

September 11, 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-15\_\_\_\_—Affiliated Interest Filing—Phillips 66 Company**

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 ongoing ordinary course affiliated interest transactions from time to time with Phillips 66 Company (Phillips 66).

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a subsidiary of Berkshire Hathaway Inc. On August 28, 2015, Berkshire Hathaway Inc. acquired 10 percent of the outstanding common stock of Phillips 66, causing it to become a new affiliate of Pacific Power. 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, Berkshire Hathaway, Inc.’s ownership interest in BHE and Phillips 66 creates an affiliated interest relationship between Pacific Power and Phillips 66.

Phillips 66 sells to Pacific Power gear and engine lubricating oil, transformer insulation oil, hydraulic oil, grease, and other lubricating and insulating petroleum and synthetic fluids, all used in the normal operations of PacifiCorp’s generation, mining and distribution operations. Pacific Power purchased such supplies from Phillips 66 before August 28, 2015, and desires to continue using Phillips 66 as one of its lubrication product suppliers. The oil and grease is purchased from time to time via purchase orders, in the same manner as other supplies purchased under blanket agreements via PacifiCorp’s procurement department. Phillips 66 had a pre-existing master materials supply contract in place with BHE and certain of its subsidiaries, including PacifiCorp (the Agreement). Purchase order transactions are done by PacifiCorp under this Agreement. A copy of the Agreement is included with this Notice as Attachment A.

Pacific Power purchases the oil and grease products from Phillips 66 as needed from time to time, to use in its fleet of trucks and transformers. As such, there is no set dollar amount of such purchases, but PacifiCorp has historically purchased approximately $700,000 of oil and grease products per year and anticipates future purchase levels will be similar.

The Agreement contains standard commercial sales terms and conditions to protect the Company’s ability to provide safe and reliable service. Thus, the continuation of the purchase transactions under the Agreement will not harm the public interest.

Pacific Power requests confidential treatment for Exhibits B, B.1, and B.2 in accordance with WAC 480-07-160. These exhibits contain commercially sensitive pricing information that could expose the Company and Phillips 66 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).

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

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

Enclosures

**WASHINGTON AFFILIATED INTEREST FILING**

**ATTACHMENT A**

**AGREEMENT**

**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 Materials Supply Contract, I verify that the Master Materials Supply Contract 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 \_\_\_\_\_\_\_\_\_\_\_ \_\_, 2015 at Portland, Oregon.

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

Jeffery B. Erb

Assistant General Counsel

Pacific Power

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

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

Notary Public for Oregon

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