

April 21, 2016

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

Public Service Commission of Utah  
Heber M. Wells Building, 4th Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Secretary

RE: Notice of Activity Involving Berkshire Hathaway Energy Company, formerly known as MidAmerican Energy Holdings Company – Investment in Grid Assurance  
Docket No. 05-035-54

Dear Mr. Widerburg:

Please be advised of the following activity concerning Berkshire Hathaway Energy Company, formerly known as MidAmerican Energy Holdings Company (“MEHC”).

Utah General Merger Commitment U 3 (the “Merger Commitment”) in the above-referenced docket provides that “PacifiCorp or MEHC will notify the Commission in writing prior to implementation of plans by PacifiCorp or MEHC...to form an affiliate for the purpose of transacting business with PacifiCorp’s regulated operations...”

As described in more detail below, BHE U.S. Transmission, LLC (“BHEUST”), a wholly-owned subsidiary of Berkshire Hathaway Energy Company (“BHE”), intends to become a *minority* equity owner in a new entity, Grid Assurance, LLC (“Grid Assurance”) on or about April 27, 2016. Grid Assurance plans to own, store and maintain critical, long lead-time transmission-related equipment, such as transformers, at secure, strategically located warehouses. Grid Assurance would also offer logistics support to facilitate the expedited movement of such equipment to affected transmission sites following qualifying events, such as weather-related transmission outages. Once established by the initial investors, Grid Assurance will offer the equipment to “subscribers” as and when needed, providing expedited, cost-effective solutions for enhancing transmission grid resiliency and protecting customers from prolonged transmission outages.

PacifiCorp has no equity ownership interests in Grid Assurance. Similarly, PacifiCorp is not currently a Grid Assurance “subscriber,” but PacifiCorp will evaluate the customer benefits and legal and regulatory aspects of the subscription program, once it is fully rolled out. As such, under the Merger Commitment, BHE (via BHEUST) could arguably be deemed to be “forming an affiliate for the purpose of transacting business with PacifiCorp’s regulated operations.”

While BHE arguably is not directly “forming” the new entity, since it will only be a minority investor together with several other entities as noted below, this written notice is provided out of an abundance of caution and is intended to satisfy the Merger Commitment.

**Background on Grid Assurance:**

The Federal Energy Regulatory Commission (FERC) issued a positive order March 25, 2016 to Grid Assurance that provides regulatory clarity supporting transmission-owning entities participating in and subscribing to Grid Assurance as a way to strengthen transmission grid resiliency. (See FERC Docket No. EL 16-20)

BHE U.S. Transmission, LLC (“BHEUST”), a wholly-owned subsidiary of Berkshire Hathaway Energy Company (“BHE”), intends to become a minority equity owner in Grid Assurance, LLC (“Grid Assurance”) on April 27, 2016.

Eight electric utilities and energy companies (not including PacifiCorp) announced on June 10, 2015 plans to form Grid Assurance as a limited liability company that expects to offer subscribers cost-effective solutions for enhancing transmission grid resiliency and protecting customers from prolonged transmission outages. FERC initially recognized the benefits of Grid Assurance in an Aug. 7, 2015 order. The Grid Assurance consortium subsequently developed a Subscription Agreement and has received clarity from FERC in a declaratory order that enables broader transmission owner participation. On March 25, 2016, FERC issued a second, positive order to Grid Assurance that provides regulatory clarity supporting transmission-owning entities participating in and subscribing to Grid Assurance as a way to strengthen transmission grid resiliency.

Grid Assurance expects to begin marketing this service to transmission owners (including PacifiCorp) in the second quarter of 2016 with subscriber acceptance, warehouse specification and inventory identification occurring over the next 18 months. Grid Assurance plans to offer its services to expedite movement of equipment to the affected sites following qualifying events. Qualifying events can include physical attacks, cyberattacks, electromagnetic pulses, catastrophic events, solar storms, earthquakes and severe weather events. Grid Assurance services are intended to complement transmission owners’ existing programs as well as established industry initiatives.

**About Grid Assurance:**

Affiliates of American Electric Power (NYSE:AEP), Berkshire Hathaway Energy (BHEUST), Duke Energy (NYSE:DUK), Edison International (NYSE:EIX), Eversource Energy (NYSE:ES), Exelon (NYSE:EXC), and Great Plains Energy (NYSE:GXP) are pursuing development of Grid Assurance, a limited liability company, to offer subscribers cost-effective solutions for enhancing transmission grid resiliency. Recovery of the transmission grid can be hampered by long lead times required to build and deliver critical replacement equipment including large transformers, circuit breakers and other specialized electrical equipment. Grid Assurance will give subscribers economical access to critical equipment faster than traditionally possible.

**About BHE U.S. Transmission, LLC:**

BHE U.S. Transmission, LLC is a wholly-owned subsidiary of Berkshire Hathaway Energy Company. Committed to long-term ownership and acquisition of transmission assets, BHE U.S. Transmission builds upon the significant operational and ownership experience gained by Berkshire Hathaway Energy through its businesses' ownership of existing electric transmission systems. Because of this experience, it is able to provide cost-effective, reliable transmission solutions for wholesale customers.

Informal inquiries concerning this notice may be directed to Bob Lively, Utah Regulatory Affairs Manager at (801) 220-4052.

Very truly yours,

Jeffrey K. Larsen  
Vice President, Regulation