

August 12, 2011

***VIA ELECTRONIC FILING***

***AND OVERNIGHT DELIVERY***

Mr. David Danner

Executive 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 & Light Company (Company), files one verified copy of the Temporary Construction Workspace Agreement (Easement) between PacifiCorp and Kern River Gas Transportation Company (Kern River). A copy of the Agreement is included with this Notice as Attachment A. 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). 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, MEHC’s ownership interest in the Company and Kern River creates an affiliated interest.

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. Certain Kern River pipelines located in Utah are in an area being used by the Utah Department of Transportation (UDOT) as part of its Mountain View Corridor project.[[1]](#footnote-1) Portions of these pipelines are also located on PacifiCorp property through use of an easement. UDOT is requiring Kern River to relocate these pipelines to accommodate the Mountain View Corridor. To allow Kern River to accommodate the directive from UDOT, the Company will grant a Temporary Construction Workspace Easement. The Easement will expire one year from the date of execution.

Kern River will pay PacifiCorp approximately $11,057 for the Easement, 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 $5.85 per square foot. The acreage involved in the Easement is approximately 18,900 square feet. Per common commercial real estate industry practices, a temporary easement 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 $11,057. The term of the Easement is approximately ten (10) percent of the fair market value which equals $11,057.

Granting the Easement will not affect PacifiCorp’s ability to provide safe and reliable service, and thus will not harm the public interest.

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

Please do not hesitate to contact me if you have any questions (503) 813-6043.

Sincerely,

Andrea L. Kelly

Vice President, Regulation

Pacific Power

Enclosures

**WASHINGTON AFFILIATED INTEREST FILING**

**TEMPORARY CONSTRUCTION ACCESS 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 Temporary Construction Workspace Agreement, I verify that the Temporary Construction Workspace 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 L. Hocken

Vice President and General Counsel

Pacific Power

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

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

Notary Public for Oregon

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

1. The Mountain View Corridor is a planned freeway, transit and trail system project in western Salt Lake and northwestern Utah counties. See <http://www.udot.utah.gov/mountainview/>. [↑](#footnote-ref-1)