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IDAHO PUBLIC  
UTILITIES COMMISSION

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October 5, 2016

Idaho Public Utilities Commission  
472 West Washington  
Boise, ID 83702-5983

Attention: Jean D. Jewell  
Commission Secretary

Re: PacifiCorp Notice of Affiliate Transaction  
Case No. PAC-E-05-8

Dear Ms. Jewell:

This letter will serve as notice pursuant to Commitment I 17(2), incorporated in the Idaho Public Utilities Commission Order No. 29973 issued February 13, 2006, as supplemented by Order No. 29998 March 14, 2006, in the above-referenced proceeding, approving the acquisition of PacifiCorp by MidAmerican Energy Holdings Company (now "Berkshire Hathaway Energy Company" or "BHE"), of an affiliated interest transaction with Kern River Gas Transportation Company ("Kern River"), specifically a new general electric service agreement between the parties (the "Agreement"). A copy of the Confidential Agreement is included with this Notice as Confidential Attachment A.

PacifiCorp and Kern River are both wholly-owned, indirect subsidiaries of Berkshire Hathaway Energy Company ("BHE"). Therefore, BHE's ownership interest in PacifiCorp and Kern River creates an affiliated interest relationship between PacifiCorp and Kern River in some PacifiCorp jurisdictions.

Kern River is a natural gas transportation pipeline company that owns and operates the Kern River pipeline system. Kern River operates a facility near Almy, Wyoming, at which it has historically received electric service from the Company pursuant to a "deduct arrangement." Under a deduct arrangement, the Company measures the power provided to a third party facility's owner, and Kern River's electric load is metered and then deducted from the facilities owner's load. The deduct arrangement is sometimes used for rural facilities.

Facilities are currently planned for construction which would obviate the need for the deduct arrangement. The parties now wish to terminate the deduct arrangement and replace it with a more traditional electric service agreement. Accordingly, Kern River and the Company are entering into the Agreement, which includes construction of new electric facilities at Kern River's expense, to ensure long-term permanent power to Kern River's facilities.

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Kern River will pay PacifiCorp approximately \$13,964.94 for the construction of the facilities, and will pay a contract minimum billing for five years after service begins under the new agreement. Entering into the Agreement will allow PacifiCorp to continue to provide Kern River with reliable service at standard tariff rates, and is in the public interest.

PacifiCorp requests confidential treatment because the attachment contains commercially sensitive pricing information and critical infrastructure information that could expose the Company and Kern River to competitive injury if disclosure is unrestricted. Therefore, the Company requests confidential treatment of the Agreement.

Please do not hesitate to contact me if you have any questions.

Best Regards,



R. Jeff Richards  
Vice President and General Counsel  
PacifiCorp

Enclosures

**CONFIDENTIAL**

**IDAHO AFFILIATED INTEREST FILING**

**ATTACHMENT A**

*This attachment is confidential in its entirety and will be provided under separate cover.*