

May 28, 2013

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
550 Capitol Street NE, Suite 215
Salem, OR 97301-2551

Attn: Filing Center

RE: PacifiCorp's Notice of Affiliated Interest Transaction

In accordance with OAR 860-027-0041, PacifiCorp d/b/a/ Pacific Power (PacifiCorp or Company) provides notice of a transaction between the Company and Kern River Gas Transportation Company (Kern River), an affiliated interest of the Company. PacifiCorp and Kern River entered into a Temporary Construction Workspace Agreement (Agreement) to allow Kern River access to certain PacifiCorp property in Utah for the purpose of relocating pipeline owned by Kern River. The Agreement is included as Attachment A.

In preparing the Company's annual affiliated interest report, the Company discovered that the Agreement, which was executed September 5, 2012, had not yet been provided to the Public Utility Commission of Oregon (Commission). OAR 860-027-0042 requires filings made under OAR 860-027-0041 to be made within 90 days after the execution of the contract giving rise to the filing. The Company assures the Commission that this was an inadvertent oversight and has strengthened its internal process to prevent this from occurring again.

The Company notes that this transaction may qualify for a waiver of the OAR 860-027-0041 filing requirements. OAR 860-027-0043 allows for the waiver of the rules governing affiliate interest transactions upon petition by a utility and approval by the Commission, including transactions valued at less than 0.1 percent of the utility's Oregon operating revenues for the previous calendar year. The Company will receive \$91,739 from Kern River for this transaction, which is less than 0.1 percent of PacifiCorp's Oregon operating revenues for 2012 (approximately \$1.3 billion).

I. BACKGROUND

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. The Company and Kern River are both wholly-owned, indirect subsidiaries of MidAmerican Energy Holdings Company (MEHC). ORS 757.015(3) defines "affiliated interest" as:

[E]very 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 utility or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities of such public utility.

Therefore, MEHC's ownership interest in the Company and Kern River creates an affiliated interest.

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 Portions of these pipelines are also located in an easement located on PacifiCorp property. 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 granted a Temporary Construction Workspace Easement. This easement will expire one year from the date of execution.

II. COMPLIANCE WITH OAR 860-027-0041 FILING REQUIREMENTS

A. Address

The Company's name and address of its principal business office are:

PacifiCorp
825 NE Multnomah Street
Portland, OR 97232

B. Communications and Notices

All notices and communications with respect to this Notice should be addressed to:

PacifiCorp Oregon Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
OregonDockets@pacificorp.com

Michelle R. Mishoe
Legal Counsel
Pacific Power
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Tel. (503) 813-5977
michelle.mishoe@pacificorp.com

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (**preferred**)

datarequest@pacificorp.com

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/>.

By regular mail

Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232

C. Relationship between PacifiCorp and Affiliated Interest

The Company and Kern River are both wholly-owned, indirect subsidiaries of MEHC. Therefore, Kern River and the Company are affiliated interests as defined in ORS 757.015(3).

D. Pecuniary Interest

No officer or director of either the Company or Kern River is a party to or has a pecuniary interest in the contemplated business transaction between the Company and Kern River.

E. Description of Goods and Services Provided; Cost(s) Incurred; Market Value; Pricing Methods

Under the Agreement, PacifiCorp will allow Kern River to access a 4.82 acre parcel of Company property located in Utah. UDOT is requiring Kern River to relocate certain sections of its pipeline as part of the Mountain View Corridor project. A portion of the pipeline that needs to be relocated is situated on PacifiCorp property. PacifiCorp granted Kern River a temporary easement for the purpose of performing work associated with the relocation of the pipeline. The relocation work will not impair PacifiCorp's ability to operate its facilities located on the property and will not affect PacifiCorp's ability to provide safe and reliable service.

Kern River will pay PacifiCorp \$91,739 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: Kern River will compensate PacifiCorp for temporary construction workspace on Wasatch Restoration Center Property totaling 0.89 acres at a rate of \$26,136 per acre and for 50 percent of the 7.86 acres on non-Wasatch Restoration Center Property at a rate of \$17,424 per acre, for a total compensation of \$91,739.

F. Estimate of Amount PacifiCorp will Collect Annually for Services

PacifiCorp will collect \$91,739 from this transaction. The Agreement will expire one year after the execution date. PacifiCorp does not anticipate collecting revenue on an ongoing basis.

G. Reasons Relied Upon for Providing the Proposed Services and Benefits to the Public

PacifiCorp granted the temporary construction access to allow Kern River to comply with a mandate from UDOT to relocate certain natural gas pipelines. PacifiCorp's customers will not be affected by the pipeline relocation. The public will benefit from the improved transportation infrastructure in the area to be served by the Mountain View Corridor in Utah.

H. Contracts between Affiliated Interest and PacifiCorp

A copy of the Temporary Construction Workspace Agreement between PacifiCorp and Kern River is included as Attachment A.

Public Utility Commission of Oregon

May 28, 2013

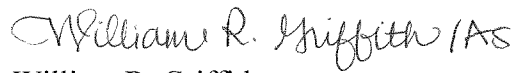
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I. Copy of Board Resolutions

This transaction did not require approval from PacifiCorp's board of directors.

Informal questions concerning this filing may be directed to Bryce Dalley, Director, Regulatory Affairs & Revenue Requirement, at (503) 813-6389.

Sincerely,

Handwritten signature of William R. Griffith in cursive script.

William R. Griffith

Vice President, Regulation

Enclosure

ATTACHMENT A
Temporary Construction Workspace Agreement

Temporary Construction Workspace Agreement

This Temporary Construction Workspace Agreement ("Agreement"), dated September 5, 2012, is entered into between PACIFICORP, an Oregon Corporation d/b/a Rocky Mountain Power (hereinafter referred to as "Rocky Mountain Power") and Kern River Gas Transmission Company (hereinafter referred to as "Kern River").

RECITALS

A. Rocky Mountain Power is the owner of a parcel or parcels of real property located in the Salt Lake County, as more particularly described as Salt Lake County property Tax ID 2002200009, 1435405017, 1435452009, 2002253027, 2002200010, 2002200048, 2002200047, 2002400013 (collectively, the "Property") also depicted in the attached **Exhibit A**.

B. The design for the Utah Department of Transportation Mountain View Corridor ("MVC") near 4100 South involves the construction of new and removal of existing pipelines on Rocky Mountain Power property. Both pipelines will be relocated to the east to minimize conflicts with current and proposed Rocky Mountain Power facilities in the area and the MVC. This conflict area affects approximately 1.2 miles of each of the existing KRGT pipelines. The new layout for each pipeline is about 1.2 miles in length.

C. Kern River desires and Rocky Mountain Power is willing to allow Kern River and its selected contractor(s) access and use the Property for the purposes of temporary construction workspace (the "Work") in conjunction with its relocation of the Kern River facilities.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Right of Entry and Temporary Use. Rocky Mountain Power hereby grants to Kern River, and to Kern River's contractors, subcontractors, and agents (for purposes of this agreement, Kern River and its contractors, subcontractors, and agents, if any, shall be referred to as "Kern River"), the right to enter the Property for the sole purpose of conducting its Work on the Property. This right of entry shall allow Kern River to conduct its Work on locations shown in the drawings, attached hereto as **Exhibit A**. Kern River will compensate Rocky Mountain Power for temporary construction workspace on Wasatch Restoration Center ("WRC") Property totaling 0.89 acres at a rate of \$26,136 per acre and for 50% of the 7.86 acres on non-WRC Property at a rate of \$17,424 per acre for a total compensation of \$91,739. Kern River shall strictly comply with any reasonable instructions, directions or restrictions promulgated by Rocky Mountain Power. This right of entry shall commence on the date of execution and shall expire one year from the date of execution. Kern River shall be responsible and liable for the actions and inactions of its contractors, subcontractors and agents hereunder as if Kern River were performing the same.

2. Compliance with Law. In the prosecution of the Work, Kern River shall secure, at its expense, any and all necessary permits and shall comply with all applicable federal, state and local laws, regulation and enactments applicable to the Work. All Work shall be performed

in a workmanlike manner and in compliance with all applicable industry standards. Kern River shall perform and stage construction so as to ensure the safety of: (a) Kern River's agents and employees; (b) any and all Rocky Mountain Power operations conducted on the Property; (c) surrounding property owners; and (d) the public in general.

3. Rocky Mountain Power Operations. Kern River shall not make or allow to be made any use of the Property that is inconsistent with, or interferes in any manner with Rocky Mountain Power's operation, maintenance or repair of Rocky Mountain Power's existing installations or additional facilities or improvements constructed after the granting of this right of entry, including, without limitation, electric transmission and distribution circuits that cross over or above the property as herein described. Kern River will ensure that the WRC property is secure at all times throughout the abandonment and relocation project including, but not limited to a security guard during non-working hours while Rocky Mountain Power's permanent security fencing is not in place.

4. (a) Power Lines. Kern River shall not use or permit to be used on the Property, construction cranes or other equipment that violate the clearance standards set forth in the NESC, OSHA or High Voltage Overhead Line Safety Act. Grantee shall not place any temporary spoils within a thirty (30) foot radial clearance from any overhead power line unless otherwise approved by Rocky Mountain Power in writing in advance. The storage of hazardous materials is prohibited within the Property. At no time shall Kern River transport or place materials or equipment of any kind that exceed fourteen (14) feet in height, or that creates a material risk of endangering Rocky Mountain Power's facilities, or that poses a risk to human safety, under or adjacent to any overhead power line. At no time shall Kern River operate any equipment or vehicle exceeding fourteen (14) feet in height under or adjacent to any overhead power line; furthermore, any vehicle or equipment exceeding fourteen (14) feet in height during operation shall maintain a twenty (20) foot radial clearance from any overhead power line. Grantee's use of the Property shall comply with the clearance standards set forth in the NESC, OSHA and High Voltage Overhead Line Safety Act.

(b) Towers/Poles.

(i) Materials, supplies, or equipment of any kind may not be stockpiled, parked, or stored within five (5) feet of the towers or poles or in such proximity to said towers that they would block access to any overhead power line.

(ii) No vehicles or equipment may be left unattended for any reason within ten (10) feet of Rocky Mountain Power's towers or in such proximity to said towers that they would block access to any overhead power line.

(iii) No re-construction, operational or maintenance activities, vehicles, equipment, materials, supplies, warning barriers, stockpiles, earth, spoils, etc. may be used within the Property that will provide a platform for persons to climb the towers or poles or provide access within the minimum clearance standards established by the National Electric Safety Code.

5. Costs of Construction. Kern River shall be solely responsible for any and all costs incurred with respect to the Work, and shall maintain the Property free from liens or other encumbrances associated with the Work.

6. Safety. Safety of personnel, property, Rocky Mountain Power operations and the public is of paramount importance in the prosecution of the Work. Kern River shall keep all Work locations in the Property free from safety and health hazards and ensure that its employees are competent and adequately trained in all safety and health aspects of the Work. Kern River shall have proper first aid supplies available on the job site so that prompt first aid services can be administered to any person injured on the job site. Kern River shall promptly notify Rocky Mountain Power of any OSHA reportable injuries arising during the Work. Kern River shall have a non-delegable duty to control its employees while on the Property to ensure that such employees do not use, are not under the influence of, and do not have in their possession, any alcoholic beverage, drug, narcotic or other substance that may inhibit the safe performance of the Work.

7. Indemnification. As consideration for the right of entry and use conveyed pursuant to this Agreement, Kern River agrees to protect, defend, release, indemnify and hold harmless Rocky Mountain Power, its parent companies, subsidiaries and affiliates, and each of their officers directors, employees, shareholders, contractors, agents, attorneys, insurers, and assigns from and against any costs, expenses, damages, claims, attorney's fees, lawsuits, allegations, judgments, or other losses caused by or as a result of: (a) the prosecution of the Work contemplated by this Agreement by Kern River, or any employees, contractors, subcontractors, principals or agents of Kern River; (b) any mechanic's, materialman's, tax or other lien asserted against the Property as the result of the Work; (c) the failure to properly obtain any permit or other approval necessary for the Work; or (d) Kern River's material breach of any provision of this Agreement.

8. Insurance. Kern River shall, at its sole cost and expense, obtain and maintain workers compensation and liability insurance in amounts sufficient to protect against the risks and liabilities assumed by Kern River under this Agreement.

9. Entire Agreement; Counterparts. This Agreement shall constitute the entire agreement and understanding of the parties with respect to the subject matter hereof, and shall supersede all offers, negotiations and other agreements with respect thereto. This Agreement may be executed in any number of counterparts and by each of the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Any signature page of this Agreement may be detached from any counterpart and reattached to any other counterpart hereof. The facsimile transmission of a signed original of this Agreement or any counterpart hereof and the retransmission of any signed facsimile transmission hereof shall be the same as delivery of an original.

10. Termination. This Agreement and right of entry granted hereunder may be terminated by Rocky Mountain Power in the event that Kern River continues in default with respect to any provision of this Agreement for a period of two days after receipt of notice from Rocky Mountain Power identifying the nature of Kern River's breach. Notwithstanding the

foregoing, in the event that the nature of Kern River's breach constitutes an imminent threat to persons or property, Rocky Mountain Power may immediately suspend the right of entry granted herein until such time as Kern River remedies the breach.

11. Restoration of Property. Upon termination of this Right of Entry agreement, Grantee shall restore the Property to substantially the same condition as existed prior to the work, including but not limited to restoring vegetation to its original condition as current year growing season permits.

12. Rocky Mountain Power and Kern River contemplate entering into and executing an agreement with the Utah Department of Transportation regarding the relocation of the pipelines which is the basis for entering into this Agreement. If the Utility Relocation and Property Exchange Agreement is not executed for any reason, Kern River will remove the Pipelines installed pursuant to this Agreement and shall restore the Property to its pre-construction condition.

13. Jury Waiver. To the fullest extent permitted by law, each of the Parties hereto waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this agreement. Each Party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date and year first above written.

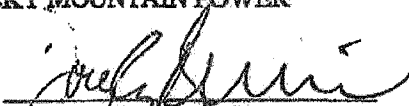
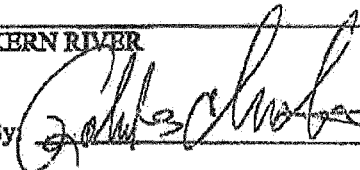
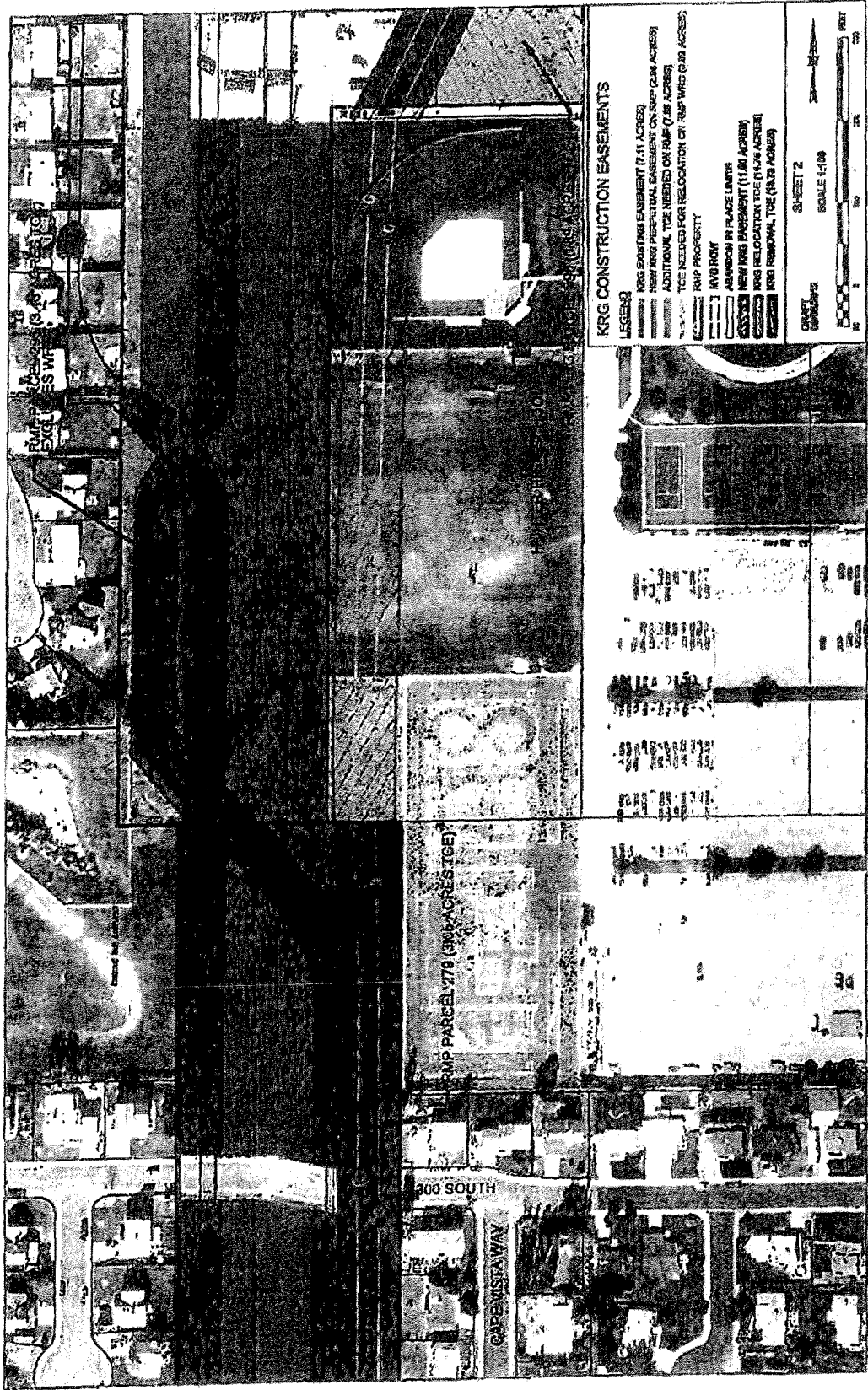
ROCKY MOUNTAIN POWER	KERN RIVER
By: 	By: 
Name: <u>Douglas BENNION</u>	Name: <u>Robert S. Checketts</u> <i>BUK</i>
Title: <u>Vice President - Eng</u>	Title: <u>Vice President, Operations, IT & Engineering</u>

Exhibit A
(Map of Grantor's Land and map of temporary workspaces)

PacifiCorp parcel UTSL-0024, 0223, 0225, 0226, 0227, 0228, 0623 and 0624





KRG CONSTRUCTION EASEMENTS

- LEGEND**
- KRG EASEMENT (0.11 ACRES)
 - NEW KRG PERPETUAL EASEMENT ON RMP (2.44 ACRES)
 - ADDITIONAL TCE NEEDED ON RMP (0.26 ACRES)
 - TCE NEEDED FOR RELOCATION ON RMP W/ RMP (0.26 ACRES)
 - RMP PROPERTY
 - RVD ROW
 - ABANDON IN PLACE UNITS
 - NEW RRG EASEMENT (11.80 ACRES)
 - RRG RELOCATION TCE (14.26 ACRES)
 - RRG REMOVAL TCE (14.26 ACRES)

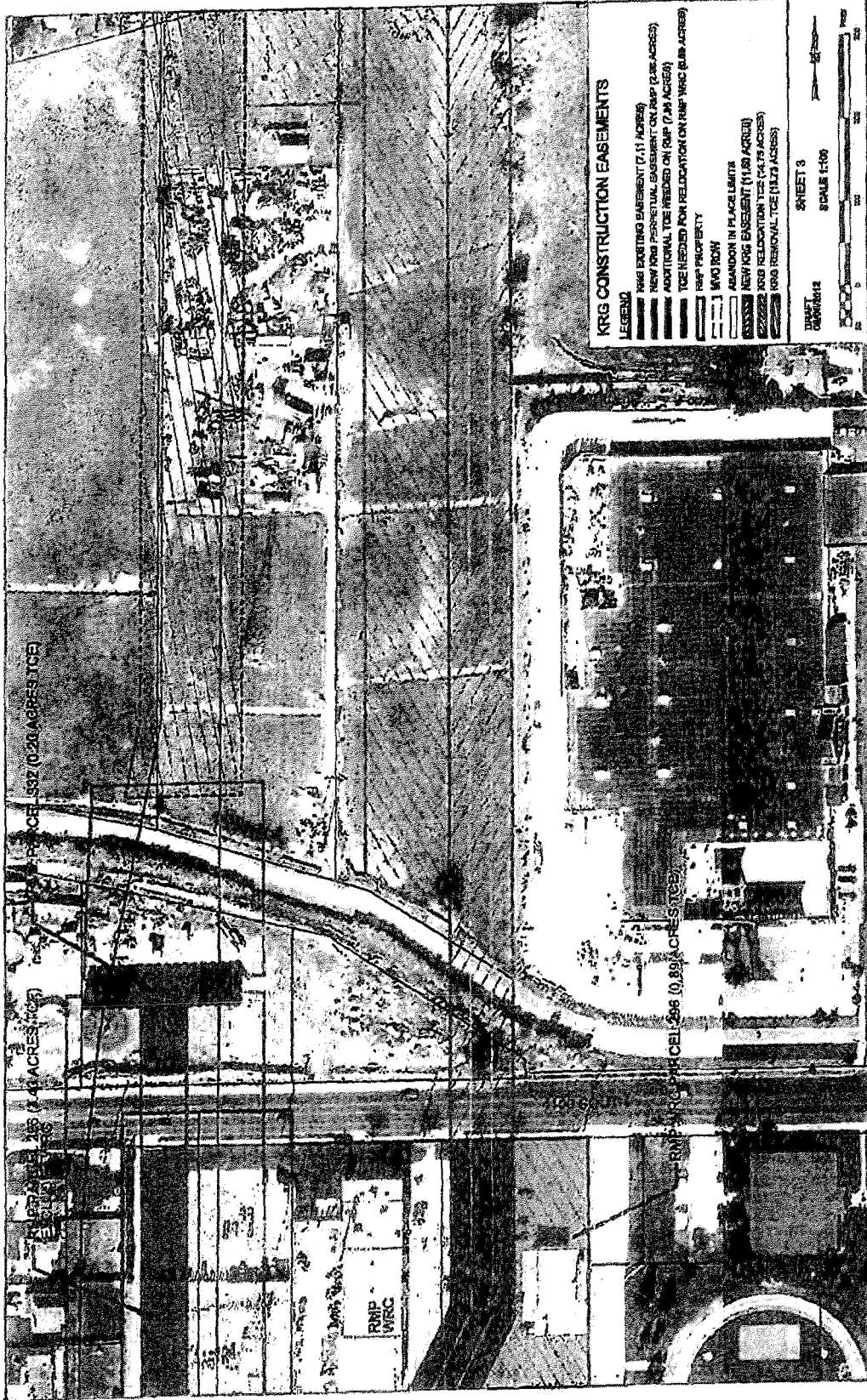
SHEET 2
 SCALE 1"=100'
 NORTH
 0 50 100 150 200
 FEET

RMP PARCEL 278 (39.2 ACRES TCE)

300 SOUTH

CAPEMISTWAY

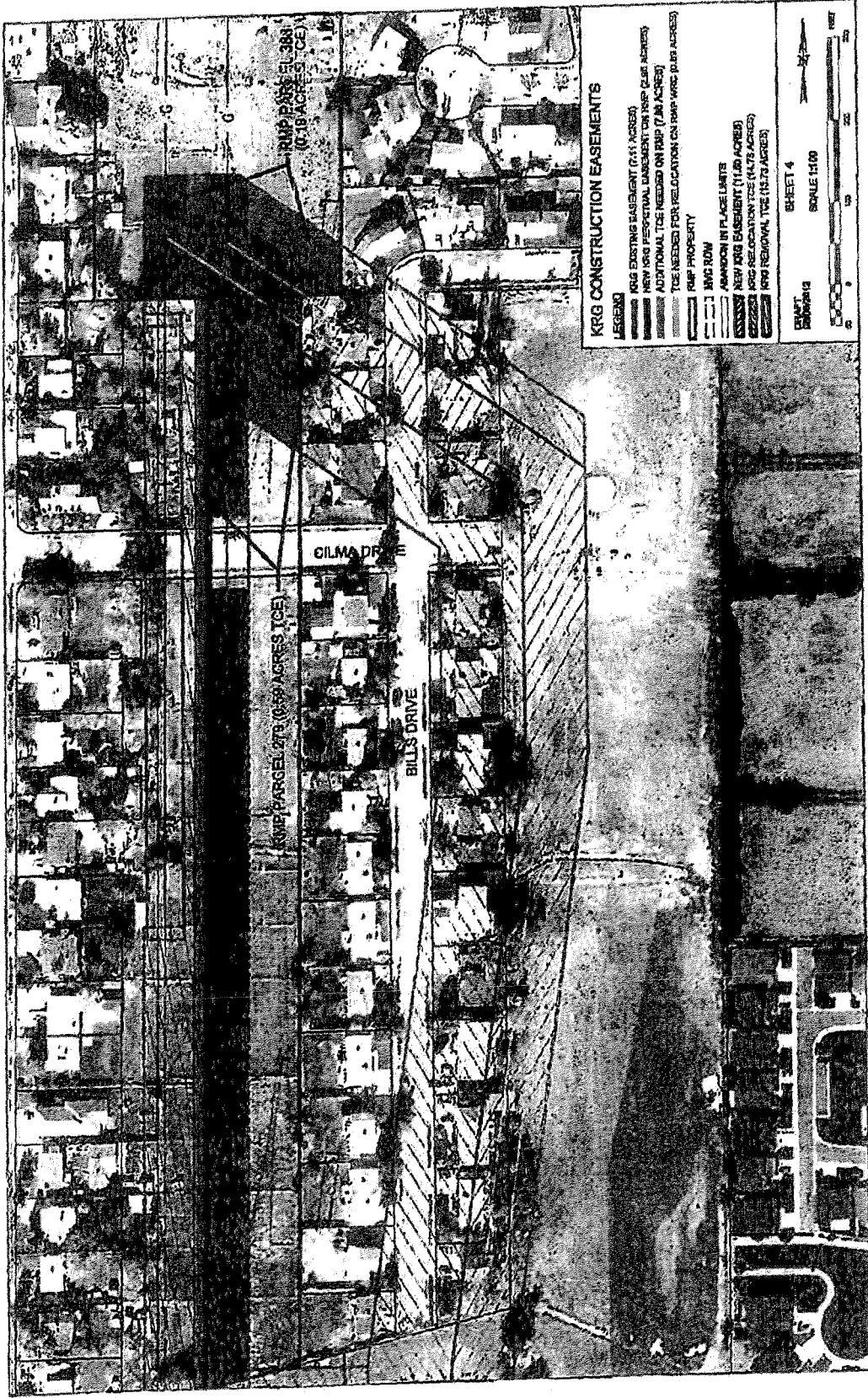
RMP EXCLUSIVES W/ RMP EXCLUSIVES



KRG CONSTRUCTION EASEMENTS

- LEGEND**
- EXISTING EASEMENT (7.11 ACRES)
 - NEW KRG PERMITTAL EASEMENT ON RMP (2.36 ACRES)
 - ADDITIONAL TCE (NEEDED ON RMP) (7.04 ACRES)
 - TCE NEEDED FOR RELOCATION ON RMP WRC (8.88 ACRES)
 - RMP PROPERTY
 - 1 WFO TRAIL
 - ABANDON IN PLACE LIMITS
 - NEW KRG EASEMENT (11.80 ACRES)
 - KRG RELOCATION TCE (14.78 ACRES)
 - KRG REMOVAL TCE (18.73 ACRES)

PROJECT: 148000014
 SHEET: 3
 SCALE: 1"=100'



KRG CONSTRUCTION EASEMENTS

- LEGEND**
- [Diagonal lines] KRG EXISTING EASEMENT (7.41 ACRES)
 - [Diagonal lines] NEW KRG PRECEPTUAL EASEMENT ON RMP CLEAR ACHERY
 - [Diagonal lines] ADDITIONAL TCE NEEDED ON RMP (7.88 ACRES)
 - [Diagonal lines] TCE NEEDED FOR RELOCATION ON RMP W/RC (PLUS ACRES)
 - [Solid black] RMP PROPERTY
 - [Dashed line] RVC ROW
 - [Dotted line] AMMOON IN PLACE LIMITS
 - [Diagonal lines] NEW KRG EASEMENT (11.26 ACRES)
 - [Diagonal lines] KRG RELOCATION TCE (44.78 ACRES)
 - [Diagonal lines] KRG REMOVAL TCE (15.79 ACRES)

SHEET 4
 SCALE 1:100
 NORTH
 0 50 100 150 200 FEET

