

May 20, 2009

#### VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Mr. David W. Danner Executive Director and Secretary Washington Utilities & Transportation Commission 1300 S. Evergreen Park Drive SW Olympia, WA 98504-7250

RE: Affiliated Interest Filing for PacifiCorp

Dear Mr. Danner:

Pursuant to the provisions of RCW 80.16.020 and WAC 480-100-245, PacifiCorp, d.b.a. Pacific Power, ("PacifiCorp" or "Company"), files one verified copy of the Temporary Construction Access Agreement ("Agreement") between PacifiCorp and Kern River Gas Transportation Company ("Kern River"). Kern River is an affiliate of PacifiCorp pursuant to RCW 80.16.010.

The Company and Kern River are both wholly-owned, indirect subsidiaries of MidAmerican Energy Holdings Company ("MEHC"). Kern River is a natural gas transportation pipeline company that owns and operates the Kern River pipeline system, which is a vital artery transporting natural gas to California, Nevada and Utah. Kern River is in the process of conducting certain testing to determine whether it can increase its pipeline pressure along portions of its pipeline route deemed "areas of consequence." Portions of Kern River's pipeline in Salt Lake City, Utah, on which testing will be conducted are located adjacent to the Company's Terminal to Camp Williams transmission corridor property. The Company and Kern River propose to enter into the Agreement to allow Kern River to enter the Company's property in four places to access Kern River's pipelines for the proposed testing.

Kern River will pay PacifiCorp approximately \$14,000 for the right of entry, which is based upon the estimated market value of the underlying property. The methodology for determining the value of the transaction is as follows: a fee value for the underlying properties is approximated at an average of \$70,000 per acre. The acreage involved in the Agreement is approximately 8.02 acres. Per common commercial real estate industry practices, a land lease value is typically derived by calculating ten (10) percent of the property's full fee simple estate value per year. Such a calculation yields an annual lease price of \$56,000. The term of the lease is approximately three (3) months or ¼ of the annual lease price which equals \$14,000.

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Washington Utilities & Transportation Commission May 20, 2009 Page 2

Included with this filing as Attachment A is a copy of the Temporary Construction Access Agreement. Also included is a notarized verification from Natalie L. Hocken, Vice President & General Counsel, PacifiCorp, regarding the agreement filed herewith. The Company will provide a copy of the signature page of the Temporary Construction Access Agreement after it is executed.

Please direct any informal inquiries to Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,

andrea L. Kelly

Vice President, Regulation

Enclosures

# WASHINGTON AFFILIATED INTEREST FILING

# **VERIFICATION**

# **VERIFICATION**

I, Nature Hoden, am an officer of PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the
attached Temporary Construction Access Agreement, I verify that the Temporary Construction Access Agreement is a true and accurate copy of the original.
I declare upon the penalty of perjury, that the foregoing is true and correct.
Executed on May 19, 2009 at Portland, Oregon.
Matalia & Apocke
Natalie L. Hocken  Vice President & General Counsel
Subscribed and sworn to me on this 1/2 day of Mas, 2009.
OFFICIAL SEAL MARK. SLESS
JANNA L LEASY NOTARY PUBLIC-OREGON NOTARY PUBLIC-OREGON COMMISSION NO. 420657 COMMISSION NO. 420657
COMMISSION EXPIRES SEPTEMBER 28, 2011

### WASHINGTON AFFILIATED INTEREST FILING

TEMPORARY CONSTRUCTION ACCESS AGREEMENT

### **Temporary Construction Access Agreement**

	This TEMPORARY CONSTRUCTION ACCESS AGREEMENT ("Agreement"),		
dated	, 2009, is by and between Rocky Mountain Power, a division of		
PACIFICORP, an Oregon Corporation (hereinafter referred to as "Rocky Mountain Power")			
and Ke	ern River Gas Transmission Company (hereinafter referred to as "Kern River").		

#### RECITALS

- A. Rocky Mountain Power is the owner of a parcel or parcels of real property located in the Salt Lake County, more particularly described as Salt Lake County property tax ID Nos. 20023200004, 2602200003, 2624300005, and 2624300003 (collectively, the "Property") also depicted in the attached Exhibit A.
- B. Kern River is in the process of conducting a high-pressure hydrotest on portions of its Kern River Gas Pipeline route that are deemed highly populated "areas of consequence". Kern River intends to test the integrity of its pipeline by creating a water pressure test at approximately 2,100 in the pipeline. The intent of such a test is to ensure capability of the line to accommodate an increase in gas pressure from 1200 psi to 1333 psi.
- C. Certain test points for Kern River to conduct its high-pressure hydrotest are located on the Property.
- D. Kern River desires to enter and use the Property in order to facilitate its testing activities. Rocky Mountain Power is willing to allow Kern River and its selected contractor(s) access to and use of the Property for the purposes of performing staging, testing, and excavation activities (the "Work") in conjunction with its high-pressure hydrotesting activities subject to the restrictions and limitations contained herein.

#### **AGREEMENT**

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Temporary Right of Entry and Use. Rocky Mountain Power hereby grants to KERN RIVER, and to KERN RIVER's contractors, subcontractors, and agents (for purposes of this agreement, KERN RIVER and its contractors, subcontractors, and agents, if any, shall be referred to as "KERN RIVER"), the temporary right to enter and use the Property for the sole purpose of conducting its Work on the Property. This grant shall allow KERN RIVER to conduct its Work on locations shown in the drawings, attached hereto as Exhibit A. Kern River shall strictly adhere to the uses associated with each respective area on Exhibit A labeled "Excavation Area," "Access," and Staging/Temporary Workspace". KERN RIVER shall strictly comply with any reasonable instructions, directions or restrictions promulgated by Rocky Mountain Power. This right shall commence upon execution of the Agreement by both parties

and shall expire upon the earlier of the completion of the Work or August 31, 2009. KERN RIVER shall be responsible and liable for the actions and inactions of its contractors, subcontractors and agents hereunder as if KERN RIVER were performing the same.

- 2. <u>Compliance with Law.</u> In the prosecution of the Work, KERN RIVER shall secure, at its expense, any and all necessary permits and shall comply with all applicable federal, state and local laws, regulation and enactments applicable to the Work. All Work shall be performed in a workmanlike manner and in compliance with all applicable industry standards. KERN RIVER shall perform and stage construction so as to ensure the safety of: (a) KERN RIVER's agents and employees; (b) any and all Rocky Mountain Power operations conducted on the Property; (c) surrounding property owners; and (d) the public in general.
- 3. Rocky Mountain Power Operations. KERN RIVER shall not make or allow to be made any use of the Property that is inconsistent with, or interferes in any manner with Rocky Mountain Power's operation, maintenance or repair of Rocky Mountain Power's existing installations or additional facilities or improvements constructed after the execution of this Agreement, including, without limitation, electric transmission and distribution circuits that cross over or above the property as herein described.
- Kern River shall comply with the following clearance restrictions to maintain safe distances away from Rocky Mountain Power facilities: (a) Power Lines. KERN RIVER shall not use or permit to be used on the Property, construction cranes or other equipment that violate NESC, OSHA or Utah High Voltage Act clearance standards. Grantee shall not excavate outside of the general red cross-hatched area identified in Exhibit A, as the Excavation Area, nor place any temporary spoils within a thirty (30) foot distance, measured radially from any overhead power line unless otherwise approved by Rocky Mountain Power in writing in advance. The storage of hazardous materials or refueling of vehicle/equipment is prohibited within the Property. At no time shall KERN RIVER transport or place materials or equipment of any kind that exceed fourteen (14) feet in height, or that creates a material risk of endangering Rocky Mountain Power's facilities, or that poses a risk to human safety, under or adjacent to any overhead power line. At no time shall Kern River operate any equipment or vehicle exceeding fourteen (14) feet in height under or adjacent to any overhead power line; furthermore, any vehicle or equipment exceeding fourteen (14) feet in height during operation shall maintain a twenty (20) foot radial clearance from any overhead power line. Grantee's use of the Property shall comply with NESC, OSHA and Utah High Voltage Act Safety clearance standards.
- (b) Towers/Poles. Materials, supplies, or equipment of any kind may not be stock-piled, parked, or stored within five (5) feet of the towers or poles or in such proximity to said towers that they would block access to any overhead power line. No vehicles or equipment may be left unattended for any reason within ten (10) feet of Rocky Mountain Power's towers or in such proximity to said towers that they would block access to any overhead power line. No Work activities, vehicles, equipment, materials, supplies, warning barriers, stockpiles, earth, spoils, or any other items may be placed or used within the Property in a way that could provide a platform for persons to climb the towers or poles or provide access which would violate the minimum clearance standards established by the National Electric Safety Code.

- 5. <u>Costs of Construction</u>. KERN RIVER shall be solely responsible for any and all costs incurred with respect to the Work, and shall maintain the Property free from liens or other encumbrances associated with the Work.
- 6. Safety. Safety of personnel, property, Rocky Mountain Power operations and the public is of paramount importance in the prosecution of the Work. KERN RIVER shall keep all Work locations in the Property free from safety and health hazards and ensure that its employees are competent and adequately trained in all safety and health aspects of the Work. KERN RIVER shall have proper first aid supplies available on the job site so that prompt first aid services can be administered to any person injured on the job site. KERN RIVER shall promptly notify Rocky Mountain Power of any OSHA reportable injuries arising during the Work. KERN RIVER shall have a non-delegable duty to control its employees while on the Property to ensure that such employees do not use, are not under the influence of, and do not have in their possession, any alcoholic beverage, drug, narcotic or other substance that may inhibit the safe performance of the Work.
- 7. Indemnification. As consideration for the rights conveyed pursuant to this Agreement, KERN RIVER agrees to protect, defend, release, indemnify and hold harmless Rocky Mountain Power, its parent companies, subsidiaries and affiliates, and each of their officers directors, employees, shareholders, contractors, agents, attorneys, insurers, and assigns from and against any costs, expenses, damages, claims, attorney's fees, lawsuits, allegations, judgments, or other losses caused by or as a result of: (a) the prosecution of the Work contemplated by this Agreement by KERN RIVER, or any employees, contractors, subcontractors, principals or agents of KERN RIVER; (b) any mechanic's, materialman's, tax or other lien asserted against the Property as the result of the Work; (c) the failure to properly obtain any permit or other approval necessary for the Work; or (d) KERN RIVER's material breach of any provision of this Agreement.
- 8. <u>Insurance</u>. KERN RIVER shall, at its sole cost and expense, obtain and maintain workers compensation and liability insurance in amounts sufficient to protect against the risks and liabilities assumed by KERN RIVER under this Agreement.
- greement and understanding of the parties with respect to the subject matter hereof, and shall supersede all offers, negotiations and other agreements with respect thereto. This Agreement may be executed in any number of counterparts and by each of the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Any signature page of this Agreement may be detached from any counterpart and reattached to any other counterpart hereof. The facsimile transmission of a signed original of this Agreement or any counterpart hereof and the retransmission of any signed facsimile transmission hereof shall be the same as delivery of an original.
- 10. <u>Termination</u>. This Agreement may be terminated by Rocky Mountain Power in the event that KERN RIVER continues in default with respect to any provision of this Agreement for a period of two days after receipt of notice from Rocky Mountain Power identifying the nature of KERN RIVER's breach. Notwithstanding the foregoing, in the event

that the nature of KERN RIVER's breach constitutes an imminent threat to persons or property, Rocky Mountain Power may immediately suspend the right of entry granted herein until such time as Kern River remedies the breach.

11. Restoration of Property. Upon expiration or termination of this Agreement, Grantee shall restore the Property to substantially the same condition as existed prior to the Work, including but not limited to restoring vegetation to its original condition as current year growing season permits.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

ROCKY MOUNTAIN POWER	KERN RIVER
Name: Douglas Bennion, P.E.	By:
Title: Vice President	By: Its:

# EXHIBIT A

Depiction of the Property and Work area (4 PAGES)







