



*R. Jeff Richards
Vice President and General Counsel
1407 W. North Temple, Suite 320
Salt Lake City, UT 84116
801-220-4734 Office
jeff.richards@pacificorp.com*

December 30, 2016

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* (now "Berkshire Hathaway Energy Company" or "BHE"), issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power d.b.a. PacifiCorp hereby provides notice of ordinary course affiliated interest transactions from time to time between PacifiCorp and Marmon Utility, LLC dba Hendrix Aerial Cable Systems ("Marmon Utility"). Included with this filing as Attachment A is a copy of the Master Materials Supply Contract between PacifiCorp and Marmon Utility for aerial cable system design, supply and installation services ("Master Contract"). There are four exhibits to the Master Contract which are also included with Attachment A.

PacifiCorp is a wholly-owned indirect subsidiary of BHE. BHE is a subsidiary of Berkshire Hathaway Inc. ("Berkshire"). Berkshire currently holds a majority interest in The Marmon Group (Marmon). The Marmon Group consists of approximately 185 companies, divided into fifteen business sectors including engineered wire and cable, industrial products and building wire. Therefore, Berkshire's ownership interest in BHE and Marmon may create an affiliated interest relationship between PacifiCorp and Marmon Utility in some PacifiCorp jurisdictions.

Marmon Utility manufactures electrical distribution cable, cable systems, and accessories for aerial and underground utility applications. Among the items manufactured by Marmon Utility is covered "spacer cable." Spacer cable is designed to be resilient to incidental contact (e.g. animals, fallen trees and limbs), have increased strength in the event of impact loads, and be tolerant to transient events such as lightning.

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PacifiCorp intends to use such spacer cable from time to time for system reliability projects. At this time the Company contemplates using this for only distribution equipment, however, in the future the Company may use it for transmission system improvements as well. For certain projects, the Company may determine that the best method for improving reliability at those locations is to “reconductor” sections of those circuits with a spacer cable system. The intent of the Master Contract is to establish master terms and conditions for the benefit of the Company that will apply when the Company procures spacer cable and other aerial cable system design, supply, and installation services from Marmon Utility. The terms and conditions of the Master Contract will be effective from January 1, 2017 through December 31, 2019. Under the terms of the Master Contract, PacifiCorp will issue Purchase Orders that will identify materials and work required, delivery date and other completion milestones, agreed pricing, and other order-specific terms and conditions. To date, no Purchase Orders have been issued under the Master Contract and the Company is under no obligation to purchase any amount of materials under the Master Contract.

PacifiCorp conducted a formal bid process for spacer cable systems and selected Marmon Utility after it was the sole company able to perform against the required spacer cable scope of work. The Company expects to spend approximately \$3 million over three years. When needed, Purchase Orders will be prepared in accordance with PacifiCorp’s procurement policies and procedures and will contain standard commercial terms and conditions to protect the Company’s ability to provide safe and reliable service. Thus, the use of Marmon Utility as supplier of the products under the Purchase Orders will not harm the public interest.

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