

September 22, 2014

***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

Attn: Stephen V. King

 Executive Director and Secretary

RE: **Docket No. UE-14\_\_\_\_\_—Affiliated Interest Filing—PacifiCorp and Forney Corporation Notice**

Dear Mr. King:

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, Pacific Power & Light Company, a division of PacifiCorp (PacifiCorp or Company), provides this notice of an affiliated interest transaction with Forney Corporation (Forney) for the purchase of igniter parts for the Company’s Dave Johnston generation plant. Included with this filing as Attachment A is a copy of the Purchase Order that will be issued, which contains the terms and conditions for this transaction.

PacifiCorp is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a wholly owned subsidiary of Berkshire Hathaway, Inc. Forney Corporation is wholly-owned by Graham Holdings Company. Berkshire Hathaway, Inc. holds approximately eight percent interest in Graham Holdings Company voting stock. 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.” Berkshire Hathaway Inc.’s ownership interest in both BHE and Graham Holdings Company creates an affiliate interest relationship between the Company and Forney.

Forney manufactures equipment that monitors and controls the combustion of coal, natural gas, and other materials. The Company uses gas head detectors, unfiltered flame detector assemblies, pipe spacer guides, and other miscellaneous fiber optic materials purchased from Forney and now needs to purchase replacement igniter parts for the existing equipment. The Dave Johnston generation plant and the parts purchased as part of this agreement are not included in Washington rates since they are not included in the West Control Area under the Commission-approved West Control Area Inter-jurisdictional Allocation Methodology. 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.

Forney is the manufacturer of the original parts. To the best of the Company’s knowledge, only Forney manufactures the required replacement parts. The Company anticipates a one-time spend of approximately $34,132.00 for the parts. Purchasing from Forney is in the public interest. The Company must keep replacement parts in stock to properly operate and maintain its generation facilities.

Also included with this filing is a notarized verification from Michelle R. Mishoe, Senior Counsel, regarding the Purchase Order.

Please contact Natasha Siores at 503-813-6583 if you have any questions.

Sincerely,

R. Bryce Dalley

Vice President, Regulation

Enclosures

**WASHINGTON AFFILIATED INTEREST FILING**

**ATTACHMENT A**

**PURCHASE ORDER**

**WASHINGTON AFFILIATED INTEREST FILING**

**VERIFICATION**

**VERIFICATION**

I, Michelle R. Mishoe, am Senior Counsel for Pacific Power & Light Company and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Purchase Order, I verify that Purchase Order 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 \_\_\_\_\_\_\_\_\_\_\_ \_\_, 2014 at Portland, Oregon.

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

Michelle R. Mishoe

Senior Counsel

Pacific Power

Subscribed and sworn to me on this \_\_\_ day of \_\_\_\_\_\_\_, 2014.

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

Notary Public for Oregon

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