

September 19, 2018

VIA ELECTRONIC FILING

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
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UTIL. AND TRANSP
COMMISSION

RE: Docket UE-18 _____ —Affiliated Interest Filing—PacifiCorp and BNSF Railway 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 BNSF Railway Company (BNSF) for a license allowing PacifiCorp to install a 12.5kV overhead power distribution line along or across BNSF property in Douglas, Wyoming. A verified and fully executed copy of the License for Electric Supply Line Across or Along Railway Property (License), is included with this Notice as Attachment A.

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. BNSF is also a subsidiary of Berkshire Hathaway, Inc. 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, Berkshire Hathaway, Inc.’s ownership interest in BHE and BNSF creates an affiliated interest relationship between the company and BNSF.

Under RCW 80.16.020, public service companies shall file a verified copy of a contract or arrangement for the purchase of a property right between the public service company and any affiliated interest before the effective date of the contract or arrangement. Pacific Power recently discovered that the License between PacifiCorp and BNSF was executed on August 24, 2018, without prior commission notification. An update was necessary for the mapping of this particular License, and during the process of exchanging that information, the company inadvertently missed submitting the draft License before parties executed the agreement. Pacific Power takes its commitment to regulatory filing requirements seriously, and has taken steps to reinforce its processes to prevent late notices in the future.

PacifiCorp is proposing to install an overhead distribution power line in Douglas, Wyoming that would allow the company to put in a step-down 12kV transformer to shift load for the City of Douglas, and the installation crosses BNSF’s property. This transaction is related to the distribution of electric service in Wyoming and therefore does not affect Washington rates. However, Pacific Power 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.

BNSF uses standardized pricing for these types of licenses. PacifiCorp will pay \$9,586 total, which includes \$8,280 for the License, \$800 for additional processing, and \$506 for Railroad protective liability insurance. Obtaining the License 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 licenses, PacifiCorp would not be able to meet its obligation to provide electric service. As the property owner, BNSF is the only entity that can provide the License to PacifiCorp.

Also included with this filing is a notarized verification from Brian Bridge, Property Agent, regarding the License.

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
Pacific Power
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 Street, Suite 2000
Portland, OR 97232
(503) 813-5701
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Enclosure

NEW-PPL-Attach-A-9-19-18.pdf
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