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## VIA ELECTRONIC MAIL AND OVERNIGHT DELIVERY

Gary Widerburg Commission Secretary Public Service Commission of Utah Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, Utah 84111

> Re: PacifiCorp Notice of Affiliate Transaction Docket No. 05-035-54

Dear Mr. Widerburg:

Pursuant to Commitment U3(2), incorporated in the Public Service Commission of Utah's *Report and Order* approving the *Acquisition of PacifiCorp by MidAmerican Energy Holdings Company*, issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power hereby provides notice of an affiliate transaction. Filed concurrently as Attachment A is a the License for Electric Supply Line Across or Along Railway Property ("License") between PacifiCorp, and BNSF Railway Company ("BNSF"), Contract No. 12-3002.

PacifiCorp is a wholly-owned indirect subsidiary of MidAmerican Energy Holdings Company ("MEHC"). MEHC is a subsidiary of Berkshire Hathaway, Inc. BNSF is also a subsidiary of Berkshire Hathaway, Inc. Therefore, Berkshire Hathaway, Inc.'s ownership interest in MEHC and BNSF may create an affiliated interest in some PacifiCorp jurisdictions.

The License allows the Company to maintain and use facilities for electric service across and along certain BNSF property at or near BNSF's station of Yakima in Yakima County, Washington. These facilities are already in place and are subject to an expired license agreement with a different railroad company that no longer owns or operates the section of railroad being crossed by PacifiCorp facilities. PacifiCorp desires for the facilities to remain in place and is working with BNSF as the current owner of the affected railroad segment. The term of the license will be 25 years. Without the License, the Company's ability to provide adequate, safe and reliable service to its customers would be diminished.

The Company will pay a \$3,000 fee to BNSF for the License. BNSF offers two types of licenses for use of BNSF railroad property. The first type allows for the crossing of BNSF railroad tracks. BNSF charges a set fee for this type of license. The second type allows for the use of BNSF property running alongside railroad tracks. BNSF uses a standard formula for calculating the fee for this type of license. Because the License covers Company facilities that

Utah Public Service Commission April 9, 2012 Page 2

cross the tracks, the set formula applies. This is BNSF's standard practice for developing the fee for all licenses of this type. Additionally, the Company will pay a total of \$600.00 as a processing fee for the License application. These are the standard rates and fees BNSF charges for applications of this type.

Obtaining the License is in the public interest because it allows the Company to maintain and use existing facilities necessary to provide electric service and to meet its obligation to provide safe and reliable electric service. Not having the License would require the Company to redesign or relocate its facilities, adding considerable expense to the cost of providing electric service. As the property owner, BNSF is the only entity that can provide this License to the Company.

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

Best Regards,

Mark C. Moench Senior Vice President and General Counsel Rocky Mountain Power

Enclosures

cc: Chris Parker, DPU
Michele Beck, OCS