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February 21, 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*, issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power hereby provides notice of an indirect affiliate interest transaction with Amarillo Gear Company LLC (Amarillo). The Company intends to purchase Amarillo reduction gear boxes and drive shaft assemblies through Midwest Cooling Towers, Inc. (Midwest), among other non-Amarillo equipment. The parties to the transaction agreed to use PacifiCorp's standard Materials Supply Contract (Agreement) for this transaction. The Agreement contains sensitive pricing information which, if disclosed to the public, could erode the Company's bargaining power in the future. A copy of the Agreement is included as Confidential Attachment A.

PacifiCorp is a wholly-owned, indirect subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). Berkshire currently holds a majority interest in The Marmon Group (Marmon). Marmon comprises four autonomous companies consisting of 15 diverse stand-alone business sectors, and about 185 independent manufacturing and service businesses. Amarillo is part of one of the four such autonomous companies, Marmon Food, Beverage & Water Technologies Company. Therefore, Berkshire Hathaway's ownership interest in Marmon may create an affiliated interest between PacifiCorp and Amarillo.

The Company recently conducted a request for proposal process to select a vendor to replace certain mechanical equipment for ten cooling tower cells at its Huntington Plant. The equipment to be replaced included ten each of gearboxes, shaft assemblies and fan assemblies. Of the eight companies who provided a bid in response to the request for proposal, seven companies included Amarillo equipment in their proposals. The Company selected Midwest because it submitted the

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lowest cost bid. The value of all equipment to be purchased under the Agreement is approximately \$392,600. The value of the Amarillo equipment to be supplied under the Agreement is approximately \$231,600. Detailed pricing information for the equipment to be provided by Midwest is contained in Exhibit B to Confidential Attachment A.

The Company used its standard request for proposal procurement process when seeking a vendor to equipment as described in the Agreement. The Agreement was prepared in accordance with PacifiCorp's procurement policies and procedures and contains standard commercial terms and conditions to protect the Company's ability to provide safe and reliable service. Thus, the use of Midwest as supplier of the equipment under the Agreement 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