

EXHIBIT A

EXHIBIT A

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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

THE WALLA WALLA COUNTRY CLUB, a)	
Washington corporation,)	NO. CV-13-5101-LRS
)	
Plaintiff,)	ORDER RE DEFENDANT'S MOTION TO
)	DISMISS
)	
-vs-)	
)	
PACIFICORP, dba PACIFIC POWER &)	
LIGHT COMPANY, an Oregon)	
corporation,)	
)	
Defendant.)	
)	

BEFORE THE COURT is Defendant's Motion to Dismiss For Lack of Subject Matter (ECF No. 11), filed on December 12, 2013 and noted for oral argument on March 13, 2014. Due to court calendar conflicts, a hearing was held on June 5, 2014 in Yakima, Washington. Matthew W. Daley, David S. Grossman, and Stanley M. Schwartz appeared on behalf of Plaintiff Walla Walla Country Club. Troy D. Greenfield appeared on behalf of Defendant PacifiCorp, dba Pacific Power & Light Company (hereinafter "PacifiCorp"). At the close of oral argument, the court took the matter under advisement.

///

1 **I. INTRODUCTION**

2 Defendant PacifiCorp moves to dismiss for lack of subject matter
3 jurisdiction under Fed.R.Civ.P. 12(b)(1), arguing that the dispute in
4 this case must be resolved by the Washington Utilities and Transportation
5 Commission (hereinafter "WUTC"). Defendant argues the WUTC has exclusive
6 jurisdiction to determine whether the cost quoted by PacifiCorp, for
7 removal of utility facilities supplying power to Plaintiff Walla Walla
8 Country Club (hereinafter "Country Club") exceeds what is permitted by
9 PacifiCorp's tariff. Defendant maintains the Country Club's complaints
10 fall within the exclusive jurisdiction of the WUTC; therefore, state and
11 federal courts lack subject matter jurisdiction. PacifiCorp moves for
12 an order dismissing this action for lack of subject matter jurisdiction
13 under Fed.R.Civ.P. Rule 12(b)(1).

15 In the alternative, PacifiCorp argues the court should dismiss and
16 refer the action to the WUTC under the doctrine of primary jurisdiction.
17 PacifiCorp asserts that the dispute is within the WUTC's area of special
18 expertise, authority, and pervasive regulation. Additionally, PacifiCorp
19 notes the instant issues are before the WUTC at this time and a judicial
20 decision risks conflicting with the WUTC's determination.

21 **II. BACKGROUND**

22
23 In October 2012, the Country Club asked PacifiCorp to disconnect the
24 County Club's facilities from PacifiCorp's electrical grid, so that the
25 Country Club could transfer its utility service to Columbia Rural
26 Electric Association, Inc. (hereinafter "CREA"), one of Pacific Power's

1 competitors.¹ PacifiCorp informed the Country Club that its tariff,
2 which has been approved by the WUTC, requires the Country Club to pay the
3 cost to remove certain utility equipment that PacifiCorp had installed
4 specifically to provide service to the Country Club.

5 The PacifiCorp's Rule 6, General Rules and Regulations (hereinafter
6 "tariff"), Section I provides, in pertinent part:

7 **I. PERMANENT DISCONNECTION AND REMOVAL OF COMPANY FACILITIES:**
8

9 When Customer requests Permanent Disconnection of
10 Company's facilities, Customer shall pay to Company
11 the actual cost for removal less salvage of those
12 facilities that need to be removed for safety or
13 operational reasons . . .

14 . . .
15 Company shall provide an estimate of such charges to
16 Customer prior to removal of facilities. The
17 Customer shall pay the amount estimated prior to
18 disconnection and removal of facilities. The
19 facilities shall be removed at a date and time
20 convenient to both the Customer and the Company. No
21 later than 60 days after removal, Company shall
22 determine the actual cost for removal less salvage,
23 and adjust the estimated bill to that amount . . .

24 ECF No. 13, Exh. A.

25 Schedule 300 of PacifiCorp's tariff also provides that the rate
26 charged for removal of facilities for "nonresidential service removals"
is the "actual cost less salvage." *Id.*

In July 2012, PacifiCorp verbally gave the Country Club an
initial estimate of the cost to remove a portion of the PacifiCorp
facilities required for disconnection. ECF No. 14 at ¶ 4. PacifiCorp's
removal quotes last for ninety days. *Id.* Once the parties agree,

¹CREA is not regulated by the WUTC.

1 PacifiCorp and the customer execute a contract for the removal. *Id.* Upon
2 receiving the estimate, the Country Club elected against discontinuing
3 any portion of services with PacifiCorp. *Id.* at ¶ 5. No removal contract
4 was signed. CREA again pursued the Country Club's business and offered
5 to pay the cost of facilities removal. *Id.* In October 2012, after the
6 initial estimate had expired and the Country Club had some further
7 discussions with CREA, the Country Club notified PacifiCorp that it
8 intended to permanently discontinue its service² with PacifiCorp and move
9 all of its business to CREA. *Id.* at ¶ 5.
10

11 In response to this information, PacifiCorp began to update the
12 initial estimate provided in July, to include removal of all facilities,
13 which, by way of example, would include among other things, digging up
14 the golf course fairways, greens and parking lot. The estimated removal
15 costs ended up being significantly higher than originally estimated. On
16 December 28, 2012, after PacifiCorp informed the Country Club of the
17 total estimated cost of removal, the Country Club filed an informal
18 complaint with the WUTC. The Country Club contended that removal of the
19 conduit was unnecessary and could damage its property. *Id.*
20

21 On January 11, 2013, PacifiCorp submitted a request for a general
22 rate revision to the WUTC. This filing included potential revisions to
23 Rule 6 and Schedule 300, which address removal of facilities when a
24 customer requests permanent disconnection. ECF No. 13 at ¶ 3. On January
25

26 ²PacifiCorp had provided service to the Country Club for the past 90
years.

1 15, 2013, CREA intervened to challenge PacifiCorp's potential changes to
2 the tariff. *Id.* The WUTC found that "while CREA does not have a direct
3 and substantial interest in charges to PSE's [sic] customers, the
4 Commission has a strong interest in seeing that the record is fully
5 developed . . . " and thus allowed CREA to intervene. *Id.*; Exh. B. CREA
6 proposed a number of additional changes to the portion of the tariff
7 pertaining to facilities removal, likely in anticipation of other
8 PacifiCorp customers desiring disconnection or transfer of existing
9 services to another provider.

10
11 On January 25, 2013, PacifiCorp informed the Country Club and the
12 WUTC that the cost to remove the facilities would be \$104,176.³ *Id.* at ¶
13 8. The WUTC closed the informal complaint as "Company Upheld with
14 Arrangements." *Id.* PacifiCorp indicated that it would transfer services
15 after the Country Club had paid a disconnection fee of approximately
16 \$100,000. The Country Club refused to pay the demanded disconnection fee
17 for the removal or to otherwise purchase the facilities. The Country
18 Club did not file a formal complaint with the WUTC or seek further
19 assistance from the agency. PacifiCorp has refused to disconnect the
20 Country Club from the electrical grid.

21
22 On July 11, 2013, PacifiCorp elected to withdraw the portion of its
23 proposed tariff revision pertaining to Rule 6 and Schedule 300, so it

24
25 ³The \$104,176.00 figure included two components: (i) \$66,718 for the
26 removal of two separate runs of conduit, along with the attendant
electrical vaults; and (ii) \$37,458 for the removal of wires,
transformers and metering equipment. See Complaint, ECF. No. 1, ¶3.14.

1 could "gather additional data and analysis regarding the actual costs"
2 of removal services. ECF No. 13 at ¶ 4; Exh. C. CREA objected to this
3 withdrawal, arguing that the WUTC should consider CREA's objections to
4 the portion of the proposed tariff revision addressing the cost of
5 facilities removal, despite PacifiCorp's withdrawal of its proposed
6 changes. *Id.* The WUTC granted PacifiCorp's motion to withdraw its
7 proposed tariff revisions and dismissed CREA as a party. *Id.* The WUTC
8 did, however, "require [PacifiCorp] to initiate another proceeding within
9 the next four months in which the Commission can carefully review
10 PacifiCorp's costs, terms, and conditions of service and the Company's
11 administration of Schedule 300 and Rule 6." *Id.*

12
13 On August 6, 2013, the Country Club initiated this action in Walla
14 Walla Superior Court (i) to require PacifiCorp to disconnect its service
15 under a breach of contract (Tariff Containing Rate Schedules and General
16 Rules); and (ii) to recover damages for the consequential losses that the
17 County Club suffered as a result of PacifiCorp's refusal to disconnect
18 its service. On September 6, 2013, PacifiCorp removed this case to
19 federal court based on diversity. ECF No. 1.

20 **III. DISCUSSION**

21 **A. 12(b) (1) Standard**

22
23 Whether the court possesses jurisdiction to decide the merits of a
24 case is a threshold matter. *Steel Co. v. Citizens for a Better Env't*, 523
25 U.S. 83, 94-95, 118 S. Ct. 1003 (1998). Subject matter jurisdiction is
26 mandatory and unwaivable. It must be established before a plaintiff's

1 claims can be considered on the merits. *Wilbur v. Locke*, 423 F.3d 1101,
2 1105 (9th Cir. 2005). "[W]hen a federal court concludes that it lacks
3 subject-matter jurisdiction, the court must dismiss the complaint in its
4 entirety." *Arbaugh v. Y & H Corp.*, 546 U.S. 500, 514, 126 S.Ct. 1235
5 (2006).

6 **B. WUTC - Exclusive Jurisdiction**

7
8 PacifiCorp argues that the Country Club's complaint-whether a fee
9 charged by a public service company exceeds the tariff rate or is
10 unreasonable--falls squarely within the exclusive jurisdiction of the
11 WUTC. Therefore, state and federal courts lack subject matter
12 jurisdiction. PacifiCorp further argues that RCW 80.04.220-.240 applies
13 in this case, not RCW 80.04.440 as the Country Club asserts.

14 The Country Club disagrees urging that RCW 80.04.440 specifically
15 affords a private right of action, in court, to recover damages caused
16 by a public utility's violation of duty. That statute states that "[a]n
17 action to recover for such loss, damage or injury may be brought in any
18 court of competent jurisdiction by any person or corporation." The
19 Country Club's predominant complaint is that it allegedly can not obtain
20 its requested relief before the WUTC because the WUTC is not authorized
21 to resolve the damage claims. By inference however, the only "damages"
22 alleged or discussed at oral argument (loss of electrical rate cost
23 savings while awaiting an adjudication by WUTC and/or facility
24 restoration/equipment removal expense) would appear to fall within the
25 agency's authority.
26

1 The Country Club insists this case is a straight-forward breach of
2 contract case, and contends that the only issue is whether some safety
3 or operational reasons require PacifiCorp to remove the facilities.

4 The court is not convinced that this is a simple breach of contract
5 claim. The Country Club, in its original state court complaint, alleges
6 that this dispute is over the charge to disconnect facilities needed to
7 switch its electrical utility provider. The Country Club complains that
8 the charge for more than \$100,000 to remove the required facilities is
9 what this dispute is all about. The complaint alleges, "PacifiCorp
10 breached its contractual obligations, under the Rules, by refusing to
11 disconnect the Club's property from PacifiCorp's facilities unless and
12 until the Club paid to remove or purchased the conduit and vaults." ECF
13 No. 1 at ¶4.5. The complaint also alleges that PacifiCorp's charges for
14 facilities removal are excessive or not allowed by the tariff. *Id.* at
15 ¶ 3.19. The complaint alleges PacifiCorp breached its contractual
16 obligations under the tariff. *Id.* at ¶ 4.6.

17
18 In reality, the Country Club is complaining that PacifiCorp is
19 charging an excessive or exorbitant amount (\$104,176) for such
20 disconnection services, which is impeding their ability to switch utility
21 companies because they refuse to pay this excessive amount. It appears
22 that the RCW 80.04.220 is the statute on point for this complaint, which
23 reads:

24 **80.04.220. Reparations**

25 When complaint has been made to the commission
26 concerning the reasonableness of any rate, toll,

1 rental or charge for any service performed by any
2 public service company, and the same has been
3 investigated by the commission, and the commission
4 has determined that the public service company has
5 charged an excessive or exorbitant amount for such
6 service, and the commission has determined that any
7 party complainant is entitled to an award of
8 damages, the commission shall order that the public
9 service company pay to the complainant the excess
10 amount found to have been charged, whether such
11 excess amount was charged and collected before or
12 after the filing of said complaint, with interest
13 from the date of the collection of said excess
14 amount.

15 RCW 80.04.220

16 This judicial officer concludes that in light of the foregoing
17 language, the Country Club's complaint is covered by RCW 80.04.220, which
18 provides a process for a formal complaint concerning the reasonableness
19 of any charge for any service performed. Further, once a complaint is
20 made to the commission that PacifiCorp has overcharged for a service,
21 i.e., disconnection of facilities, RCW 80.04.230 provides for a refund
22 for said overcharges when warranted following an investigation and
23 decision. This statute reads:

24 **80.04.230. Overcharges--Refund**

25 When complaint has been made to the commission that
26 any public service company has charged an amount for
any service rendered in excess of the lawful rate in
force at the time such charge was made, and the same
has been investigated and the commission has
determined that the overcharge allegation is true,
the commission may order that the public service
company pay to the complainant the amount of the
overcharge so found, whether such overcharge was
made before or after the filing of said complaint,
with interest from the date of collection of such
overcharge.

RCW 80.04.230

1 The County Club concedes that Rule 6 is the specific tariff provision
2 that applies in this. The parties do not dispute that Rule 6 would guide
3 the commission in determining if the public service company has charged
4 in excess of the lawful amount. Finally, if an overcharge is determined
5 and the public service company fails to repay such overcharge ordered by
6 WUTC, RCW 80.04.240 creates a new right or independent cause of action
7 to collect and claim by plenary action in a tribunal of competent
8 jurisdiction. This statute provides:

9
10 **80.04.240. Action in court on reparations and overcharges**

11 If the public service company does not comply with
12 the order of the commission for the payment of the
13 overcharge within the time limited in such order,
14 suit may be instituted in any superior court where
15 service may be had upon the said company to recover
16 the amount of the overcharge with interest. It shall
17 be the duty of the commission to certify its record
18 in the case, including all exhibits, to the court.
19 Such record shall be filed with the clerk of said
20 court within thirty days after such suit shall have
21 been started and said suit shall be heard on the
22 evidence and exhibits introduced before the
23 commission and certified to by it. If the
24 complainant shall prevail in such action, the
25 superior court shall enter judgment for the amount
26 of the overcharge with interest and shall allow
complainant a reasonable attorney's fee, and the
cost of preparing and certifying said record for the
benefit of and to be paid to the commission by
complainant, and deposited by the commission in the
public service revolving fund, said sums to be fixed
and collected as a part of the costs of the suit. If
the order of the commission shall be found to be
contrary to law or erroneous by reason of the
rejection of testimony properly offered, the court
shall remand the cause to the commission with
instructions to receive the testimony so proffered
and rejected and enter a new order based upon the
evidence theretofore taken and such as it is
directed to receive. The court may in its discretion

1 remand any cause which is reversed by it to the
2 commission for further action. Appeals to the
3 supreme court shall lie as in other civil cases. All
4 complaints concerning overcharges resulting from
5 collecting unreasonable rates and charges or from
6 collecting amounts in excess of lawful rates shall
7 be filed with the commission within six months in
8 cases involving the collection of unreasonable rates
9 and two years in cases involving the collection of
10 more than lawful rates from the time the cause of
11 action accrues, and the suit to recover the
12 overcharge shall be filed in the superior court
13 within one year from the date of the order of the
14 commission.

15 The procedure provided in this section is exclusive,
16 and neither the supreme court nor any superior court
17 shall have jurisdiction save in the manner
18 hereinbefore provided.

19 RCW 80.04.240

20 This court concludes that although the Country Club's argument is couched
21 in terms of a "straight-forward" breach of an "individual" contract claim
22 with compensable damages, the Country Club's claim is really one for
23 overcharges, for which they have not sought to file a formal complaint
24 pursuant to the statutes in place for doing so.⁴ Considering the actions
25 of CREA in front of the WUTC, i.e., intervening to challenge PacifiCorp's
26 potential changes to the tariff at issue here, the Country Club appears
to be seeking a ruling that would be common to all PacifiCorp customers
who wish to disconnect and switch service to CREA. The court further
concludes that the commission appears to have ample statutory authority
to afford meaningful relief as described in the statutes recited above.

⁴See *D.J. Hopkins, Inc. v. GTE Northwest, Inc.*, 89 Wash.App. 1
((1997)).

1 **C. Doctrine of Primary Jurisdiction - Referral to WUTC**

2 As an alternative, PacifiCorp argues that the court should exercise
3 its discretion and apply the doctrine of primary jurisdiction so as to
4 refer the Country Club's claims to WUTC for breach of contract and
5 damages due to excessive charges to disconnect.

6 PacifiCorp represents that the very same issues before this court
7 currently stand as an administrative proceeding in front of the WUTC.
8 The doctrine of primary jurisdiction "is concerned with promoting proper
9 relationships between the courts and administrative agencies charged with
10 particular regulatory duties." *Barahona v. T-Mobile US, Inc.*, 628
11 F.Supp.2d 1268, 1270 (W.D.Wash., 2009) citing *Nader v. Allegheny Airlines,*
12 *Inc.*, 426 U.S. 290, 303, 96 S.Ct. 1978, 48 L.Ed.2d 643 (1976). The
13 doctrine is properly invoked when enforcement of a claim in court would
14 require resolution of issues that have already been placed within the
15 special competence of an administrative body. The *T-Mobile US* court
16 quoted a passage wherein Justice Frankfurter described the following
17 circumstances the doctrine should be applied to:
18

19 [I]n cases raising issues of fact not within the
20 conventional experience of judges or cases requiring
21 the exercise of administrative discretion, agencies
22 created by Congress for regulating the subject
23 matter should not be passed over.... Uniformity and
24 consistency in the regulation of business entrusted
25 to a particular agency are secured, and the limited
26 functions of review by the judiciary are more
rationally exercised, by preliminary resort for
ascertaining and interpreting the circumstances
underlying legal issues to agencies that are better
equipped than courts by specialization, by insight
gained through experience, and by more flexible
procedure.

1 *T-Mobile US, Inc.*, 628 F.Supp.2d at 1270 (citation omitted).
2 The doctrine is applied on a case-by-case basis, considering several
3 factors. First, the court should examine "whether the reasons for the
4 existence of the doctrine are present and whether the purposes it serves
5 will be aided by its application in the particular litigation." *Id.* At
6 1270-71 (citation omitted). Second, the court must determine if
7 uniformity is desirable and could be obtained through administrative,
8 rather than judicial, review. *Id.* (citation omitted). Finally, the
9 court considers the "expert and specialized knowledge of the agencies
10 involved...." *Id.* (citation omitted).
11

12 The Court finds, in applying these factors, that the doctrine of
13 primary jurisdiction is applicable in this case as another ground to
14 refer this matter to WUTC. As the court has concluded above, the dispute
15 is within the WUTC's area of special expertise, authority, and pervasive
16 regulation. For example, determining under the tariff those facilities
17 that need to be removed for safety or operational reasons and whether
18 certain facilities were necessary to provide service to a customer would
19 appear to be squarely within the expertise of the WUTC. Indeed, removal
20 of facilities when a customer requests permanent disconnection,
21 particularly the amounts charged, has been placed within the special
22 competence of the WUTC by RCW 80.04.220-.240.
23

24 In view of the disparity between the cases cited by the parties, the
25 Court finds that the interest of uniformity weighs heavily in favor of
26 deferring to the expertise of the WUTC under the primary jurisdiction

1 doctrine. The WUTC's determination as to whether PacifiCorp's
2 disconnection charge is a "charge" and if it is, whether the charge is
3 reasonable, will necessarily guide similar complaints or suits against
4 PacifiCorp when its customers seek to disconnect and establish service
5 with a public service competitor albeit one that is not regulated by
6 WUTC. Uniformity is very much at issue here, as the parties have pointed
7 out that other customers may be following suit and this issue is before
8 the WUTC currently. Thus, use of the primary jurisdiction doctrine and
9 referral to the WUTC will avoid disparate or conflicting outcomes for
10 customers and utility providers, and promote uniformity and consistency
11 in WUTC's regulation of the utility industry as the competition unfolds.
12 Accordingly, it is hereby **ORDERED** that Defendant's Motion to Dismiss, **ECF**
13 **No. 11**, is **GRANTED**. This case is dismissed for lack of subject matter
14 jurisdiction.
15

16 The District Court Executive is directed to enter this Order and
17 **CLOSE THE FILE**.

18 **DATED** this 24th day of June, 2014.

19
20 *s/Lonny R. Suko*

21
22 _____
23 LONNY R. SUKO
24 SENIOR UNITED STATES DISTRICT JUDGE
25
26

EXHIBIT B

EXHIBIT B

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2
3 **BEFORE THE WASHINGTON**
4 **UTILITIES AND TRANSPORTATION COMMISSION**
5

6 THE WALLA WALLA COUNTRY
7 CLUB,

8 Complainant,

9 v.

10 PACIFICORP, d/b/a PACIFIC POWER &
11 LIGHT CORP.

12 Respondent.
13

Docket No. UE-_____

DECLARATION OF JEFF THOMAS IN
SUPPORT OF COMPLAINT OF THE
WALLA WALLA COUNTRY CLUB

14 I, JEFF THOMAS, declare as follows under penalty of perjury according to the laws of
15 the State of Washington.
16

17 1. I am of legal age and am competent to testify to the matters set forth in this
18 Declaration. I make this Declaration based on my own personal knowledge.

19 2. I am the General Manager of the Walla Walla Country Club (the "Country
20 Club"). I have held this position since 1991.

21 3. The Country Club is a Washington corporation with a place of business in Walla
22 Walla, Washington. The Country Club owns and operates a country club which includes a golf
23 course, dining facilities, tennis courts, swimming pool and other amenities.
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1 4. As General Manager of the Country Club, I have overall supervisory
2 responsibility for all aspects of club operations, including responsibility for overseeing
3 construction on the property owned by the club and relations with utility providers.

4 5. For as long as I have been General Manager of the Country Club, and for years
5 before that, PacifiCorp, dba Pacific Power & Light Company (hereinafter "Pacific Power"), or
6 its predecessor, has provided electrical utility service to the Country Club. The electrical
7 service provided by Pacific Power services club buildings, improvements and golf course
8 irrigation system.

9 6. In or about October 1987, and again in or about May 2000, the Country Club
10 granted Pacific Power easements to install, service and maintain certain underground utility
11 facilities on club property.

12 7. Pacific Power's utility service to club property is serviced by conduit, vaults and
13 associated electrical equipment and facilities located on club property. The conduit is 4 inch
14 PVC piping, and the vaults are small concrete "boxes" which are used to encase the electrical
15 wiring and meters, as well as to provide access to the same. Those conduits are located in
16 several locations on club property.

17 8. One conduit consists of a run from the 15th tee to a transformer located behind a
18 restroom. This line crosses approximately 650 feet of the 15th tee and rough. The Country
19 Club paid for the excavation, installation and conduit, related parts and equipment and
20 installation of the utility run in this location.

21 9. Another conduit runs approximately 600 feet from the shop to a pump station
22 located by the 2nd tee. This run crosses approximately 300 feet of fairway and 300 feet of
23 rough. Another electrical utility line runs from west of the tennis courts, which are located
24

1 across the street from the Clubhouse, under the street, related curbing and gutter and under an
2 asphalt parking lot. Upon information and belief, Pacific Power paid the cost of installation and
3 equipment cost for these locations.

4 10. In 2012, I had discussions with Columbia Rural Electric Association, Inc.
5 (hereinafter "Columbia REA") about providing power service to the Country Club. Columbia
6 REA, based upon a review of our past power usage, estimated there would be a cost savings of
7 approximately \$1,000 per month. After several meetings of the club's Board of Directors, it
8 was decided to change service providers from Pacific Power to Columbia REA.
9

10 11. In the course of considering whether to change service providers, the Country
11 Club's Board met with Pacific Power's Bill Clemens. Mr. Clemens advised that if the club
12 transferred its service, the club would be responsible to pay for the cost of removing Pacific
13 Power's facilities. Mr. Clemens quoted a cost of \$19,581 to remove the facilities.
14

15 12. By late October 2012, the Country Club had resolved to transfer its electrical
16 service to Columbia REA, and I called a representative of Pacific Power to advise of the club's
17 decision and to arrange for the transfer of service.
18

19 13. On or about November 13, 2012, I met with two representatives of Pacific Power
20 regarding the transition of the club's electrical service to Columbia REA. During that meeting,
21 Pacific Power raised, for the first time, the purported need to removing the underground
22 conduit, as well as the actual electrical facilities (*viz.*, wires and meters). Pacific Power's
23 representatives stated that the electrical wire could be removed by "pulling" it through the
24 conduit, without digging the conduit up; that the meters could also be removed without digging;
25 but that removing the conduit and vaults required Pacific Power to bring in a backhoe to dig
26 through the city street, the Club's landscaped parking strips, asphalt parking lot, curbs and
27
28

1 sidewalk to remove conduit. I advised Pacific Power's representatives that Mr. Clemens had
2 previously quoted \$19,581 for the removal of Pacific Power's facilities; they responded that Mr.
3 Clemens' quote was a mere "estimate" and that the actual costs would be "much" more. Pacific
4 Power's representatives indicated that a more accurate estimate would be forthcoming.

5
6 14. I waited for about a month without receiving any estimate from Pacific Power.
7 Having received no further information, on or about December 11, 2013, I delivered a check in
8 the amount of Pacific Power's initial quote (\$19,581); Pacific Power, however, refused to accept
9 the check. Though Pacific Power refused to accept the Country Club's tender, it again refused
10 to tell me what price they intended to charge to remove its facilities from the club's property.

11
12 15. On or about December 28, 2012, I wrote to the Washington Utilities &
13 Transportation Commission (hereinafter "the Commission"), in hopes that the Commission
14 could be of assistance.

15
16 16. The Commission spoke with the Country Club's lawyers and Pacific Power's
17 lawyers and learned that the lawyers were attempting to negotiate a resolution. As a result, the
18 Commission closed the Country Club's complaint.

19
20 17. Pacific Power's demands, however, made a negotiated resolution impossible.
21 Pacific Power demanded a total disconnection fee of \$104,176. That figure consisted of: (a)
22 \$19,373 for removal of the wires, transformers, and metering; (b) \$19,877 for the book value of
23 the facilities to be removed; (c) a credit of \$1,792 for the salvage value of the facilities to be
24 removed; and (d) \$66,718 for removal of the conduits and vaults.

25
26 18. In an effort to resolve the dispute, the Country Club proposed that it pay the
27 demanded \$104,176, less the \$66,718 that pertained to the conduits and vaults. Pacific Power,
28 however, insisted on payment of the entire \$104,176.

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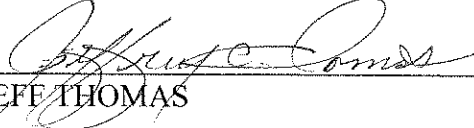
19. We have since determined that the actual salvage value of **all** of the facilities (including the conduit, vaults, wires, and meters) is substantially less than even the \$19,581 initially quoted by Pacific Power.

20. Pacific Power offered to sell the conduits and vaults to the Country Club, in lieu of removing them. However, Pacific Power demanded the same \$66,718 regardless of whether the conduits and vaults were purchased or removed.

21. As of this date, PacifiCorp has not disconnected its facilities from the Country Club's property as requested.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct (RCW 9A.72.085).

DATED, this 12th day of November, 2014, at Walla Walla, Washington.



JEFF THOMAS

EXHIBIT C

EXHIBIT C

Reese, Baffney, Frol & Grossman, P.S.

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JOHN M. REESE
THOMAS K. BAFFNEY
STEVEN C. FROLJ
DAVID S. GROSSMAN
Gary M. Schrag (1952-2002)

† Also Admitted in Oregon

December 11, 2012

Ms Michelle Mishoe
c/o Pacific Power and Light
825 NE Multnomah Suite 1800
Portland, OR 97232

RE: Walla Walla Country Club- Pacific Power and Light Disconnect

Dear Ms. Mishoe:

As a follow up to our telephone conference on December 7, 2012, this is to confirm that my firm represents the Walla Walla Country Club in connection with the pending disconnect of its electrical service with Pacific Power and Light and a switch over to Columbia REA.

As I mentioned to you the stance Pacific Power is taking with respect to the removal of all conduit located on the Country Club properties is extremely troubling to our client. We are requesting that Pacific Power set forth its rationale and justification for its position that all conduit located on the Country Club property needs to be removed, at its cost, in addition to the company's other facilities providing electrical service to the Club.

We can certainly understand and agree that the company's wiring and other hardware can and should be removed by Pacific Power. But the mandated removal of the conduit, which has no value, makes absolutely no sense, will severely and adversely impact the Country Club given its location, and seems to be in direct violation of WUTC General Rule and Regulation 6(I)(1).

The conduit in question is located at several different places on the Country Club's property, both on the golf course itself and under certain paved areas. The Club recently installed a one million dollar irrigation system and the removal of the conduit will adversely impact the placement and operation of both irrigation mainlines and laterals, as well as areas planted to grass, shrubbery and trees.

With respect to the paved areas, the proposed removal will require the cutting of curbs, gutters and sidewalks, a public road accessing the Club, and handicapped and regular parking stalls, and will further destroy turf and planted areas including an 18-foot tall Norway maple tree.

Rule 6(I)(1) provides, in part, that when a customer requests a permanent disconnect the customer shall be responsible to the company for the "actual cost for the removal less salvage of only those facilities that need to be removed for safety or operational reasons, and only if those facilities were necessary to provide service to the customer."

Ms. Michelle Mishoe
December 11, 2012
Page 2

We can see absolutely no basis from a "safety or operational reason" why the conduit needs to be either removed or filled. It is worthless to Pacific Power. It appears to us that the only reason Pacific Power is taking this hard line, unjustified position is in an attempt to force the Country Club to reconsider its decision to disconnect due to the cost and disruption such removal will incur. The decision has been made to proceed with the disconnect, it is final, and it will not be reconsidered or reversed.

If there is some valid basis upon which Pacific Power can legally justify its position, then please provide that to me. If there is some written agreement, easement or license between the Country Club and Pacific Power, of which I am not aware, that provides that the conduit belongs to Pacific Power and can be removed in its sole discretion, please provide that to me.

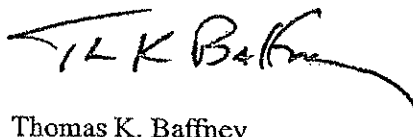
The conduit is located on the Country Club's property, it belongs to the Country Club, it has no value to Pacific Power, and there exists no safety or operational reason for its removal. The Country Club should be able to utilize it in any manner it deems appropriate.

The Country Club has had a long, good relationship with Pacific Power. While the Board of Directors has recently made the decision to switch over its electrical service to Columbia REA, this is not to say that at some point in the future the Club might not desire to return to Pacific Power. However, the current position of the company makes it highly unlikely that this will ever occur.

We are requesting that Pacific Power reconsider its decision with respect to the removal or filling of the conduit and agree to leave it in place, without the wiring, as is. If the company is not willing to do so, then the Country Club will explore every avenue available to it, through the WUTC and/or the courts, to prevent Pacific Power from removing the conduit. The Country Club will be damaged if Pacific Power proceeds as planned and we will seek compensation for all such damages incurred.

I will look forward to your response.

Very truly yours,



Thomas K. Baffney

TKB:thg

cc: Jeffrey Thomas, Manager
Walla Walla County Club

EXHIBIT D

EXHIBIT D



January 25, 2013

Jeff Thomas
Walla Walla Country Club
1390 Country Club Rd.
Walla Walla, WA 99362

Dear Mr. Thomas;

This letter is in response to the Walla Walla Country Club's request for Pacific Power to remove facilities from the Walla Walla Country Club.

While it is unfortunate, we respect the Country Club's decision to move to another provider. At the same time, we must minimize cost impacts on our business, manage safety and liability issues, and ensure that any investments we have made in capital and operating costs are recovered on behalf of our Washington customers. In order to minimize costs for remaining customers we must charge the Country Club for the removal of Pacific Power's facilities.

Enclosed please find a final cost estimate for the permanent removal of the electric facilities installed for the purpose of providing electric service to the Walla Walla Country Club. The attached cost estimate includes \$66,718 for removal of conduit and vaults. Because of the Country Club's concerns about property damage and permanent repair, Pacific offers to sell the Country Club conduit and vaults for the same \$66,718. Please note, a portion of these conduits were installed in December 2007 at a cost of \$38,388 to Pacific's rate payers.

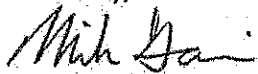
With regard to the removal of Pacific Power's other facilities at the Walla Walla Country Club, Pacific Power estimates the removal cost will be \$37,458. Once the removal is complete the company will reconcile the job costs against the final estimate and provide the Country Club with either a bill for charges or an invoice or refund for the difference between the reconciled costs and what has already been paid.

Before Pacific Power can proceed with the permanent removal of its facilities at the Country Club, we request the following items be submitted:

1. A check in the amount of \$104,176 for the estimated removal cost.
2. Two signed copies of the Customer Requested Work Agreement.
3. Two signed copies of the Bill of Sale for the conduits and vaults, if the Country Club decides to take ownership.

We trust that the combination of the facility removal or facility ownership transfer outlined in this letter meets the Country Club's needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Gavin". The signature is written in a cursive style with a long horizontal stroke at the end.

Mike Gavin
Distribution Manager

Enclosures



Return To: **Pacific Power**
 Walla Walla Operations Center
 650 E. Douglas Ave.
 Walla Walla, WA 99362

Removal Estimate

Name: Jeff Thomas
Walla Walla Country Club
 Street: 1309 Country Club Rd
 City: Walla Walla State: WA Zip: 99362
 Customer Acct.# 43785561-002

Date: 1/25/2013
 W.O.: 5647296
 Employee: MG

Qty	Unit	Description	Unit Price	TOTAL
		Cost info statement based on estimated costs for removal of company facilities at 1309 Country Club Rd, Walla Walla, WA. Customer request to convert to Columbia REA		
1		Removal of Wires, Transformers and Metering	\$19,085.00	\$19,373.00
1		Net Book Value of Facilities to be removed	\$19,877.00	\$19,877.00
1		Salvage	(\$1,801.00)	(\$1,792.00)
1		Removal or Sale of Conduits and Vaults	\$66,718.00	\$66,718.00
		ESTIMATE VALID FOR 90 DAYS		
			TOTAL	\$104,176.00

Office Use Only

12/11/2012

Property Valuation
 Pacific Power - Distribution Facilities
 For: Accumulated Depreciation for Columbia Rural Electric Association, Golf Course REA, Walla Walla, WA
 Proposed Removal of Facilities
 Requested by: Dan Thomsen
 Material List

Location No. 240000

Asset Description	FERC Account	Asset Class	Vintage	SAP PRU	Facility Point	Quantity	Unit	Original Unit Cost	Installed Cost	Accum. Depreciation	NBV
POLE, WOOD, 40 FT, CLASS 3, DIST	364	36401	2007	POL01	2107036 318401	1	ea	2954.63	2,954.68	(263.74)	2,690.93
CONDUCTOR, ACSR, #4, 7/18TR	365	36506	1975	OHC06	2107036 318400	360	ft	0.85	306.32	(142.96)	163.37
CONDUIT, PVC, 4", SCH 40, 10'L (530')	366	36614	1974	CON14	2107036 318401	53	ea	3.22	170.61	(142.26)	28.34
CONDUIT, PVC, 3", SCH 40, 10'L	366	36614	1996	CON14	2107036 317202	8	ea	4.78	38.26	(15.55)	22.71
CONDUIT, PVC, 3", SCH 40, 10'L (330')	366	36614	1997	CON14	2107036 317201	33	ea	3.49	115.27	(44.10)	71.17
CONDUIT, PVC, 3", SCH 40, 10'L (653')	366	36614	2001	CON14	2107036 316220	65	ea	9.87	641.42	(183.19)	458.23
CONDUIT, PVC, 3", SCH 40, 10'L (60')	366	36614	2005	CON14	2107036 319702	6	ea	17.55	105.29	(19.88)	85.42
CONDUIT, PVC, 3", SCH 40, 10'L	366	36614	2006	CON14	2107036 319480	2	ea	16.63	33.26	(5.38)	27.87
PADVAULT, 5X7, XFMR, 3PH, 4-25KV	366	36617	2006	VMH17	2107036 317283	1	ea	3710.58	3,710.58	(601.33)	3,109.25
PADVAULT, 5X7, XFMR, 3PH, 4-25KV	366	36617	2006	VMH17	2107036 318580	1	ea	3710.58	3,710.58	(601.33)	3,109.25
PADVAULT, 5X7, XFMR, 3PH, 4-25KV	366	36617	2006	VMH17	2107036 316380	1	ea	3710.58	3,710.58	(601.33)	3,109.25
CABLE, UG, 15KV #2 AL, SOL	367	36723	1968	UGC23	2107036 318401	550	ft	0.48	262.41	(222.32)	40.09
CABLE, UG, 15KV #2 AL, SOL	367	36723	1997	UGC23	2107036 317201	350	ft	1.25	437.15	(149.13)	288.02
CABLE, UG, 15KV #2 AL, SOL	367	36723	2001	UGC23	2107036 318220	670	ft	4.24	2,837.45	(721.32)	2,116.13
VCABLE, UG, 600V, 1/0 AL, 4PLX	367	36723	2005	UGC23	2107036 319702	115	ft	9.47	1,088.94	(180.98)	907.96
XFMR, PAD, 3PH, 300, 7.2, 480	368	36837	2001	TPD37	2107036 318580	1	ea	3911.99	3,911.99	(979.71)	2,932.28
XFMR, PAD, 3PH, 75, 7.2, 480	368	36838	1997	TPD38	2107036 317283	1	ea	3911.99	3,911.99	(979.71)	2,932.28
XFMR, PAD, 3PH, 225, 7.2, 208	368	36837	2001	TPD37	2107036 317283	1	ea	5346.02	5,346.02	(1,776.84)	3,569.17
CABLE, OVHD, #2 AL, 3PLX, CLAM (100')	369	36906	1975	OHC06	2107036 318400	1	svc	78.64	78.64	(48.79)	29.85
CABLE, UG, 600V, 1/0 AL, 3PLX (60')	369	36923	1968	UGC23	2107036 317202	1	svc	78.99	78.99	(23.63)	55.36
CABLE, UG, 600V, 1/0 AL, 3PLX (20')	369	36923	1992	UGC23	2107036 319480	1	svc	139.18	139.18	(102.73)	36.45
CABLE, UG, 600V, 4/0 AL, 4PLX (60')	369	36923	1992	UGC23	2107036 317202	1	svc	135.56	135.56	(49.94)	85.63
CABLE, UG, 600V, 350 AL, 3PLX (25')	369	36923	2001	UGC23	2107036 316380	1	svc	135.10	135.10	(37.83)	97.27
CABLE, UG, 600V, 350 AL, 4PLX (100')	369	36923	2007	UGC23	2107036 318580	1	svc	134.70	134.70	(28.06)	106.64
METER, WHM, FM16S, 240V, CL200	370	37054	1999	ITC54	2107036 318580	2	ea	63.74	127.47	(13.48)	121.56
XFMR, CT, 600V, 200:5, RF3	370	37054	1999	ITC54	2107036 317202	3	ea	63.74	191.21	(66.84)	69.58
XFMR, CT, 600V, 400:5, RF4	370	37054	2001	ITC54	2107036 317283	3	ea	84.87	254.60	(100.08)	154.52
METER, WHM, FM16S, 120-480V, CL200	370	37056	1968	OMT56	2107036 319480	1	ea	58.91	58.91	(13.52)	45.38
METER, WHM, FM2S, 240V, CL200	370	37056	1975	OMT56	2107036 320500	1	ea	44.47	44.47	(42.63)	1.84
METER, WHM, FM8/9S, CL 20, 120-480V	370	37056	2005	OMT56	2107036 318400	1	ea	74.86	74.86	(67.06)	7.81
METER, WHM, FM8/9S, CL 20, 120-480V	370	37056	2005	OMT56	2107036 317283	1	ea	45.32	45.32	(11.93)	33.39
METER, WHM, FM16S, 120-480V, CL200	370	37056	2005	OMT56	2107036 318580	1	ea	45.32	45.32	(11.93)	33.39
METER, WHM, FM16S, 120-480V, CL200	370	37056	2005	OMT56	2107036 316380	1	ea	45.32	45.32	(11.93)	33.39
POLE, WOOD, 30 FT, CLASS 5, DIST	373	37301	1968	POL01	2107036 319702	1	ea	45.32	45.32	(11.93)	33.39
CABLE, OVHD, #6 AL, 2PLX	373	37306	1975	OHC06	2107036 318402	1	ea	112.12	112.12	(94.64)	17.47
LUM, HPS, ST, 100W, 120V, FL GL	373	37360	1968	LUM60	2107036 318400	125	ft	0.28	35.20	(26.97)	8.23
					2107036 318402	1	ea	133.52	133.52	(12.71)	20.81

-6881
 LESS CASH PROVIDED

35,343.62 26,758.23

\$19,877

PACIFIC POWER, a division of PACIFICORP CUSTOMER REQUESTED WORK AGREEMENT

This Customer Requested Work Agreement (this "Agreement"), dated January 25, 2013, is between Pacific Power, a division of PacifiCorp, ("Company") and WALLA WALLA COUNTRY CLUB, ("Customer"), for work to be performed by Company for Customer at or near 1390 Country Club Rd, Walla Walla, WA in Walla Walla County, State of Washington

Description:

Remove Company facility

Company facilities, that will no longer be used to provide service due to Customer switching from taking service from Company to taking service from another utility, will be removed at Customer's expense, less salvage value in excess of book value, if any.

Third-Party Relocation Costs: This work does not include any third-party relocation costs. Customer shall be solely responsible for obtaining cost estimates from any third-parties attached to the existing facilities, and Customer shall be solely responsible for making all necessary arrangements to transfer third-party facilities to the replacement facilities, or any alternative arrangements to accommodate all such third-parties.

Payment to Company: In consideration of the work to be performed by Company, Customer agrees to pay the estimated costs of \$104,176.00, in advance. Payment to Company will be adjusted to actual cost after completion of work. If actual cost is less than estimated cost the difference will be refunded to Customer by Company. If actual cost is greater than estimated cost the Company will bill Customer and Customer will pay the additional amount to Company. Estimated cost is valid for 90 days from the agreement date.

Any correspondence regarding this work shall be directed to the appropriate party as shown below:

Walla Walla Country Club
Jeff Thomas
1390 Country Club Rd
Walla Walla, WA 99362
Phone (509) 525-1780
Cellular ()
Fax ()

Pacific Power
Mike Gavin
650 Douglas
Walla Walla, WA 99362
Phone (509) 522-7008
Cellular ()
Fax ()

This Agreement, upon execution by both Company and Customer, shall be a binding agreement for work performed by Company to accommodate Customer at the Customer's expense. The provisions of Appendix A General Terms and Conditions are an integral part of this Agreement.

WALLA WALLA COUNTRY CLUB

By _____
Signature
Title _____
Print name of Signing Officer _____
Date _____

PACIFIC POWER, a division of PACIFICORP

By _____
Signature
Title _____
Print name of Signing Manager/Officer _____
Date _____

Appendix A
GENERAL TERMS AND CONDITIONS

LIABILITY AND INDEMNIFICATION

The Customer shall indemnify, defend and hold harmless the Company to this Agreement and the Company's officers, directors, agents, employees, successors and assigns from any and all claims, demands, suits, losses, costs, and damages of any nature whatsoever, including attorney's fees and other costs of litigation brought or made against or incurred by the Company and resulting from, arising out of, or in any way connected with any act, omission, fault or negligence of the Customer, its employees or any officer, director, or employee or agent of the same and related to the subject matter of this Agreement. The indemnity obligation shall include, but not be limited to, loss of or damage to property, bodily or personal injury to, or the death of any person. The Customer's obligation under this provision of the Agreement shall not extend to liability caused by the sole negligence of the Company.

WORK COMPLETION

Company agrees to use commercially reasonable efforts to begin performance of the work on the date(s) specified above. In those instances where by reason of unanticipated events or emergencies which cause power outages or threaten the Company's ability to continuously provide electric service as it is required to do by law or by contract, then the Company personnel assigned to perform the work may be withdrawn from the work until such time as the unanticipated event or emergency is concluded. In the event that the Company personnel are removed from the work in response to such an event or emergency, then the time for completion of the work shall be extended by a period of time equal to that period from the time the personnel are removed from the work until they are available to complete the work plus 48 hours.

It is expressly agreed that the Company and those persons employed by the Company in connection with the work described herein are not employed by or employees of the Customer.

Company warrants that its work shall be consistent with prudent utility practices. COMPANY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND SIMILAR WARRANTIES. Company's liability for any action arising out of its activities relating to this Agreement shall be limited to repair or replacement of any non-operating or defective portion of the work. Under no circumstances shall Company be liable for economic losses, costs or damages, including but not limited to special, indirect, incidental, punitive, exemplary or consequential damages.

The Customer may, at reasonable times and by written agreement with the Company, request additional work within the general scope of the work as described in this Agreement or request the omission of or variation in the work, provided, however, that the Customer and Company agree to increase or decrease the amount the Customer is to pay the Company and such changes in scope are reasonably acceptable to the Company. Any such change to the scope of the work and the associated adjustment of costs shall be in writing and shall be submitted when obtained as an addendum to this agreement after being signed by both parties.

GENERAL

PAYMENTS: All bills or amounts due hereunder shall be payable to Company on the 25th day following the postmarked date of the bill. In the event that all or a portion of Customer's bill is disputed by Customer, Customer shall pay the total bill and shall designate that portion disputed. If it is later determined that Customer is entitled to a refund of all or any portion of the disputed amount, Company shall refund that portion of the amount of which Customer is found to be entitled. All billing statements shall show the amount due for the work performed.

COLLECTION: Customer shall pay all costs of collection, including court costs and reasonable attorney's fees upon default of customer, in addition to interest at a rate of 1.5 percent per month on any amounts not paid within thirty (30) day of invoice.

ASSIGNMENT: Customer shall not assign this Agreement to any successor without the written consent of Company, which consent shall not be unreasonably withheld. If properly assigned, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the party making the assignment.

State of Washington

County of Walla Walla

Bill of Sale

THIS BILL OF SALE is made as of this 25th day of January 2013, by and between PacifiCorp, an Oregon corporation ("Seller") and WALLA WALLA COUNTRY CLUB, ("Buyer").

1. **Conveyance.** For and in consideration of the sum of \$ 66,718 U.S. Dollars, paid by Buyer and delivered to Seller, receipt of which is hereby acknowledged, Seller conveys to Buyer the following used electric facilities ("Facilities") located at 1390 Country Club Rd. in Walla Walla, Washington according to the terms of this Bill of Sale:

Plaza Pump – 60' 3" conduit from pole to meter location
Wayne Ln – 20' conduit/wire from padmount transformer to meter location
East Pump – 520' 4" conduit, concrete vault and multiple conduits to meter location
Tennis Court – 70' 4" conduit from pole to meter location
Club House – 270' of 4" conduit, concrete vault and multiple conduits into building
West Pump – 640' of 4" conduit, concrete vault and service conduit to meter location

2. **Disclaimer of Warranties.** Buyer acknowledges that Seller makes no representations or warranties, either express or implied, regarding the condition of the Facilities and that the Facilities are conveyed to Buyer strictly "AS IS" and "WHERE IS".

SELLER HEREBY DISCLAIMS AND EXCLUDES HEREFROM, (A) ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, DESIGN, OPERATION, OR QUALITY OF THE MATERIALS OR WORKMANSHIP IN, OR ANY DEFECTS IN, THE FACILITIES, (B) ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, OR (C) ANY EXPRESS OR IMPLIED REPRESENTATION, GUARANTEE, OBLIGATION, LIABILITY OF WARRANTY OF SELLER, EXPRESS OR IMPLIED OF ANY KIND, ARISING BY LAW OR FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE.

3. **Limitation of Liability.** In no event shall Seller be liable in connection with the Facilities for special, incidental, or consequential damages, including lost profits, loss of use, or other economic loss, nor shall any liability of the Seller exceed the purchase price of the Facilities.

4. **Indemnity.** Buyer expressly assumes all risk in connection with Buyer's purchase and use of the Facilities. Buyer further agrees to indemnify, protect, and hold harmless Seller and its directors, officers, employees, representatives and agents (collectively, "Seller Indemnified Parties") against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including environmental claims, attorneys' fees and/or litigation expenses, brought or made against or incurred by the Seller Indemnified Parties resulting from, arising out of, or in any way connected with any act, omissions, fault or negligence of Buyer, its employees,

agents, representatives, assignees, invitees, licensees, or contractors, their employees, agents or representatives arising out of or in any way connected to Buyer's purchase, acceptance and/or use of the Facilities.

Additionally, Buyer shall assume sole and exclusive responsibility and legal liability for the design, location, repair, replacement, construction, installation and maintenance of the Facilities transferred to it by Seller. The assumption of this responsibility by Buyer includes the obligations to indemnify and hold harmless Seller from any claim, demand, action or suit brought by third parties arising out of, or related to Seller's ownership, replacement, design, maintenance, location, inspection, construction, repair, sale or exchange of the facilities transferred to Buyer. The obligation to indemnify and hold harmless the Seller specifically includes any claims, actions or suits which might arise because of Seller's own negligence.

IN WITNESS THEREOF, the parties have executed and Buyer accepts this Bill of Sale as of the date set forth above.

Seller
PacifiCorp

By _____

Name _____

Title _____

Buyer

By _____

Name _____

Title _____

EXHIBIT E

EXHIBIT E



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Please Reply To:

Michelle R. Mishoe, Suite 1800
Direct Dial (503) 813-5977
Fax (503) 813-7252
email: michelle.mishoe@pacifiCorp.com

March 18, 2013

Thomas Baffney
Reese, Baffney, Frol & Grossman, P.S.
216 South Palouse Street
Walla Walla, Washington 99362-3025

Re: Walla Walla Country Club

Dear Mr. Baffney,

Thank you for your letter dated March 1, 2013 indicating Walla Walla Country Club is prepared to remit \$37,458.00 to remove facilities other than conduit and vaults currently needed for Pacific Power to provide electric service to the Country Club. Pacific Power can schedule the work as soon as we have received a signed copy of the customer requested work agreement, the required funds, and the issue regarding conduit and vaults has been resolved. Normally estimates for customer requested work are valid for 90 days. Pacific Power agrees to maintain the above quoted amount beyond 90 days if all issues regarding removal have not been resolved.

Your letter states Pacific Power has no ownership interest in the conduit and vaults "because they are an accession to the Country Club's real estate in which Pacific [Power] reserved no claim of ownership in any contract, easement or other agreement." Pacific Power constructed a line extension to provide service to the Country Club. The conduit and vault are a part of Pacific Power's facilities used to provide service to the Country Club, regardless of whether they are located above or below ground. Pacific Power's Washington Rule 1, approved by the Washington Utilities and Transportation Commission, defines "extensions" as, "a branch from, a continuation of, or an increase in the capacity of Company owned transmission or distribution lines or facilities, that have not been removed, at customer request, within the last five years. An Extension may be single-phase, three-phase, or a conversion from single-phase to three-phase. The Company will *own, operate and maintain* all Extensions made under these Rules." (Emphasis supplied.) The demarcation point between a customer's facilities and Pacific Power's facilities is the meter- Pacific Power owns everything up to and including the meter, the Country Club owns the meter base and everything beyond.

Because Pacific Power owns the conduit and vault, it would be responsible for maintaining these facilities even if not used for providing electric service from Pacific Power. These facilities would be considered permanently abandoned. In accordance with the National Electric Safety Code Part 3 Safety Rules for the Installation and

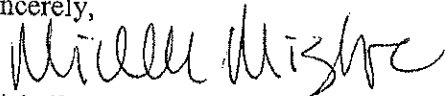
Mr. Thomas Baffney
March 18, 2013
Page 2

Maintenance of Underground Electric Supply and Communication Lines Section 313.B.3, Pacific Power would need to either remove the facilities or maintain them in a safe condition.

Additionally, Pacific Power's ratepayers paid \$38,388 for the cost to install the conduit and vaults. Allowing such facilities to remain in place would place other customers at an unfair advantage, which is inconsistent with sound regulatory policy.

To avoid inconveniencing the Country Club with the removal of the conduit and vaults and to absolve Pacific Power of the liability of maintaining the conduit and vaults if left in place, Pacific Power is willing to sell such facilities to the Country Club for \$66,718. Pacific Power believes this to be the fair market value of these facilities. Enclosed for the Country Club's signature is a copy of the Bill of Sale. Please have two copies signed and returned to Pacific Power, along with two signed copies of the previously-supplied customer requested work agreement so that Pacific Power may schedule the work.

Sincerely,



Michelle Mishoe
Legal Counsel
Pacific Power

Enc.

State of Washington

County of Walla Walla

Bill of Sale

THIS BILL OF SALE is made as of this ____ day of March 2013, by and between PacifiCorp, an Oregon corporation (“Seller”) and WALLA WALLA COUNTRY CLUB, (“Buyer”).

1. **Conveyance.** For and in consideration of the sum of \$ 66,718 U.S. Dollars, paid by Buyer and delivered to Seller, receipt of which is hereby acknowledged, Seller conveys to Buyer the following used electric facilities (“Facilities”) located at 1390 Country Club Rd. in Walla Walla, Washington according to the terms of this Bill of Sale:

- Plaza Pump – 60’ 3” conduit from pole to meter location
- Wayne Ln – 20’ conduit/wire from padmount transformer to meter location
- East Pump – 520’ 4” conduit, concrete vault and multiple conduits to meter location
- Tennis Court – 70’ 4” conduit from pole to meter location
- Club House – 270’ of 4” conduit, concrete vault and multiple conduits into building
- West Pump – 640’ of 4” conduit, concrete vault and service conduit to meter location

2. **Disclaimer of Warranties.** Buyer acknowledges that Seller makes no representations or warranties, either express or implied, regarding the condition of the Facilities and that the Facilities are conveyed to Buyer strictly “AS IS” and “WHERE IS”.

SELLER HEREBY DISCLAIMS AND EXCLUDES HEREFROM, (A) ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITION, DESIGN, OPERATION, OR QUALITY OF THE MATERIALS OR WORKMANSHIP IN, OR ANY DEFECTS IN, THE FACILITIES, (B) ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, OR (C) ANY EXPRESS OR IMPLIED REPRESENTATION, GUARANTEE, OBLIGATION, LIABILITY OF WARRANTY OF SELLER, EXPRESS OR IMPLIED OF ANY KIND, ARISING BY LAW OR FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE.

3. **Limitation of Liability.** In no event shall Seller be liable in connection with the Facilities for special, incidental, or consequential damages, including lost profits, loss of use, or other economic loss, nor shall any liability of the Seller exceed the purchase price of the Facilities.

4. **Indemnity.** Buyer expressly assumes all risk in connection with Buyer’s purchase and use of the Facilities. Buyer further agrees to indemnify, protect, and hold harmless Seller and its directors, officers, employees, representatives and agents (collectively, “Seller Indemnified Parties”) against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including environmental claims, attorneys’ fees and/or litigation expenses, brought or made against or incurred by the Seller Indemnified Parties resulting from, arising out of, or in any way connected with any act, omissions, fault or negligence of Buyer, its employees,

agents, representatives, assignees, invitees, licensees, or contractors, their employees, agents or representatives arising out of or in any way connected to Buyer's purchase, acceptance and/or use of the Facilities.

Additionally, Buyer shall assume sole and exclusive responsibility and legal liability for the design, location, repair, replacement, construction, installation and maintenance of the Facilities transferred to it by Seller. The assumption of this responsibility by Buyer includes the obligations to indemnify and hold harmless Seller from any claim, demand, action or suit brought by third parties arising out of, or related to Seller's ownership, replacement, design, maintenance, location, inspection, construction, repair, sale or exchange of the facilities transferred to Buyer. The obligation to indemnify and hold harmless the Seller specifically includes any claims, actions or suits which might arise because of Seller's own negligence.

IN WITNESS THEREOF, the parties have executed and Buyer accepts this Bill of Sale as of the date set forth above.

Seller
PacifiCorp

By _____

Name _____

Title _____

Buyer

By _____

Name _____

Title _____

EXHIBIT F

EXHIBIT F

Reese, Baffney, Frol & Grossman, P.S.

ATTORNEYS AT LAW
216 South Palouse Street
Walla Walla, Washington 99362-3025
Telephone (509) 525-8130
FAX (509) 525-8726

JOHN M. REESE
THOMAS K. BAFFNEY
STEVEN C. FROL†
DAVID S. GROSSMAN
RYAN J. ARMENTROUT
Gary M. Schrag (1952-2002)
†Also Admitted in Oregon

May 3, 2013

Michelle R. Mishoe
Legal Counsel, Pacific Power
825 N.E. Multnomah Suite 1800
Portland, OR 97232

RE: Walla Walla Country Club – Pacific Power and Light Disconnect

Dear Ms. Mishoe:

Following your letter of March 18, 2013, the Walla Walla Country Club reviewed the attached Bill of Sale, the Pacific Power rules approved by the WUTC and its records. In summary, we again request Pacific Power to arrange for the switchover of electrical service to the Country Club from Pacific Power to Columbia REA.

As required by the applicable WUTC rules, the Country Club is willing to immediately pay the actual cost to disconnect and remove Pacific Power facilities, but disagrees with proposed charges. Rule 6(I)(1) states that the Country Club shall “pay to Company the actual cost for removal less salvage value of only those facilities that need to be removed for safety or operational reasons, and only if those facilities were necessary to provide service to customer.” The offer from you and Mr. Gavin to leave the conduit and vault upon payment clearly establishes there is no safety or operational reason to remove the facilities. In fact, it is common practice for utilities to abandon underground facilities. Therefore the Country Club is not obligated to pay for all of your proposed costs associated with removal.

To resolve this matter, we are willing to either provide you with replacement conduit and vaults or pay the reasonable value of the abandoned facilities. However, reasonable value cannot be equal to the cost to remove the facilities. Please arrange for disconnection of Pacific Power’s electric service and provide me with a cost reflecting the reasonable value of the conduit and facilities left in place.

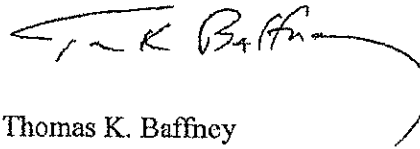
As I mentioned in my letter of March 1, 2013, the Country Club is experiencing increased power costs with Pacific Power every month over and above equivalent service from

Michelle Mishoe
May 3, 2013
Page 2

another provider. The Country Club simply desires to switch its power provider and continue to operate without undo interference, disruption or excessive cost imposed by Pacific Power. If this matter is not satisfactorily resolved within fourteen (14) days from the date of this letter, we will have no alternative other than seeking judicial relief.

Thank you for your courtesies.

Very truly yours,

A handwritten signature in black ink that reads "Thomas K. Baffney". The signature is written in a cursive style with a long, sweeping underline that curves to the right.

Thomas K. Baffney

TKB:thg

cc: Jeff Thomas
Les Teel
Stanley Schwartz
David Grossman

EXHIBIT G

EXHIBIT G

Reese, Baffney, Frol & Grossman, P.S.

ATTORNEYS AT LAW
216 South Palouse Street
Walla Walla, Washington 99362-3025
Telephone (509) 525-8130
FAX (509) 525-8726

JOHN M. REESE
THOMAS K. BAFFNEY
STEVEN C. FROL†
DAVID S. GROSSMAN
RYAN J. ARMENTROUT

Gary M. Schrag (1952-2002)

†Also Admitted in Oregon

May 23, 2013

Michelle R. Mishoe
Legal Counsel, Pacific Power
825 N.E. Multnomah Suite 1800
Portland, OR 97232

RE: Walla Walla Country Club – Pacific Power and Light Disconnect

Dear Ms. Mishoe:

This letter follows today's conference call concerning the disconnect charges requested by Pacific Power.

Through my May 3, 2013 letter, we offered to either provide your company with replacement conduit and vaults or pay the reasonable value of the abandoned facilities. Today, one of the individuals on the telephone from Pacific Power asked what is the reasonable value being offered for the abandoned facilities. Please consider the following.

There are two segments of conduit located on the golf course property. One segment, along and under the fifteenth fairway, was installed by and at the sole expense of Walla Walla Country Club (WWCC). The other conduit was installed by Pacific Power and runs from the maintenance building to a pump house. In addition, there are two vaults located on the Country Club property. As previously stated, we will resolve this matter by providing replacement conduit or paying the reasonable value of the abandoned facilities. Our offer is set forth below.

Vault with lid= \$2,170 ea, PP&L has two installed	\$4,340
4" PVC Sch 40 pipe= \$1.80/ft	
PP&L is using for primary conductor 750' installed by Country Club	\$1,350
PP&L is using for primary conductor 560' installed by PP&L	\$1,008
PP&L is using for secondary conductor 590' installed by Country Club	<u>\$1,062</u>
Total:	<u>\$7,760</u>

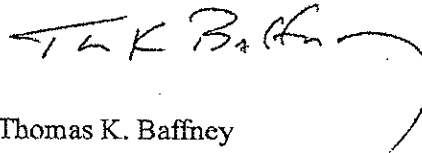
Michelle Mishoe
May 23, 2013
Page 2

While we have included costs associated with the conduit, installed and paid for by the WWCC, we would prefer not to pay twice for this conduit. To resolve this matter, we are prepared to pay the above total even though it reflects the cost for new facilities. If you believe the net book value of the facilities you installed is a better measurement of value please make that adjustment and payment can be made. In addition, we will accept your estimate of \$37,458 to remove the "other facilities" subject to final reconciliation upon review of actual costs.

As I stated on the telephone this morning, this matter has been going on since last fall. The Country Club simply desires to switch power providers and decrease its power costs by obtaining equipment service from another provider.

Please let me know whether this reasonable offer will be accepted.

Very truly yours,

A handwritten signature in black ink that reads "TKB" followed by a stylized flourish that loops around to the right.

Thomas K. Baffney

TKB:thg

cc: Jeff Thomas
Les Teel
Stanley Schwartz
David Grossman

EXHIBIT H

EXHIBIT H



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

Please Reply To:

Michelle R. Mishoe, Legal Counsel
Suite 1800
Direct Dial (503) 813-5977
Fax (503) 813-7252
Email: michelle.mishoe@pacifiCorp.com

May 31, 2013

Thomas Baffney
Reese, Baffney, Frol & Grossman, P.S.
216 South Palouse Street
Walla Walla, Washington 99362-3025

Re: **Walla Walla Country Club**

Dear Mr. Baffney,

Pacific Power is in receipt of your letters dated May 3, 2013, and May 23, 2013 explaining the Walla Walla Country Club's (Country Club) position regarding treatment of underground conduit and vaults at issue concerning the Country Club's request to disconnect from Pacific Power's service in order to be served by the Columbia Rural Electric Association (CREA). Pacific Power understands the Country Club's position to either a) provide replacement conduit and vaults or b) pay the value of such conduit and vaults, estimated by the Country Club to be worth \$7,760. The Country Club is not disputing the costs of removing Pacific Power's above-ground facilities, which are estimated to be \$37,458.

Pacific Power reiterates its statements from its letter dated March 18, 2013. As indicated, the conduit and vaults are a part of the line extension constructed for Pacific Power to provide electric service to the Country Club. Pacific Power owns, operates and maintains line extensions, and must maintain them even if not used for providing electric service.

When a customer requests removal of facilities, Pacific Power's tariffs, approved by the Washington Utilities and Transportation Commission, govern such removal and provide the method of calculating the removal costs. Pacific Power's Washington Tariff Rule 6, Section I (Rule 6) describes permanent disconnection and removal of facilities. To accommodate your request to avoid disruption to the Country Club's grounds and activities, Pacific Power has offered to sell the conduit and vault to the Country Club at the estimated costs of removing the facilities. Pacific Power received bids from outside contractors for the costs to remove Pacific Power's underground facilities. Pacific Power selected the lowest bid as the estimate for removal. Pacific Power makes this offer in order to allow the Country Club to transition its electric service to CREA, while protecting Pacific Power's other customers from paying these costs. Pacific Power stands firm on its offer to sell the vault and conduit to the Country Club for \$66,718.

Sincerely,

Michelle Mishoe
Legal Counsel
Pacific Power

EXHIBIT I

EXHIBIT I

Rule 6
GENERAL RULES AND REGULATIONS – FACILITIES ON CUSTOMER'S PREMISES

A. METER INSTALLATIONS:

All meters and facilities furnished by Company, at its expense, and installed on the Customer's premises shall be, and remain, the property of Company, and may be removed by Company upon discontinuance of service. The Customer shall provide space and support for, and exercise proper care to protect, Company's seal or seals. In the event of loss or damage to Company's property, arising from carelessness or misuse by the Customer, the cost of necessary repairs or replacements shall be as described in Schedule 300 and paid by the Customer.

B. CUSTOMER FACILITIES:

The Customer shall install and maintain all wiring and equipment beyond the point of delivery except for metering equipment, and except under conditions specified by Company in writing or conditions set forth in Rule 5 hereof.

All meter bases for meters necessary for measuring electric service (including Kvar when specified by Company) shall be provided and installed by the Customer at a location acceptable by Company, and shall conform to Company's specifications. The Customer's wiring and meter base and entrance facilities must be installed and maintained by the Customer in conformity with applicable municipal or state requirements and to accepted modern standards required by the National Electrical Safety Code and the National Electric Code; and if an affidavit or certificate of inspection is required by law, the same must be furnished before service is connected. Company may disconnect service or refuse to connect service when the Customer's wiring or facilities are, in Company's judgment, unsafe or hazardous to the Customer or others.

The customer shall not connect an electric generator or other source of electric energy to wiring which is energized at any time from Company's system without approved safe-guards. The safeguards shall include a disconnect and transfer switch installation approved by the public authority having jurisdiction or shall include an approved synchronizing and paralleling system installed in accordance with a written agreement with Company concerning such connection and operation.

C. CUSTOMER'S RESPONSIBILITY FOR SAFETY:

The customer shall comply with all Federal, State and local laws and regulations, as well as all applicable laws of negligence concerning all activities in the vicinity of Company's electrical wires, lines and equipment whether on the customer's premises or used to deliver electricity from the generating facilities to his premises. The customer shall comply with such laws and regulations to protect himself, his family, his employees, Company and all third parties from injury, loss or damage.

(continued)

Issued: May 13, 2011
Advice No. 11-01

Effective: June 13, 2011

Issued By Pacific Power & Light Company

By: Andrea Kelly Andrea L. Kelly

Title: Vice President, Regulation

PACIFIC POWER & LIGHT COMPANY

WN U-75

First Revision of Sheet No. R6.2
Canceling Original Sheet No. R6.2

**Rule 6
GENERAL RULES AND REGULATIONS – FACILITIES ON CUSTOMER'S
PREMISES**

D. RIGHTS-OF-WAY:

The Applicant shall provide without cost to Company all rights-of-way and easements required for the installation of facilities necessary or convenient for the supplying of electric service.

E. ACCESS TO FACILITIES:

The Customer shall provide safe, unobstructed access to Company representatives during reasonable hours to maintain the Company's electric transmission and distribution facilities. The Customer shall also permit the Company to trim trees and other vegetation to the extent necessary to avoid interference with the Company's lines and to protect public safety.

F. ACCESS TO METERS:

The Customer shall provide safe, unobstructed access to Company representatives during reasonable hours for the purpose of reading meters, inspecting, repairing, or removing metering devices and wiring of the Company.

G. IMPAIRED CLEARANCE:

Whenever any of the clearances required by the applicable laws, ordinances, rules, or regulations of public authorities from the service drops to the ground or any object becomes impaired by reason of any change made by the owner or tenant of the premises, the Customer shall at his own expense, provide a new and approved support, in a location approved by Company, for the termination of Company's existing service wires and shall also provide all service entrance conductors and equipment necessitated by the change of location.

H. RELOCATION OF SERVICES AND FACILITIES:

If relocation of service or distribution facilities on or adjacent to the Customer's premises, including Company-owned transformers, is for the convenience of the Applicant or the Customer, such relocation will be performed by Company provided the Applicant or the Customer pays in advance, a nonrefundable sum equal to the estimated installed cost of the relocated facilities, including operating expense, plus estimated removal cost, less estimated salvage and less depreciation of the facilities to be removed.

I. PERMANENT DISCONNECTION AND REMOVAL OF COMPANY FACILITIES:

1. When Customer requests Permanent Disconnection of Company's facilities, Customer shall pay to Company the actual cost for removal less salvage of only those facilities that need to be removed for safety or operational reasons, and only if those facilities were necessary to provide service to Customer. However, the actual cost for removal less salvage charged to Customer making a request under this paragraph shall not include any amount for any facilities located on public right of way (other than the meter and service drop) or for the removal of area lights which have been installed and billed for a minimum of three years. When the facilities removed by Company are the overhead or underground residential service drop and meter only, the Customer shall pay the applicable Residential Service Removal Charge as Described in Schedule 300.

(continued)

Issued: June 7, 2012
Advice No. 12-04

Effective: July 13, 2012

Issued By Pacific Power & Light Company

By: William R. Griffith William R. Griffith

Title: Vice President, Regulation

Rule 6
GENERAL RULES AND REGULATIONS – FACILITIES ON CUSTOMER'S PREMISES

I. PERMANENT DISCONNECTION AND REMOVAL OF COMPANY FACILITIES: (continued)

2. When Customer requests Permanent Disconnection of Company's facilities and Customer also requests Company to remove specific facilities, Customer shall pay to Company the amounts described in paragraph 1 above, as well as the actual cost for removal less salvage of any different facilities Customer requests be removed. Notwithstanding the last sentence of paragraph 1, the actual cost for removal less salvage charged to a Customer making a request under this paragraph may include amounts for facilities located on public right of way if Customer specifically requests such facilities be removed. However, the Company will not charge the Customer for the removal of area lights which have been installed and billed for a minimum of three years, even if the removal of those facilities were requested by the Customer.
3. Company shall remove facilities pursuant to paragraph 1 and 2 only to the extent it can do so without an adverse impact on the service provided, or to be provided, to other Customers.
4. In billing for removal of facilities under paragraphs 1 and 2, Company shall charge Customer for the actual cost for removal, less salvage, unless the specific charge stated in paragraph 1 applies. Company shall provide an estimate of such charges to Customer prior to removal of facilities. The Customer shall pay the amount estimated prior to disconnection and removal of facilities. The facilities shall be removed at a date and time convenient to both the Customer and Company. No later than 60 days after removal, Company shall determine the actual cost for removal less salvage, and adjust the estimated bill to that amount, unless the Residential Service Removal Charge applies.
5. For the purpose of Permanent Disconnection and Removal of Company Facilities, salvage is defined as the non-zero value difference between the salvage value and net book value of the Company facilities that are removed.

J. MAINTENANCE OF CUSTOMER'S FACILITIES:

Customers are responsible for maintaining their own facilities. If a Customer requests a service call, and the problem is in the Customer's facilities, the Company may charge for the service call as specified in Schedule 300.

K. OTHER WORK AT CUSTOMER'S REQUEST:

The Company may collect a charge specified in Schedule 300 when it performs work at the Customer's request.

L. LIABILITY:

Company's liability shall cease at the point of delivery and the use of electric service beyond said point is at the risk and responsibility of the customer.

Issued: June 7, 2012
Advice No. 12-04

Effective: July 13, 2012

Issued By Pacific Power & Light Company

By: William R. Griffith William R. Griffith

Title: Vice President, Regulation