

 March 15, 2011

***VIA ELECTRONIC FILING***

***AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504‑7250

Attention: David W. Danner
 Executive Director and Secretary

**RE: Notice of Affiliated Interest Agreement Between PacifiCorp and Racom.**

Dear Mr. Danner:

Pursuant to the provisions of RCW 80.16.020 and WAC 480-100-245, PacifiCorp, d.b.a. Pacific Power (Company), files one verified copy 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 pursuant to RCW 80.16.010.

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, 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.

Also included with this filing is a notarized verification from Natalie Hocken, Vice President and General Counsel, Pacific Power, regarding the Contract.

Please address any questions regarding the enclosed information to Jon Christensen at (503) 813-5269.

Sincerely,

Andrea L. Kelly

Vice President, Regulation

Pacific Power

Enclosure

**ATTACHMENT A**

**MASTER MATERIALS AND INSTALLATION CONTRACT**

**WASHINGTON AFFILIATED INTEREST FILING**

**VERIFICATION**

**VERIFICATION**

I, Natalie L. Hocken, am an officer of PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Master Materials and Installation Contract, I verify that the Master Materials and Installation Contract is a true and accurate copy of the original.

I declare upon the penalty of perjury, that the foregoing is true and correct.

Executed on \_\_\_\_\_\_\_\_\_\_\_ \_\_, 2011 at Portland, Oregon.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Natalie Hocken

Vice President & General Counsel

Subscribed and sworn to me on this \_\_\_ day of \_\_\_\_\_\_\_, 2011.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Notary Public for Oregon

My Commission expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_