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December 5, 2017

Gary Widerburg
Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building, 4th 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* (MEHC), issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power d.b.a. PacifiCorp hereby provides notice of an affiliated interest transaction with BNSF Railway Company ("BNSF") for coal transportation services, from all Wyoming Powder River Basin coal mines to the PacifiCorp Dave Johnston power plant, located in Glenrock, Wyoming.

A verified copy of the highly confidential BNSF Railway Common Carrier Pricing Authority 90068 Attachment A Coal Unit Train Commitment Certificate Number BNSF 90068-0078 ("Agreement") is included with this Notice as Attachment A (see confidentiality protections sought below).

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company ("BHE"). BHE is a subsidiary of Berkshire Hathaway, Inc. BNSF is also a subsidiary of Berkshire Hathaway, Inc. Therefore, Berkshire Hathaway, Inc.'s ownership interest in BHE and BNSF creates an affiliated interest relationship between the Company and BNSF in some PacifiCorp jurisdictions.

The existing long term rail agreement to provide for the transportation of coal needed to fuel PacifiCorp's Dave Johnston plant expires on December 31, 2017. PacifiCorp is the owner and operator of the Dave Johnston plant. The Dave Johnston plant is "captive" to the BNSF Railroad with respect to rail service. There are no other rail delivery options available from alternative railroads, and the distance between the mines and plant makes shipping coal via truck both cost prohibitive and logistically impractical. The new Agreement has been negotiated at arms-length, and the value will vary depending on the source mine for the coal. The aggregate cost is currently

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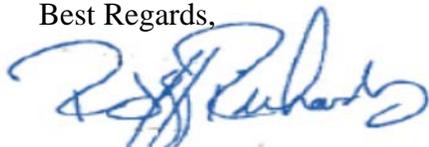
estimated to be \$ [REDACTED] based on expected future supplier mix, for the four year Agreement through December 31, 2021.

Entering into the new Agreement is in the public interest because it allows PacifiCorp to continue to efficiently operate the Dave Johnston plant. Without the new Agreement, PacifiCorp would not be able to obtain the coal needed to continue operating the plant at a reasonable cost. BNSF is the only entity that can provide the coal to PacifiCorp via rail.

PacifiCorp requests highly confidential treatment for Attachment A. The Agreement contains highly commercially sensitive pricing information that could expose the Company and BNSF to competitive injury if disclosure is unrestricted. Please contact Jana Saba at (801) 220-2823 to make arrangements to review. The Company respectfully requests that if any intervenors in this docket, or any other party, requests Attachment A, the Commission promptly notify PacifiCorp of such request, so that PacifiCorp may seek such a protective order authorizing highly confidential treatment prior to any disclosure of Attachment A.

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

Best Regards,



R. Jeff Richards
Vice President and General Counsel
PacifiCorp

Enclosures

cc: Chris Parker, DPU
Michele Beck, OCS

CERTIFICATE OF SERVICE

Docket No. 05-035-54

I hereby certify that on December 5, 2017, a true and correct copy of the foregoing was served by electronic mail and overnight delivery to the following:

Utah Office of Consumer Services

Michele Beck
Utah Office of Consumer Services
160 East 300 South, 2nd Floor
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Katie Savarin
Coordinator, Regulatory Operations