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September 26, 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* (MEHC), issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, PacifiCorp d.b.a. Rocky Mountain Power hereby provides notice of an affiliated interest transaction with FlightSafety International, Inc. (FlightSafety). This transaction is an amendment to a transaction initially filed with the Commission in 2015.

FlightSafety offers a variety of aviation training services, including training for pilots, flight attendants and customer service. PacifiCorp intends to use the flight simulator training services offered for a specific navigation system installed in its aircraft.

In June 2015, Berkshire Hathaway Energy Company (BHE) entered into a Master Professional Services Contract (Master Contract) with FlightSafety. By signing the Affiliate Participation Letter (Agreement) to the Master Professional Services Contract, PacifiCorp became a participant in the contract. Rocky Mountain Power filed notice with the Commission of this affiliate agreement July 6, 2015. The Master Contract was set to expire July 31, 2017. BHE and Flight Safety agreed to extend the term of the Master Contract through and including July 31, 2020, through an Amendment to the Master Contract (Amended Master Contract).

PacifiCorp intends to sign a new Affiliate Participation Letter to the Amended Master Contract. A copy of the Amended Master Professional Services Contract between BHE and FlightSafety, including Exhibit C, Form of Affiliate Participation Letter, under which PacifiCorp would become bound, is included with this notice as Confidential Attachment A. The Amended Master Contract contains sensitive pricing information which, if disclosed to the public, could erode the Company's bargaining power in the future.

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PacifiCorp is a wholly-owned indirect subsidiary of BHE. BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). FlightSafety is also a subsidiary of Berkshire Hathaway. Therefore, Berkshire Hathaway's ownership interest in FlightSafety and BHE creates an affiliated interest for PacifiCorp in some jurisdictions.

PacifiCorp owns one aircraft used for its operations and employs pilots to fly the aircraft. The Federal Aviation Administration (FAA) requires that all pilots take flight simulator training at least once per year, and BHE requires pilots to take training every nine months. PacifiCorp's aircraft uses a specific navigation system for which FlightSafety offers the required training. BHE issued a competitive tender in March 2017 seeking proposals for pilot training. Two proposals were received in April 2017 and FlightSafety provided the lowest cost proposal. See Confidential Attachment A (and specifically, Exhibit B thereto) for the annual rates.

Transacting with FlightSafety is in the public interest. PacifiCorp uses the aircraft for a variety of purposes, including transporting personnel throughout its six states in emergency situations and to transport personnel to conduct ordinary-course utility business if doing so is more cost-effective than commercial flights. The pilots on staff must take at least one to two trainings per year to meet FAA and BHE safety requirements. FlightSafety was selected as the best evaluated provider as a result of a competitive bid.

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

REDACTED
ATTACHMENT A
AMENDED MASTER CONTRACT

**THIS ATTACHMENT IS CONFIDENTIAL IN
ITS ENTIRETY AND IS PROVIDED UNDER
SEPARATE COVER**