

November 17, 2015

***VIA ELECTRONIC FILING***

***AND OVERNIGHT DELIVERY***

Steven V. King
Executive Director and Secretary

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

**RE: Docket UE-\_\_\_\_\_— Affiliated Interest Filing—PacifiCorp and HomeServices Relocation**

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, Pacific Power & Light Company, a division of PacifiCorp (Pacific Power or Company), provides notice of ordinary course affiliated interest transactions from time to time between PacifiCorp and HomeServices Relocation, LLC (HomeServices).

PacifiCorp is a wholly-owned subsidiary of Berkshire Hathaway Energy Company (BHE). HomeServices is a limited liability company, which is a wholly-owned subsidiary of HomeServices of America, Inc. HomeServices of America, Inc. is a wholly-owned subsidiary of BHE. RCW 80.16.010 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, BHE’s ownership interest in PacifiCorp and HomeServices of America, Inc. creates an affiliate interest relationship between PacifiCorp and HomeServices.

PacifiCorp previously submitted notice to this Commission of a similar affiliate interest agreement between the Company and HomeServices on June 11, 2010 (Docket UE-101053). BHE and HomeServices entered into a new, updated Master Professional Services Contract for Employee Relocation Services on November 3, 2015 (Contract), under which BHE subsidiaries have the option to sign onto the Contract via a Participation Letter and receive the same terms and conditions as BHE. The Contract is, in essence, a renewal of the existing contractual arrangement established between the parties under the prior contract. After determining the terms and conditions to be reasonable, PacifiCorp has opted to sign onto the Contract.

A confidential copy of the Master Professional Services Contract for Employee Relocation Services is included as Attachment A. Pacific Power requests confidential treatment for Exhibit B to Attachment A (“Fee Schedule 2015”) in accordance with WAC 480-07-160. This exhibit contains commercially sensitive pricing information that could expose the Company and HomeServices to competitive injury if disclosure is unrestricted. Therefore, the Company requests confidential treatment on the basis that the documents contain “valuable commercial information, including trade secrets or confidential marketing, cost, or financial information, or customer-specific usage and network configuration and design information,” as provided in RCW 80.04.095 and in accordance with WAC 480-07-160(2)(c).  A copy of PacifiCorp’s Participation Letter is included as Attachment B.

Under the terms of the Contract, HomeServices will assist new and existing PacifiCorp employees when relocating to a new position within the company. HomeServices will create a moving cost bid, provide movers, arrange temporary housing, provide real estate services and ensure all expenses are in line with Company policy. HomeServices will directly bill PacifiCorp for expenses incurred.

To meet staffing needs, PacifiCorp occasionally relocates existing employees and new hires. PacifiCorp offers relocation services to its eligible employees and new hires as part of total employee compensation, to offset the expense of relocating and to ensure a smooth transition to the new position. The PacifiCorp service territory is one of the largest in the United States and requires the relocation of new and existing employees from time to time to meet the needs of our customers.

A competitive bid process was utilized to determine the lowest cost vendor who could provide the services required. In order to secure the best pricing possible, PacifiCorp along with other BHE affiliates, completed an aggregated competitive tender ensuring the lowest cost provider was selected, in line with PacifiCorp's needs and expectations.

Outsourcing this function at the BHE level allows PacifiCorp to minimize expense to customers, as opposed to performing these tasks internally. Performing these functions internally would require the training and development of new talent, negotiating moving and real estate contracts and performing additional auditing services. Utilizing HomeServices for relocation services, on the other hand, provides the lowest cost to the Company, and ultimately customers. HomeServices is a full-service provider that assists employees with moving of household, sale of previous house and/or termination of lease, arranging travel and temporary housing and ensuring compliance with company policies regarding relocation expenses. For these reasons, the Contract is reasonable and meets the public interest.

Also included with this filing is a notarized verification from Jeff Erb, Assistant General Counsel, Pacific Power, regarding the Contract and Participation Letter.

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

By E-Mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center

 PacifiCorp

 825 NE Multnomah Street, Suite 2000

 Portland, Oregon, 97232

Please contact Ariel Son, Manager, Regulatory Projects, at 503-813-5410 if you have any informal questions.

Sincerely,

R. Bryce Dalley

Vice President, Regulation

Enclosure

**ATTACHMENT A**

**Master Professional Services Contract**

**for Employee Relocation Services**

**ATTACHMENT B**

**Pacificorp participation letter**

**WASHINGTON AFFILIATED INTEREST FILING**

**VERIFICATION**

**VERIFICATION**

I, Jeffery B. Erb, am Assistant General Counsel of Pacific Power and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Master Professional Services Contract for Employee Relocation Services and PacifiCorp Participation Letter, I verify that the Master Professional Services Contract for Employee Relocation Services and PacifiCorp Participation Letter are true and accurate copies of the originals.

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

Executed on \_\_\_\_\_\_\_\_\_\_\_ \_\_, 2015 at Portland, Oregon.

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Jeffery B. Erb

Assistant General Counsel

Pacific Power

Subscribed and sworn to me on this \_\_\_ day of November, 2015.

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Notary Public for Oregon

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