, and giving due consideration to all relevant matters and for good cause shown, the Commission finds the application is consistent with the public interest and should be granted.

ORDER

THE COMMISSION ORDERS:

- 14 (1) PacifiCorp d/b/a Pacific Power & Light Company's request for approval of an agreement for the transfer of the North Temple Property is granted as described in the application.
- 15 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 16 (3) The Commission retains jurisdiction over the subject matter and PacifiCorp d/b/a Pacific Power & Light Company to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective December 19, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFF KILLIP
Executive Director and Secretary