

February 15, 2012

***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

RE: Affiliated Interest Filing for PacifiCorp

Dear Mr. Danner:

Pursuant to RCW 80.16.020 and WAC 480-100-245, PacifiCorp, d.b.a. Pacific Power & Light Company (PacifiCorp or Company), files one verified copy of the Invoice from Marmon/Keystone LLC, for the purchase of certain specialized pipe used for developing physical therapy apparatus for determining lineman fitness for duty after injuries. A copy of the Invoice is included as Attachment A.

PacifiCorp is an indirect wholly-owned subsidiary of MidAmerican Energy Holdings Company (MEHC). MEHC is a wholly-owned subsidiary of Berkshire Hathaway, Inc (Berkshire). Berkshire currently holds an approximate 64 percent interest in the Marmon Group. The Marmon Group consists of approximately 140 companies, divided into eleven business sectors including engineered wire and cable, industrial products and building wire. Marmon/Keystone LLC is a member of the Marmon Group. RCW 80.16.020 includes in its definition of “affiliated interest,” “every corporation five percent or more of whose voting securities are owned by any person or corporation owning five percent or more of the voting securities of such public service company or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities.” Therefore, Berkshire’s ownership interest in the Marmon Group creates an affiliated interest.

Marmon/Keystone LLC distributes specialty pipe and tubing, including, among other things, carbon steel, stainless steel, and aluminum and alloy tubular products. Among the items distributed by Marmon/Keystone LLC is a carbon steel pipe that the Company uses to make climbing poles for physical therapy offices used by linemen to determine fitness for duty following treatment for injuries. The Company developed fitness for duty tests and will be incorporating those tests in physical therapy offices treating Company linemen in five states. One of these tests involves pole climbing. Because the testing takes place indoors, a pole made of lightweight material is needed to safely attach to walls. The lead safety consultant for the development of this lineman

rehabilitation program researched various companies and determined that Marmon/Keystone LLC was the only company offering a product to suit the needs of the lineman rehabilitation program. The Company has the pipes shipped to a welder in Salt Lake City, Utah, who then modifies the pipes to resemble utility poles. Once completed, the poles are sent to physical therapy offices.

A recent review of Company records indicated that PacifiCorp began purchasing pipes from Marmon/Keystone LLC in 2009 and has purchased two to three pipes per year at approximately $209 to $354 per pipe. RCW 80.16.020 requires that notice of affiliate transactions be given prior to them taking place. The Company has reviewed its internal processes and made corrections to ensure that notice is provided consistent with statutory requirements. The Company intends to continue to purchase two to three pipes per year in this price range until the development of the lineman rehabilitation program is complete. Purchasing the pipes is in the public interest because the pipes are a key component in the Company’s lineman rehabilitation program. Rehabilitating injured linemen is critical for maintaining a healthy and capable workforce to ensure the continued provision of safe and reliable electric service.

The Company is providing a copy of the most recent invoice from Marmon/Keystone LLC. Other invoices can be provided if desired.

Also included with this filing is a notarized verification from Michelle R. Mishoe, Legal Counsel, Pacific Power, regarding this transaction with Marmon/Keystone LLC.

Please do not hesitate to contact me at (503) 813-6043 if you have any questions.

Sincerely,

Andrea L. Kelly

Vice President, Regulation

Enclosures

**WASHINGTON AFFILIATED INTEREST FILING**

**INVOICE**

**WASHINGTON AFFILIATED INTEREST FILING**

**VERIFICATION**

**VERIFICATION**

I, Michelle R. Mishoe, am a representative of PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Invoice, I verify that the Invoice 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 \_\_\_\_\_\_\_\_\_\_\_ \_\_, 2012 at Portland, Oregon.

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Michelle R. Mishoe

Legal Counsel

Subscribed and sworn to me on this \_\_\_ day of \_\_\_\_\_\_\_, 2012.

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Notary Public for Oregon

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