

January 20, 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: 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 (PacifiCorp or Company), files one verified confidential copy of the Quote for Cable Replacement (Quote) from Marmon Utilities, LLC (Kerite Cable Services), for evaluation and repair to certain Company transmission facilities. A copy of the Quote is included as Attachment A and is submitted as confidential pursuant to WAC 480-07-160.

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 holds an approximate 64 percent interest in the Marmon Group. The Marmon Group consists of approximately 130 companies, divided into eleven business sectors including engineered wire and cable, industrial products and building wire. Kerite Cable Services 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.

Kerite Cable Services manufactures power cables and approximately thirty years ago, prior to Berkshire's ownership interest in the Marmon Group, installed cables used by the Company for transmission services. Certain cables experienced a failure near Salt Lake City, Utah on June 16, 2010, for which Kerite Cable Services performed emergency repair on those cables shortly after the failure. The Company notified the Commission of this transaction through a notice filed June 17, 2010, which became Docket UE-101095. The emergency repair afforded a temporary solution that now needs a more permanent solution. The affected transmission assets are not included in the West Control Area allocation methodology and therefore not included in Washington rates. Notwithstanding,

the Company is providing this notice out of an abundance of caution to ensure consistent treatment of affiliate contracts under the requirements of RCW 80.16.

The long-term solution for repairing the cable failure involves removing and replacing approximately 500 feet of cable. The cable is specialized and manufactured upon ordering. PacifiCorp selected Kerite Cable Services to manufacture and install the cable because, Kerite Cable Services, as the manufacturer of the original, uniquely-designed cable, is in the best position to perform these tasks. PacifiCorp also intends to purchase an additional 2500 feet of the cable to hold in inventory to have replacement cable on hand, given the long lead time needed for manufacturing. The Company anticipates it will spend approximately \$350,000 for 3000 feet of cable, labor and other expenses associated with the immediate repair project. The Quote included as Attachment A shows pricing for 500 feet of cable. PacifiCorp estimates the total expense based on the cable pricing listed in the Quote and can provide the actual expense to the Commission upon receiving the final actual pricing. The pricing is not expected to materially change.

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

Please do not hesitate to contact me if you have any questions.

Sincerely,

Andrea L. Kelly
Vice President, Regulation
Pacific Power

Enclosures

WASHINGTON AFFILIATED INTEREST FILING

CONFIDENTIAL QUOTE

Confidential per WAC 480-07-160

**This entire document is designated as
Confidential per WAC 480-07-160**

WASHINGTON AFFILIATED INTEREST FILING

VERIFICATION

VERIFICATION

I, Natalie Hocken, am an officer of PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Quote, I verify that the Quote 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: _____