

January 22, 2014

***VIA ELECTRONIC FILING***

***AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504‑7250

Attn: Steven V. King
 Executive Director and Secretary

**RE: Docket No. UE 14-\_\_\_\_\_\_—Affiliated Interest Filing—PacifiCorp and Cottonwood Creek Consolidated Irrigation Company**

Dear Mr. King:

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) provides notice of an affiliated interest transaction with Cottonwood Creek Consolidated Irrigation Company (CCCIC) for an Easement and Construction Agreement (Agreement). Included with this filing as Attachment A is a copy of the Agreement.

CCCIC is a non-profit company that holds water rights in the Cottonwood Creek drainage, which is located in Utah. The Company currently owns approximately 26 percent of the shares of CCCIC. Additionally, CCCIC helps to manage access to certain water supplies on behalf of PacifiCorp. RCW 80.16.010 includes in its definition of “affiliated interest,” “every corporation or person with which the public service company has a management or service contract.” Therefore, PacifiCorp’s ownership interest in CCCIC creates an affiliated interest.

PacifiCorp uses the water obtained through CCCIC as part of the supply to its Hunter Plant located in Emery County, Utah. The water obtained through CCCIC and the costs associated with the Hunter Plant are not included in Washington rates since they are not included in the West Control Area under the Commission-approved West Control Area Inter-jurisdictional Allocation Methodology. Notwithstanding, the Company is providing this notice out of an abundance of caution to ensure consistent treatment of affiliate contracts under the requirements of RCW 80.16.

Under the Agreement, PacifiCorp will grant a perpetual easement to allow CCCIC to install an eight inch culinary water line over certain portions of land associated with the Hunter generation facility in Emery County, Utah. The water line will run parallel and south of an existing stock water line owned by CCCIC. Additionally, PacifiCorp will grant a temporary construction easement to CCCIC to allow for staging of construction of the new water line. The perpetual easement area is 1.05 acres and the temporary construction easement area is 1.76 acres. There will be no above-ground facilities or accesses associated with the proposed waterline.

CCCIC’s construction of the new water line is part of the “Cottonwood Project” to the water delivery system. The Company previously provided information about the Cottonwood Project in Docket No. UE-111711. For the Cottonwood Project, the CCCIC Board of Directors and all CCCIC shareholders agreed that landowners that are CCCIC shareholders granting easements to CCCIC for the Cottonwood Project would charge no fees. Therefore, as a shareholder, PacifiCorp has agreed not to charge CCCIC for the perpetual or temporary construction easement. The market value of the perpetual easement, as developed through an internal valuation, is $1,050. The market value of the temporary construction easement, as developed through an internal valuation, is $352.

The Agreement is in the public interest because it is part of a project to provide a more reliable and long-term source of water for the Hunter Plant and reduce operation and maintenance costs.

Also included with this filing is a notarized verification from Michelle R. Mishoe, Senior Counsel, PacifiCorp, regarding the Agreement.

Please contact me at 503-813-6389 if you have any questions.

Sincerely,

R. Bryce Dalley

Vice President, Regulation

Enclosures

**WASHINGTON AFFILIATED INTEREST FILING**

**ATTACHMENT A**

**WASHINGTON AFFILIATED INTEREST FILING**

**VERIFICATION**

**VERIFICATION**

I, Michelle R. Mishoe, am Senior Counsel for PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Easement and Construction Agreements, I verify that the Easement and Construction Agreements is a true and accurate copy.

I declare upon the penalty of perjury, that the foregoing is true and correct.

Executed on \_\_\_\_\_\_\_\_\_\_\_ \_\_, 2014 at Portland, Oregon.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Michelle R. Mishoe

Senior Counsel

Subscribed and sworn to me on this \_\_\_ day of January, 2014.

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Notary Public for Oregon

My Commission expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_