

April 18, 2022

UE-220273

VIA ELECTRONIC FILING

Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503-1036

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Docket UE-_____—Affiliated Interest Filing—Marmon Utility, LLC

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, PacifiCorp dba Pacific Power & Light Company (PacifiCorp) provides notice of ordinary course affiliated interest transactions from time to time between PacifiCorp and Marmon Utility, LLC dba Hendrix Aerial Cable Systems (Marmon Utility). Shaded information is designated as confidential per WAC 480-07-160

From 2016–2020, PacifiCorp had entered into a Master Materials Supply Contract with Marmon Utility for aerial cable system design, supply, and installation services. That Master Contract was amended a number of times. In 2021, PacifiCorp entered into a competitive bidding process for design services, installation materials, job support and installation of aerial cable systems for wildfire mitigation. Through this competitive bidding process, Marmon Utility was chosen to provide these services. Therefore, PacifiCorp is entering into a new Master Materials Supply Contract with Marmon Utility (Master Services Agreement).

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy (BHE). In turn, BHE is a subsidiary of Berkshire Hathaway Inc. (Berkshire). Berkshire currently holds a majority interest in The Marmon Group, a holding company. The Marmon Group consists of approximately 185 companies. These are divided into 15 business sectors including engineered wire and cable, industrial products, and building wire. Marmon Utility is one of the companies owned by 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 BHE and The Marmon Group creates an affiliated interest relationship between PacifiCorp and Marmon Utility.

Marmon Utility manufactures electrical distribution cable, cable systems, and accessories for aerial and underground utility applications. Among the items manufactured by Marmon Utility is covered “spacer cable.” Spacer cables are designed to be resilient to incidental contact (e.g., animals, fallen trees and tree limbs), have increased strength in

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the event of impact loads, and be tolerant to transient events such as lightning. In response to increasing concerns related to wildfires, PacifiCorp is actively taking steps to construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire. The company has identified several projects requiring procurement of spacer cable or other aerial cable system design, supply, and installation services. PacifiCorp estimates that it will procure approximately [REDACTED] in additional distribution cable and cable systems, and accessories under this Master Services Agreement to support system resiliency. A significant portion of these investments will occur in distribution projects outside of Washington, and the costs of which would not be allocated to Washington customers. This estimate and the Master Service Agreement are confidential in accordance with WAC 480-07-160. The estimate and Master Services Agreement contain sensitive pricing, cost information, and terms and conditions, which, if disclosed to the public, could erode the company's ability to bargain with vendors in the future.

When needed, Purchase Orders will continue to be prepared in accordance with PacifiCorp's procurement policies and procedures and contain standard commercial terms and conditions to protect the company's ability to provide safe, reliable service. Thus, the use of Marmon Utility as supplier of the products under the Purchase Orders will not harm the public interest.

Also included with this filing is a verification from Ann Atkins, a Procurement Specialist.

It is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

By email (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah St Ste 2000
Portland OR 97232-2152

Please contact Ariel Son at (503) 813-5410 if you have any informal questions.

Sincerely,

_____/s/
Shelley McCoy
Director, Regulation
Pacific Power & Light Company
825 NE Multnomah Street, Suite 2000
Portland, Oregon 97232-2152
(503) 813-5292
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Enclosures

NEW-PAC-Cover-letter-4-18-22(R)

NEW-PAC--Attach-A-4-18-22(C).pdf

NEW-PAC--Attach-A-4-18-22(R).pdf

NEW-PAC-Verification-4-18-22.pdf

WASHINGTON AFFILIATED INTEREST FILING

CONFIDENTIAL ATTACHMENT A

**MASTER MATERIALS SUPPLY CONTRACT PACMMS-2021-07376-PAC
FOR AERIAL CABLE SYSTEMS DESIGN, MATERIAL, AND SERVICES**

WASHINGTON AFFILIATED INTEREST FILING

VERIFICATION