



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

March 13, 2015

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
3930 Fairview Industrial Dr. S.E.
Salem, OR 97302-1166

Attn: Filing Center

RE: UI 316—Application of PacifiCorp for Supplemental Order

PacifiCorp d/b/a Pacific Power submits for filing its Application for a Supplemental Order in the above-referenced proceeding.

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

By E-mail (preferred): datarequest@pacificorp.com.

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

Please direct informal questions with respect to this filing to Natasha Siores, Director, Regulatory Affairs & Revenue Requirement at (503) 813-6583.

Sincerely,

R. Bryce Dalley (AS)
R. Bryce Dalley
Vice President, Regulation

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UI 316(1)

In the Matter of the Application of
PACIFICORP, d/b/a/ Pacific Power,
Requesting Approval of an Affiliate Interest
Transaction with MidAmerican Energy
Company, Kern River Gas Transportation
Company and Northern Natural Gas
Company; and Approval of Property
Transfers

**APPLICATION OF PACIFICORP FOR
SUPPLEMENTAL ORDER**

1 In accordance with Order No. 11-400 in docket UE 316, PacifiCorp d/b/a Pacific
2 Power (Company) files this application for supplemental order from the Public Utility
3 Commission of Oregon (Commission) for the First Amended Intercompany Mutual
4 Assistance Agreement By And Between Rate-Regulated Subsidiaries Of Berkshire Hathaway
5 Energy Company, a copy of which is included with this Application as Attachment A. Order
6 No. 11-400 approves the Intercompany Mutual Assistance Agreement, which allows certain
7 rate-regulated subsidiaries of Berkshire Hathaway Energy Company (BHE) to provide
8 assistance to each other in emergency situations using protocols from applicable regional
9 mutual assistance agreements. Order No. 11-400¹ requires the Company to notify the
10 Commission in advance of any material changes to the approved Intercompany Mutual
11 Assistance Agreement. The changes are not material. However, the Company provides
12 advance notice in accordance with Order No. 11-400 for transparency and to ensure
13 consistent treatment of affiliate contracts in Oregon.

14 **I. Background**

15 PacifiCorp previously entered into an Intercompany Mutual Assistance Agreement
16 (Agreement) with MidAmerican Energy Company (MEC), Kern River Gas Transmission

¹ p. 2.

1 Company (Kern) and Northern Natural Gas Company (NNG) in September 2011. BHE
2 acquired NV Energy, Inc. (NVE), in December 2013, which is another rate-regulated
3 subsidiary of BHE. It was determined that NVE and the other parties to the Agreement may
4 benefit from including additional rate-regulated BHE subsidiaries to the pool of participants
5 in the Agreement. The Agreement has been amended to allow for inclusion of other rate-
6 regulated BHE subsidiaries as parties. Additionally, the provisions for limitations on liability
7 and indemnification have been deleted. The parties to the Agreement will provide mutual
8 assistance under the terms and conditions of an applicable regional mutual aid agreement,
9 which contain such provisions. Including them in the Agreement is duplicative and creates
10 the potential for conflicting terms of providing assistance. All other terms and conditions
11 remain the same. A copy of the First Amended Intercompany Mutual Assistance Agreement
12 By And Between Rate-Regulated Subsidiaries Of Berkshire Hathaway Energy Company
13 (Amendment) is included with this supplemental notice as Attachment A.

14 With this Application, PacifiCorp seeks Commission approval of the First Amended
15 Intercompany Mutual Assistance Agreement By And Between Rate-Regulated Subsidiaries
16 Of Berkshire Hathaway Energy Company.

17 **II. Compliance with OAR 860-027-0040 Filing Requirements**

18 **A. Address**

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

20 PacifiCorp
21 825 NE Multnomah Street
22 Portland, OR 97232

23 **B. Communications and Notices**

24 All notices and communications with respect to this Application should be addressed
25 to:

1 PacifiCorp Oregon Dockets
2 825 NE Multnomah Street, Suite 2000
3 Portland, OR 97232
4 OregonDockets@pacificorp.com

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

8 Additionally, PacifiCorp respectfully requests that all data requests regarding this
9 matter be addressed to:

10 By e-mail (**preferred**)

datarequest@pacificorp.com

11 By regular mail

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

15 Informal inquiries may be directed to Natasha Siores, Director, Regulatory Affairs and
16 Revenue Requirement, at (503) 813-6583.

17 **C. Relationship Between PacifiCorp and Affiliated Interest**

18 The Company is an indirect, wholly-owned subsidiary of BHE. All other parties to
19 the Agreement and Amendment are also indirect, wholly-owned subsidiaries of BHE.

20 Therefore, MEC, Kern, NNG and NVE are “affiliated interests” of the Company as set forth
21 in ORS 757.015(3), which), includes every corporation five percent or more of whose voting
22 securities are owned by any corporation or person owning five percent of the voting
23 securities of a public utility or in any successive chain of ownership of a public utility.

24 **D. Voting Securities**

25 The Company, MEC, Kern, NNG and NVE do not own voting securities in each
26 other.

27 **E. Common Officers and Directors**

28 Gregory E. Abel is Chief Executive Officer and Chairman of the Board of Directors
29 for PacifiCorp, an Executive Committee Member for Kern, a director for NNG, and

1 Chairman and a director of NVE. Douglas L. Anderson is a director of PacifiCorp, an
2 Executive Committee Member for Kern and a director for NNG. Patrick J. Goodman is a
3 director of PacifiCorp, an Executive Committee Member for Kern and a director for NNG.

4 **F. Pecuniary Interest**

5 No officer or director of the Company, MEC, Kern, NNG or NVE is a party to or has
6 a pecuniary interest in the business transaction between the Company, MEC, Kern, NNG and
7 NVE.

8 **G. Description of Goods and Services Provided; Cost(s) Incurred;
9 Market Value; Pricing Methods**

10 In emergency situations, PacifiCorp occasionally seeks outside assistance from
11 neighboring or regional utilities in order to quickly and effectively respond to ensure
12 customers continue to receive safe and reliable electricity service. MEC, Kern, NNG, NVE
13 also occasionally experience emergencies and seek outside assistance from neighboring or
14 regional utilities. It was determined that the rate-regulated subsidiaries of BHE, may also
15 benefit from being able to rely on each other during emergency situations. To that end, the
16 Agreement was developed and then amended to accommodate additional rate-regulated BHE
17 subsidiaries.

18 The Agreement is similar in structure to the Intercompany Administrative Services
19 Agreement (IASA) used by BHE and its subsidiaries to share administrative services² and is
20 intended to be an additional tool for responding to emergencies. Under the Agreement, a
21 party needing assistance may request it of another party or parties. The other parties may
22 choose whether to provide the requested assistance. In working with other utilities for which
23 mutual assistance agreements are already in place, PacifiCorp typically only provides labor

² The Commission approved the IASA as part of its approval of MEHC's acquisition of PacifiCorp. See Order No. 06-082, as modified by Order No. 06-121 Docket No. UM 1209.

1 or other services, and only to the extent that providing such assistance will not impair the
2 Company's own operations. PacifiCorp may occasionally provide goods, although only if
3 there is surplus inventory and the provision of goods will not impair the Company's own
4 operations.

5 All aspects of providing assistance will be governed by the Edison Electric Institute
6 Mutual Aid Agreement, the Western Region Mutual Assistance Agreement, or other such
7 agreements that may be customarily used in the region where the assistance is being
8 provided, except for the reimbursement of costs. Reimbursement of costs will be governed
9 by Article 4 of the Amendment, which generally provides that goods will be reimbursed at
10 the replacement cost and services will be reimbursed as a direct charge, service charge or
11 allocation as applicable under the IASA. A copy of the Edison Electric Institute Mutual Aid
12 Agreement and a copy of the Western Region Mutual Assistance Agreement was provided
13 for the Commission's information with the initial application.

14 **H. Estimate of Amount PacifiCorp will Pay Annually for Services**

15 The Company anticipates it will rarely seek assistance under the Agreement. As such,
16 no estimates for annual expenditures have been prepared.

17 **I. Reasons Relied Upon for Procuring the Proposed Services, and** 18 **Benefits to the Public**

19 As noted above, it was determined that allowing the rate-regulated subsidiaries of
20 BHE to request assistance from each other may be an additional tool for responding to
21 emergency situations. The public benefits by PacifiCorp being able to quickly and
22 effectively respond to emergencies to ensure continued provision of safe and reliable electric
23 service.

1 **J. Description of the Procurement Process**

2 The Parties developed the Agreement through arms-length negotiations, using the
3 Commission-approved IASA as a model.

4 **K. Relationship of Cost of Provision of Services and Market Value**

5 As described above, goods will be reimbursed at the replacement cost and services
6 will be reimbursed as a direct charge, service charge or allocation as applicable pursuant to
7 the IASA.

8 **L. Contracts Between Affiliated Interest and PacifiCorp**

9 First Amended Intercompany Mutual Assistance Agreement By And Between
10 Rate-Regulated Subsidiaries Of Berkshire Hathaway Energy Company is included with this
11 supplemental notice as Attachment A.

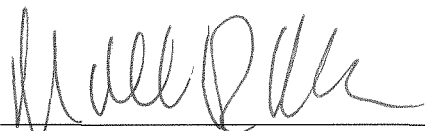
12 **M. Copy of Board Resolutions**

13 The Agreement did not require a resolution from the Company's board of directors.

14 WHEREFORE, for the reasons set forth above, PacifiCorp respectfully requests that
15 the Commission issue a supplemental order approving PacifiCorp's participation in the First
16 Amended Intercompany Mutual Assistance Agreement By And Between Rate-Regulated
17 Subsidiaries Of Berkshire Hathaway Energy Company.

DATED: March 13, 2015.

Respectfully submitted,



Michelle R. Mishoe, #07242
Senior Counsel
PacifiCorp

ATTACHMENT A

**First Amended Intercompany Mutual Assistance Agreement By And Between
Rate-Regulated Subsidiaries Of Berkshire Hathaway Energy Company**



**FIRST AMENDED INTERCOMPANY MUTUAL ASSISTANCE AGREEMENT
BY AND BETWEEN RATE-REGULATED SUBSIDIARIES OF
BERKSHIRE HATHAWAY ENERGY COMPANY**

This First Amended Intercompany Mutual Assistance Agreement ("Agreement") is entered into by and between rate-regulated public utility subsidiaries of Berkshire Hathaway Energy Company ("Company") (each a "Party" and together the "Parties") effective March 15, 2015.

WHEREAS, the Parties, with the exception of Nevada Power Company DBA NV Energy and Sierra Pacific Power Company DBA NV Energy, are the signatories of the Intercompany Mutual Assistance Agreement by and between Rate-regulated Subsidiaries of MidAmerican Energy Holdings Company effective February 15, 2011 and wish to amend and restate their agreement in the manner provided herein; and

WHEREAS, each of the Parties is either an electric public utility providing services to captive customers within franchised service areas, a transmission company, a local distribution company or an interstate pipeline company and each of the Parties is subject to the oversight of regulatory authorities, such as a state public utility commission and/or the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, a Party may from time to time require mutual aid or assistance from another Party, which may involve the provision of goods, services and/or specialized resources for temporary emergency purposes, or the emergency interchange of equipment or goods by one Party to the other, as long as provided without detriment to the providing Party's public utility obligations ("mutual assistance"); and

WHEREAS, as rate-regulated entities, the Parties have obligations to provide reasonably adequate service, and from time to time may be able to assist one another in providing mutual assistance; and

WHEREAS, the Parties are some of the signatories of the Intercompany Administrative Services Agreement ("IASA") by and between the Company and its subsidiaries, which permits the sharing of professional, technical and other specialized resources, and wish to enter into an agreement that will allow mutual assistance on similar terms; and

WHEREAS, in order to minimize any potential for cross-subsidization or affiliate abuse and ensure appropriate oversight, participation under this Agreement is limited to Rate-Regulated Subsidiaries of the Company; and

WHEREAS, effective May 1, 2014, the name of Company was changed from MidAmerican Energy Holdings Company to Berkshire Hathaway Energy Company; and

WHEREAS, from time to time, additional Rate-Regulated Subsidiaries may wish to execute the Agreement in order to provide and take advantage of mutual assistance provided hereunder.

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, the Parties wish to amend the Agreement and agree as follows:



ARTICLE 1. PROVISION OF MUTUAL ASSISTANCE

Upon and subject to the terms of this Agreement, one Party ("Providing Party") may provide mutual assistance to another Party ("Recipient Party").

Availability and provision of mutual assistance shall be governed by an applicable mutual aid agreement, which may be the Edison Electric Institute Mutual Aid Agreement, the Western Region Mutual Assistance Agreement, or such other agreement as may be customarily used in the region where the mutual assistance is to be provided ("applicable mutual aid agreement"), the provisions of which are incorporated in this Agreement by reference. To the extent not inconsistent with obligations under the applicable mutual aid agreement, the provisions of this Agreement shall govern the conduct and obligations of the Parties.

The Parties recognize that there may be several phases of mutual assistance activity, including pre-notification of a potential need for assistance, a request for information related to the costs and availability of mutual assistance, and actual mobilization. Only actual mobilization is considered the provision of mutual assistance.

ARTICLE 2. DEFINITIONS

For purposes of this Agreement, these terms shall be defined as follows:

- (a) "Laws" shall mean any law, statute, rule, regulation or ordinance of any governmental authority, which may be without limitation a federal agency, a state or a governmental subdivision.
- (b) "Rate-Regulated Subsidiary" shall mean a subsidiary of the Company ("subsidiary") that is regulated by one or more State Commissions and/or FERC in the subsidiary's capacity of providing regulated public utility services to captive customers within franchised public utility service areas, FERC jurisdictional transmission service or which is an interstate pipeline or local distribution company as defined by FERC.
- (c) "State Commissions" shall mean any state public utility commission or state public service commission with utility regulatory jurisdiction over a Rate-Regulated Subsidiary.

ARTICLE 3. EFFECTIVE DATE

This Agreement shall be effective as of the date of execution; provided, however, that in those jurisdictions in which regulatory approval is required before the Agreement becomes effective, the effective date shall be as of the date of such approval.

ARTICLE 4. CHARGES AND PAYMENT

The Parties recognize that charges for mutual assistance will begin when a request for mobilization of assistance is submitted to the Providing Party by the Recipient Party. Costs associated with pre-notification of a potential need or gathering of information associated with a request for mutual assistance will not be charged to the Recipient Party.

Providing Parties will bill Recipient Parties, as appropriate, for mutual assistance rendered under this Agreement in as specific a manner as practicable.

Payments for mutual assistance shall be governed by an applicable mutual aid agreement, which may be the Edison Electric Institute Mutual Aid Agreement, the Western Region Mutual Assistance Agreement, or such other agreement as may be customarily used in the region where the mutual assistance is to be provided.

In the event that the mutual assistance consists only of the interchange of a good in an emergency circumstance, the Recipient Party shall reimburse the Providing Party the replacement cost of the transferred good. Any associated services shall be reimbursed by the Recipient Party as a direct charge, service charge or allocation as applicable pursuant to the IASA.

ARTICLE 5. STANDARD OF CARE

The Parties will comply with all applicable Laws regarding affiliated interest transactions, including timely filing of regulatory filings and reports. The Parties agree not to cross-subsidize and shall comply with any applicable Laws and State Commission, FERC or other applicable orders. Subject to the terms of this Agreement, the Parties shall perform their obligations hereunder in a commercially reasonable manner.

ARTICLE 6. TAXES

Each Party shall bear all taxes, duties and other similar charges, except taxes based upon its gross income (and any related interest and penalties), imposed as a result of its receipt of mutual assistance under this Agreement, including without limitation sales, use and value-added taxes.

ARTICLE 7. ACCOUNTING AND AUDITING

Providing Parties shall maintain such books and records as are necessary to support the charges for mutual assistance, in sufficient detail as may be necessary to enable the Parties to satisfy applicable regulatory requirements ("Records"). All Parties:

- (a) Shall provide access to the Records at all reasonable times;
- (b) Shall maintain the Records in accordance with good record management practices and with at least the same degree of completeness, accuracy and care as it maintains for its own records; and
- (c) Shall maintain its own accounting records, separate from the other Parties' accounting records.

Subject to the provisions of this Agreement, Records supporting mutual assistance billings shall be available for inspection and copying by any qualified representative or agent of a Party, at the expense of the inquiring Party. In addition, FERC or State Commission staff or agents may audit the accounting records of Providing Parties that form the basis for charges to Rate-Regulated Subsidiaries. All Parties agree to cooperate fully with such audits.

ARTICLE 8. COOPERATION WITH OTHERS

The Parties will use good faith efforts to cooperate with each other in all matters related to the provision and receipt of mutual assistance. Such good faith cooperation will include providing electronic access in the same manner as provided other vendors and contractors to systems used in connection with mutual



assistance and using commercially reasonable efforts to obtain all consents, licenses, sublicenses or approvals necessary to permit each Party to perform its obligations.

Each Party shall make available to another Party any information required or reasonably requested by the Party related to the provision of mutual assistance and shall be responsible for timely provision of said information and for the accuracy and completeness of the information; provided, however, that a Party shall not be liable for not providing any information that is subject to a confidentiality obligation or a regulatory obligation not to disclose or be a conduit of information owned by it to a person or regulatory body other than the other Party.

The Parties will cooperate with each other in making such information available as needed in the event of any and all internal or external audits, utility regulatory proceedings, legal actions, or dispute resolution.

Each Party shall fully cooperate and coordinate with each other's employees and contractors in the performance or provision of mutual assistance. The Parties shall not commit or permit any act that will interfere with the performance or receipt of mutual assistance by any Party's employees or contractors.

ARTICLE 9. COMPLIANCE WITH ALL LAWS

Each Party shall be responsible for (a) its compliance with all Laws affecting its business, including, but not limited to, laws and governmental regulations governing federal and state affiliate transactions, workers' compensation, health, safety and security; (b) pursuant to the provisions of the applicable mutual aid agreement, any use it may make of the mutual assistance to assist it in complying with such laws and governmental regulations; and (c) compliance with FERC's Standards of Conduct, Market-Based Rate Affiliate Restrictions, and any comparable restrictions imposed by FERC or a State Commission.

ARTICLE 10. DISPUTE RESOLUTION

The Parties shall promptly resolve any conflicts arising under this Agreement and such resolution shall be final. If applicable, adjustments to the charges will be made as required to reflect the discovery of errors or omissions in the charges. If the Parties are unable to resolve any service, performance or budget issues or if there is a material breach of this Agreement that has not been corrected within ninety (90) days, representatives of the affected Parties will meet promptly to review and resolve those issues in good faith.

ARTICLE 11. TERMINATION FOR CONVENIENCE

A Party may terminate its participation in this Agreement either with respect to all, or part, of the mutual assistance provided hereunder at any time and from time to time, for any reason or no reason, by giving notice of termination to the other Party as soon as reasonably possible.

ARTICLE 12. CONFIDENTIAL INFORMATION/NONDISCLOSURE

To the fullest extent allowed by law, the provision of mutual assistance or reimbursement for mutual assistance provided pursuant to this Agreement shall not operate to impair or waive any privilege available to any Party in connection with the mutual assistance, its provision or reimbursement thereof.

The Parties will handle all information exchanged in the course of performing mutual assistance in accordance with requirements for documenting and handling critical infrastructure information as defined by the North American Electric Reliability Corporation Critical Infrastructure Protection Standards and will further comply with non-disclosure requirements of other applicable regulations.

The Parties shall use good faith efforts at the termination or expiration of this Agreement to ensure that any user access and passwords related to this Agreement are terminated.

ARTICLE 13. PERMITTED DISCLOSURE

Notwithstanding provisions of this Agreement to the contrary, each Party may disclose confidential information:

- (a) To the extent required by a State Commission, FERC, a court of competent jurisdiction or other governmental authority or otherwise as required by Laws, including without limitation disclosure obligations imposed under federal securities laws, provided that such Party has given the other Party prior notice of such requirement when legally permissible to permit the other Party to take such legal action to prevent the disclosure as it deems reasonable, appropriate or necessary; or
- (b) On a "need-to-know" basis under an obligation of confidentiality to its consultants, legal counsel, affiliates, accountants, banks and other financing sources and their advisors.

ARTICLE 14. SUBCONTRACTORS

To the extent provided herein, the Parties shall be fully responsible for the acts or omissions of any subcontractors of any tier and of all persons employed by such subcontractors and shall maintain complete control over all such subcontractors, it being understood and agreed that anything not contained herein



shall not be deemed to create any contractual relation between the subcontractor of any tier and the Parties.

ARTICLE 15. NONWAIVER

The failure of a Party to insist upon or enforce strict performance of any of the terms of this Agreement or to exercise any rights herein shall not be construed as a waiver or relinquishment to any extent of its right to enforce such terms or rights on any future occasion.

ARTICLE 16. SEVERABILITY

Any provision of this Agreement prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

ARTICLE 17. ENTIRE AGREEMENT/DOCUMENTS INCORPORATED BY REFERENCE

All understandings, representations, warranties, agreements and referenced attachments, if any, existing between the Parties regarding the subject matter hereof are merged into this Agreement, which fully and completely express the agreement of the Parties with respect to the subject matter hereof.

ARTICLE 18. ADDITION OF RATE-REGULATED SUBSIDIARIES

Without further action by the Parties, effective on the date of its execution, a Rate-Regulated Subsidiary may enter into the Agreement and be bound thereby.



This Agreement has been duly executed on behalf of the Parties as follows:

KERN RIVER GAS TRANSMISSION COMPANY

By: _____

Title: _____

Name: _____

Date: _____

MIDAMERICAN ENERGY COMPANY

By: _____

Title: _____

Name: _____

Date: _____

NORTHERN NATURAL GAS COMPANY

By: _____

Title: _____

Name: _____

Date: _____

PACIFICORP

By: _____

Title: _____

Name: _____

Date: _____

**NEVADA POWER COMPANY
DBA NV ENERGY**

By: _____

Title: _____

Name: _____

Date: _____

**SIERRA PACIFIC POWER COMPANY
DBA NV ENERGY**

By: _____

Title: _____

Name: _____

Date: _____