

July 9, 2019

VIA ELECTRONIC FILING

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Received
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07/09/19 08:21
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Docket UE-19_____—Affiliated Interest Filing—PacifiCorp and Kern River Gas Transmission Company

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, Pacific Power & Light Company (Pacific Power), a division of PacifiCorp, provides notice of an affiliated interest transaction with Kern River Gas Transmission Company (Kern River) for an encroachment permit to allow PacifiCorp to construct and connect a new transmission line located in an easement on Kern River's property near Eagle Mountain, Utah. A verified copy of the Encroachment Permit (Permit) is included with this Notice as Attachment A.

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company (BHE). Kern River is also a wholly-owned indirect subsidiary of BHE. RCW 80.16.010 includes in its definition of "affiliated interest," "every corporation five percent or more of whose voting securities are owned by any person or corporation owning five percent or more of the voting securities of such public service company or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities." Therefore, BHE's ownership interest in PacifiCorp and Kern River creates an affiliated interest relationship between PacifiCorp and Kern River.

Kern River owns and operates the Kern River pipeline system, which transports natural gas to California, Nevada, and Utah. Certain of Kern River's Utah pipelines are in an area being used by PacifiCorp for a transmission line near Eagle Mountain, Utah. PacifiCorp is constructing new transmission lines that will connect perpendicular to the existing transmission line located on Kern River's property. The Permit is necessary to accommodate the new transmission line. A copy of Kern River's encroachment permit application is included as Attachment A. No fee is being paid by PacifiCorp to Kern River for the Permit. This transaction is related to the transmission of electric service in Utah and does not affect Washington rates. Notwithstanding, PacifiCorp is providing this notice out of an abundance of caution to ensure consistent treatment of affiliate contracts under the requirements of RCW 80.16 et. seq.

PacifiCorp is acquiring the land rights necessary to build, operate, and maintain a transmission line and related facilities. PacifiCorp will pay \$0 for the Permit. Having the Permit is in the public interest because it allows PacifiCorp to install and maintain facilities necessary to provide electric service and to meet its obligation to provide safe and reliable electric service. Without the license, PacifiCorp would not be able to meet its obligation to provide electric service. As the property owner, Kern River is the only entity that can provide the Permit to PacifiCorp.

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Also included with this filing is a notarized verification from Jeff Howcroft, Principal Project Manager, regarding the Permit.

It is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

By E-Mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, Oregon, 97232

Please contact Ariel Son at (503) 813-5410 if you have any informal questions.

Sincerely,

_____/s/

Etta Lockey
Vice President, Regulation
Pacific Power & Light Company
825 NE Multnomah St., Suite 2000
Portland, Oregon 97232
etta.lockey@pacificorp.com

Enclosure

NEW-PPL-Attach-A-7-9-19.pdf
NEW-PPL-Verification-Howcroft-7-9-19.pdf