



August 31, 2023

***VIA ELECTRONIC FILING***

Received  
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Aug 31, 2023

Amanda Maxwell  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, Washington 98503-1036

**RE: Docket UE-\_\_\_\_\_—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, PacifiCorp dba Pacific Power & Light Company (PacifiCorp) provides notice of an affiliated interest transaction with Kern River Gas Transmission Company (Kern River), to enter into a Precedent and Facilities Agreement (the Agreement). By the Agreement's terms Kern River is to construct a new natural gas pipeline lateral, a new delivery meter station, a pressure regulation station, and all associated facilities necessary to provide firm natural gas transportation service to PacifiCorp's Naughton Plant (Naughton). Kern River will also tender to PacifiCorp a firm transportation service agreement for service commensurate with mutually agreed upon, prearranged commercial terms described therein. A verified copy of the Agreement is included with this notice as Attachment A. Also included with this filing is a verification from Irene M. Heng, Principal Engineer/Operations Project Manager, concerning the Agreement.

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 both entities creates an affiliated interest relationship between PacifiCorp and Kern River.

Kern River owns and operates an interstate natural gas transmission system extending from receipt points near Opal, Wyoming to delivery points in Utah, Nevada, and California. PacifiCorp owns and operates a power plant (i.e., Naughton) near Kemmerer, Wyoming. In the event PacifiCorp converts Naughton's units from coal to natural gas, construction of natural gas facilities and firm natural gas transportation services for their operation will be necessary. Thus, entering the Agreement is in the public interest because it enables PacifiCorp to best meet its customers' needs and ultimately benefits Kern River's customers.

PacifiCorp completed a request for proposal requesting natural gas firm transportation rates for the development/construction of suitable natural gas facilities to connect the Naughton units to

an interstate pipeline and for firm transportation service. Kern River was the lowest cost alternative in a review a competitive comparison of rates. The dollar value of this transaction is projected to be \$65.5 million total-company allocated. Also, the transaction involves a generation facility not included in customer rates in Washington under the Washington Inter-Jurisdictional Allocation Methodology.

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

By email (preferred):            [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail:                    Data Request Response Center  
PacifiCorp  
825 NE Multnomah St., Ste 2000  
Portland, OR 97232-2152

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

Sincerely,

                  /s/                    
Matthew McVee  
Vice President, Regulatory Policy and Operations  
Pacific Power & Light Company  
825 NE Multnomah Street, Suite 2000  
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(503) 813-5585  
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Enclosures  
NEW-PAC-Attachment-A-8-31-23.pdf  
NEW-PAC-Verification-8-31-23.pdf