



Pacific Power
Rocky Mountain Power

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VIA ELECTRONIC FILING

October 27, 2021

Gary Widerburg
Commission Administrator
Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84111-2305

Re: PacifiCorp Notice of Affiliate Transaction —
PacifiCorp and Penn Machine Company LLC
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, PacifiCorp hereby provides notice of an affiliated interest transaction with Penn Machine Company LLC ("Penn Machine").

PacifiCorp intends to purchase Penn Machine air preheater gear pinion parts ("Equipment"). The purchase will occur through a purchase order, the terms of which include PacifiCorp's Purchase Order Standard Terms and Conditions ("Agreement"). A verified copy of the Agreement is included with this Notice as Confidential Attachment A. PacifiCorp provides this attachment subject to R746-1-601–605 of the Utah Public Service Commission Rules. This confidential business information is of significant commercial value, which could expose PacifiCorp to competitive injury and/or the potential for commercial fraud against PacifiCorp if disclosure is unrestricted. Therefore, PacifiCorp requests confidential treatment on the basis that the documents contain valuable commercial information, including confidential marketing, cost, and financial information.

PacifiCorp is a wholly owned, indirect subsidiary of Berkshire Hathaway Energy Company ("BHE"). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire). Berkshire currently holds a majority interest in Penn Machine. Therefore, Berkshire's ownership interest in Penn Machine creates an affiliated interest with PacifiCorp.

PacifiCorp contacted the manufacturers of the air preheater system and boiler used at the company's Jim Bridger plant to obtain competitive bids for the Equipment. The air preheater system is a major component in the boilers used at the plant to pre-warm combustion air in the boiler; the main gear box operates the air preheater system. In response to this request, the company was informed the Equipment can only be provided by Penn Machine as it is proprietary to Penn Machine.

The Agreement was prepared in accordance with PacifiCorp's procurement policies and procedures and contains standard commercial terms and conditions to protect PacifiCorp's ability to provide safe and reliable service. Thus, the use of Penn Machine 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.

Sincerely,



Timothy K. Clark
Senior Attorney
PacifiCorp

Enclosure
Confidential Attachment A.pdf

cc: Chris Parker, DPU
Michele Beck, OCS

CONFIDENTIAL ATTACHMENT A

to

PacifiCorp Notice of Affiliate Transaction

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

CERTIFICATE OF SERVICE

Docket No. 05-035-54

I hereby certify that on October 27, 2021, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

Michele Beck mbeck@utah.gov

Division of Public Utilities

Chris Parker chrisparker@utah.gov



Mary Penfield
Adviser, Regulatory Operations