

 September 1, 2011

***VIA ELECTRONIC FILING***

***AND OVERNIGHT DELIVERY***

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

Attention: David W. Danner
 Executive Director and Secretary

RE: Notice of Affiliated Interest Agreement Regarding an Intercompany Mutual Assistance Agreement.

Dear Mr. Danner:

 Pursuant to the provisions of RCW 80.16.020 and WAC 480-100-245, PacifiCorp, d.b.a. Pacific Power & Light Company (or Company), files one verified copy of the Intercompany Mutual Assistance Agreement (Agreement) by PacifiCorp, MidAmerican Energy Company (MEC), Kern River Gas Transmission Company (Kern) and Northern Natural Gas Company (NNG) (all four entities may be referred to collectively as Parties or individually as a Party), a copy of which is included with this Notice as Attachment A. PacifiCorp is an indirect, wholly-owned subsidiary of MidAmerican Energy Holdings Company (MEHC). MEC, Kern and NNG are also indirect, wholly-owned subsidiaries of MEHC. RCW 80.16.010 includes in the definition of “affiliate interest” corporations five percent or more of whose voting securities are owned by any corporation owning five percent or more of the voting securities of a public service company. Therefore, MEHC’s ownership interest in PacifiCorp, MEC, Kern and NNG is an affiliate interest.

The Parties are subject to regulation either by state public utility regulatory commissions or the Federal Energy Regulatory Commission. MEC provides retail electric and natural gas services in Iowa, South Dakota and Illinois. Kern operates a natural gas pipeline extending through Wyoming, Utah, Nevada and California. NNG operates an interstate natural gas pipeline primarily delivering natural gas in the Midwest. PacifiCorp provides retail electric service in Washington, Oregon, California, Utah, Idaho and Wyoming.

The Parties occasionally experience emergency situations, such as outages due to storms or equipment failure and have plans in place to address such situations. For example, PacifiCorp may draw upon its own resources, such as personnel and inventory, to respond to emergency situations. PacifiCorp may also enlist the assistance of neighboring utilities pursuant to emergency services agreements such as the Western

Regional Mutual Assistance Agreement. It was determined that the rate-regulated subsidiaries of MEHC, i.e. the Parties, may also benefit from being able to rely on each other during emergency situations. To that end, the Agreement was developed.

The Agreement is similar in structure to the Intercompany Administrative Services Agreement (IASA) used by MEHC and its subsidiaries to share administrative services[[1]](#footnote-1) and is intended to be an additional tool for responding to emergencies. Under the Agreement, a Party needing assistance may request it of another Party or Parties. The other Parties may choose whether or not to provide the requested assistance. In working with other utilities for which mutual assistance agreements are already in place, PacifiCorp typically only provides labor or other services, and only to the extent that providing such assistance will not impair the Company’s own operations. PacifiCorp may occasionally provide goods, although only if there is surplus inventory and the provision of goods will not impair the Company’s own operations.

 All aspects of providing assistance will be governed by the Edison Electric Institute Mutual Aid Agreement, the Western Region Mutual Assistance Agreement, or other such agreements that may be customarily used in the region where the assistance is being provided, except for the reimbursement of costs. Reimbursement of costs will be governed by Article 4 of the Agreement, which generally provides that goods will be reimbursed at the replacement cost and services will be reimbursed as a direct charge, service charge or allocation as applicable pursuant to the Intercompany Administrative Services Agreement (IASA). A copy of the Edison Electric Institute Mutual Aid Agreement is included as Attachment B. A copy of the Western Region Mutual Assistance Agreement is included as Attachment C. The Company includes Attachments B and C to provide the Commission with additional information regarding the terms and conditions of the Agreement.

The Agreement serves the public interest by adding an option for responding to emergencies when the Company needs resources from external sources. PacifiCorp intends to continue its practice of relying on utilities nearest the event triggering the need for assistance. However, there may be situations in which it would be reasonable to rely on one or more of the Parties. The Company anticipates the need to rely on the Agreement to be rare and does not have estimates on annual spending under the Agreement at this time. PacifiCorp only intends to provide assistance under the Agreement to the extent doing so will only involve surplus resources and will not impair operations.

Also included with this filing is a notarized verification from Natalie Hocken, Vice President and General Counsel, Pacific Power, regarding the Agreement.

Please do not hesitate to contact Ezra Richards, Regulatory Manager, if you have any questions (503) 813-5959.

Sincerely,

Andrea L. Kelly

Vice President, Regulation

Pacific Power

Enclosure

**ATTACHMENT A**

**INTERCOMPANY MUTUAL ASSISTANCE AGREEMENT**

**ATTACHMENT B**

**EDISON ELECTRIC INSTITUTE MUTUAL ASSISTANCE AGREEMENT**

**ATTACHMENT C**

**WESTERN REGION MUTUAL ASSISTANCE AGREEMENT**

**WASHINGTON AFFILIATED INTEREST FILING**

**VERIFICATION**

**VERIFICATION**

I, Natalie L. Hocken, am an officer of PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Intercompany Mutual Assistance Agreement, I verify that the Intercompany Mutual Assistance 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 \_\_\_\_\_\_\_\_\_\_\_ \_\_, 2011 at Portland, Oregon.

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

Natalie Hocken

Vice President & General Counsel

Subscribed and sworn to me on this \_\_\_ day of \_\_\_\_\_\_\_, 2011.

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

Notary Public for Oregon

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

1. The Commission approved the IASA as part of its approval of MEHC’s acquisition of PacifiCorp. See Order 07, as modified by Order 08, Docket UE-051090. [↑](#footnote-ref-1)