



201 South Main, Suite 2300  
Salt Lake City, Utah 84111

March 17, 2011

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

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

Attention: Julie P. Orchard  
Commission Secretary

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

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 and includes with this letter for filing an original and five (5) copies of the Master Materials and Installation Contract (Contract) to be executed by PacifiCorp and Racom Corporation (Racom), a copy of which is included with this Notice as Attachment A. PacifiCorp is an indirect, wholly-owned subsidiary of MidAmerican Energy Holdings Company (MEHC). MEHC Investment, Inc. is also an indirect, wholly-owned subsidiary of MEHC. In turn, MEHC Investment, Inc. owns a 17 percent interest in Racom. Due to MEHC's ownership interest in PacifiCorp and MEHC Investment, Inc., Racom is an affiliate of PacifiCorp.

Racom develops and installs wireless voice, data and video solutions, specializing in public safety. Racom offers solutions for E9-1-1, voice over internet protocol, wireless voice and data systems, network operation and information technology/internet support, and customer services.

PacifiCorp uses mobile radios as communications tools for all of its service vehicles. The Company holds a Public Safety and Industrial/Business license, pursuant to Federal Communications Commission (FCC) authority, and uses a 25 kilohertz radio system for its mobile radios. The FCC is requiring all Public Safety and Industrial/Business license holders using 25 kilohertz radio systems to migrate to 12.5 kilohertz or a technological equivalent by January 1, 2013. As a result, PacifiCorp developed its "Narrowband Compliance Project" to implement the new FCC requirements.

As part of PacifiCorp's Narrowband Compliance Project, PacifiCorp intends to replace a portion of its existing mobile radios with Tait MPT mobile radios, which are compliant with the FCC mandate. The Company will replace mobile radios in certain areas of all six of its state service territories. To choose the vendor for the mobile radio replacement project, the Company conducted a request for proposals and selected Racom as offering the most favorable pricing,

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terms and conditions, and having the highest technical ratings as determined by the internal evaluation team.

Under the Contract, Racom will provide the equipment to replace a portion of PacifiCorp's existing mobile radios, remove the existing equipment, install the new equipment and may assist in testing the new equipment once installed. Racom will replace the mobile radios according to "zones," using a rolling wave scheduling and planning technique. The Company anticipates all work will be completed by October 31, 2011. Complete details about the scope of work Racom will perform may be found in the Statement of Work, which is included as Exhibit A to the Contract. PacifiCorp estimates it will spend \$886,325 under the Contract. Pricing details may be found in Exhibit A to the Contract.

Selecting Racom to perform the mobile radio replacement is in the public interest because Racom is a qualified provider of mobile radio solutions and offered the lowest cost option for PacifiCorp to comply with the FCC mandate to migrate its mobile network to a lower frequency.

Please do not hesitate to contact Daniel Solander at 801-220-4014 if you have any questions.

Sincerely,

Jeffrey K. Larsen  
Vice President, Regulation

Enclosures

cc: Chris Parker, DPU  
Michele Beck, CCS