

REDACTED



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December 13, 2017

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* (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 BNSF-served mines in New Mexico to the Cholla Generating Station near Joseph City, Arizona.

A verified copy of the highly confidential BNSF Railway Common Carrier Pricing Authority 90068 Attachment A Coal Unit Train Commitment Certificate Number BNSF 90068-0080 ("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 the Cholla Generating Station expires on December 31, 2017. The rail agreement is a joint agreement between BNSF, Arizona Public Service Company ("APS") and PacifiCorp. APS is the operator of the Cholla plant. APS has ownership in Unit #1, Unit #2 (retired 10/2015), and Unit #3. PacifiCorp owns Unit #4. The rail agreement is a two year rail agreement for 2018 & 2019. The agreement also has a unilateral extension option for one additional year 2020, if triggered by either APS or PacifiCorp or both companies. The new Agreement has been negotiated at arms-length, and the value will vary depending on the source mine for the coal. PacifiCorp's share of the cost is currently estimated to be \$ [REDACTED] based on shipments, for the two year Agreement through December 31, 2019.

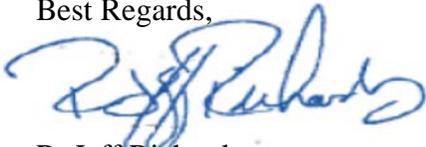
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Entering into the new Agreement is in the public interest because it allows PacifiCorp to continue to efficiently operate Cholla Unit #4. Without the new Agreement, PacifiCorp would not be able to obtain the coal needed to continue operating the plant at a reasonable cost. BNSF is the only entity that can provide the coal to the Cholla Generating Station 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 13, 2017, a true and correct copy of the foregoing was served by electronic mail to the following:

**Utah Office of Consumer Services**

Michele Beck [mbeck@utah.gov](mailto:mbeck@utah.gov)

**Division of Public Utilities**

Chris Parker [chrisparker@utah.gov](mailto:chrisparker@utah.gov)

  
Katie Savarin  
Coordinator, Regulatory Operations