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August 21, 2014

## VIA ELECTRONIC FILING 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 (MEHC)<sup>1</sup>, 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 affiliate interest transaction with Metalogic Inspection Services (Metalogic) for the provision of Linear Phased Array (LPA) examinations of boiler tubing welds and general non-destructive evaluation (NDE) services at certain PacifiCorp generation facilities. Included with this filing as Attachment A is a copy of the Master General Services Agreement between Berkshire Hathaway Energy Company (BHE) and Metalogic for Boiler, High Energy Piping, Unfired Pressure Vessel, Non-destructive Inspection and Evaluation Services (Agreement). Exhibit B to the Agreement contains confidential pricing information, which PacifiCorp is contractually obligated to keep confidential. Additionally, such pricing information is commercially-sensitive and could erode the Company's bargaining power for similar services in the future. Accordingly, Exhibit B is submitted under seal, and PacifiCorp requests that it be made confidential.

PacifiCorp is a wholly-owned indirect subsidiary of BHE. BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). As of March 31, 2010, Warren E. Buffet (an individual who may be deemed to control Berkshire Hathaway), Berkshire Hathaway, various subsidiaries of Berkshire Hathaway and various employee benefit plans of Berkshire Hathaway subsidiaries together held an interest in excess of 5 percent in Metalogic. Therefore, Berkshire Hathaway's ownership interest in Metalogic may create an affiliated interest in some PacifiCorp jurisdictions.

The Agreement was negotiated between BHE and Metalogic. BHE subsidiaries may take services under the Agreement by executing a participation letter. PacifiCorp intends to execute such a participation letter in the near future.

<sup>1</sup> As of April 30, 2014, MEHC was renamed Berkshire Hathaway Energy.

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Metalogic provides certain metallurgical testing and evaluation services, including LPA and NDE. LPA is an ultrasonic technique of examining boiler tubes, welding and is conducted during performance of PacifiCorp boiler overhaul repair. NDE examination services provide inspection, professional recommendation and reporting on PacifiCorp boilers. BHE conducted a formal bid process and selected Metalogic after it achieved the highest score as evaluated against the required LPA scope of work. PacifiCorp expects to spend approximately \$600,000 over three years.

PacifiCorp's participation in the Agreement is in the public interest. PacifiCorp owns and operates thermal generation plants that require periodic inspection and testing to ensure efficient operation. Periodic evaluation and testing of boiler tubes and welding is an important part of the ongoing inspection and testing needs.

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