

Agenda Date: April 10, 2002
Item Number: 2A

Docket: UE-020368
Company Name: PacifiCorp

Staff: Thomas Schooley, Regulatory Analyst

Recommendation:

Grant a limited waiver of WAC 480-100-208 and allow an extension of the deadline for filing PacifiCorp's FERC Form 1, and the Washington State supplement, to no later than June 30, 2002.

Background

On March 22, 2002, PacifiCorp petitioned for a limited waiver of WAC 480-100-208. The Company requests permission to file its Annual Report on June 30, 2002, instead of the prescribed due date of May 1. PacifiCorp also requests an ongoing waiver of the filing requirement for until each June 30 of future years. Additionally PacifiCorp states it will file the Annual Report on a fiscal year basis if so authorized by the FERC.

PacifiCorp's parent company, ScottishPower, operates on a fiscal year ending March 31st. PacifiCorp represents a significant portion of ScottishPower's operations. ScottishPower claims the release of PacifiCorp's FERC Form 1 constitutes a premature disclosure of financial data and it wishes to avoid that circumstance.

In 1999 and 2000, PacifiCorp requested from the FERC a waiver of the FERC's April 30th filing date. The FERC's response in both years seems to grant the waiver, but also states that PacifiCorp "shall continue to prepare and file the Form 1 on a calendar year basis by April 30 each year." PacifiCorp requested a similar waiver from the FERC this year. FERC's response is pending.

Regardless of the filing date for this year, PacifiCorp will file its annual report with data for the calendar year 2001.

PacifiCorp has not requested any waiver impacting the timing or amount of regulatory fees.

Discussion

PacifiCorp's request is primarily based on the premise that filing the FERC Form 1 with calendar year data by the end of April discloses corporate data prematurely. Staff does not find this reasoning persuasive. The Company files a corporate earnings report, SEC Form 10Q, every quarter. The December 2001 report was public information by the middle of February. While the 10Q contains less detail than the report filed for the full fiscal year, it does reveal the current level of revenues, aggregate expenses, earnings, and earnings per share. The FERC Form 1 supplements this data 10Q with a moderate amount of detail. Staff does not expect the release of this additional detail to cause the disclosure of material new information. Further, the release of this additional detail would not be expected to prejudice any investors, since the information would become available to the public equally.

In Staff's discussions with PacifiCorp personnel, another reason stated is the desire to avoid two audits from independent auditors. At present the auditors review the calendar year end data at the

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same time they review the fiscal year end data. The Company wishes to avoid the potential that the auditors will find changes to calendar year data in the audit of the fiscal year data.

PacifiCorp claims in its petition that the FERC has granted PacifiCorp's requests for extensions and fiscal year presentations in the past two years. This is a misreading of the FERC's letter orders. The FERC clearly states that PacifiCorp will adhere to the mandated calendar year filing requirement and will file by the prescribed filing date of April 30. The only waiver of the FERC's requirements is that PacifiCorp may file a CPA certification attesting that the Company has conformed to the FERC Uniform System of Accounts after PacifiCorp's auditors finish the fiscal year end financial report.

However, given the time constraints of this year, Staff is willing to support a limited waiver of the filing requirement by allowing PacifiCorp to file its current annual report on or before June 30, 2002. This waiver should be for the 2001 annual report only. Staff and the Company will work together to resolve future filing deadline requirements well before the due dates.

Summary

Staff recommends PacifiCorp be granted a limited waiver of WAC 480-100-208 and be allowed to file its 2001 annual report, and state supplement, on or before June 30, 2002. Staff recommends the requests for an ongoing waiver of the filing date and to file the Annual Report on a fiscal year basis be denied.