



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

September 27, 2012

**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 Secretary

RECEIVED  
REGISTRY MANAGEMENT  
2012 SEP 28 AM 9:54  
STATE OF WASHINGTON  
UTILITY AND TRANSPORTATION  
COMMISSION

**RE: UE-121489 Affiliated Interest Filing for PacifiCorp  
National Indemnity Company  
Do Not Redocket – Indemnity Agreement Replacement pages**

Dear Mr. Danner:

On September 11, 2012, PacifiCorp, d.b.a. Pacific Power & Light Company (PacifiCorp or Company), submitted for filing copy of the Indemnity Agreement (Agreement) to be executed by and between PacifiCorp and National Indemnity Company (NICO). The Agreement included with the original filing has been updated. Included as Attachment A to this letter, please find one (1) verified copy of the Agreement, which replaces the original filing. The Company is not requesting any other revisions to its original filing.

If you have any questions please contact Carla Bird at (503) 813-5269 or by email at [carla.bird@pacificorp.com](mailto:carla.bird@pacificorp.com).

Sincerely,

William R. Griffith  
Vice President, Regulation  
Pacific Power

Enclosures

**WASHINGTON AFFILIATED INTEREST FILING**  
**ATTACHMENT A**  
**INDEMNITY AGREEMENT**

The National Indemnity Group

National Indemnity Company  
Columbia Insurance Company  
National Fire & Marine Insurance Company  
National Indemnity Company of Mid-America  
National Indemnity Company of the South  
National Liability & Fire Insurance Company  
Wesco-Financial Insurance Company

---

GENERAL AGREEMENT OF INDEMNITY

WHEREAS, the UNDERSIGNED

or any partnership, association, corporation, successor, assign, affiliate, any related entity, subsidiary or division of the UNDERSIGNED whether now existing or hereafter formed or acquired (hereinafter collectively called UNDERSIGNED) may from time to time request National Indemnity Company, Columbia Insurance Company, National Fire & Marine Insurance Company, National Indemnity Company of Mid-America, National Indemnity of the South, National Liability & Fire Insurance Company or Wesco-Financial Insurance Company and/or any and all affiliates, subsidiaries, divisions, successors, assigns, co-sureties, and/or reinsurers (hereinafter collectively called SURETY) to execute as surety or guarantor, or procure the execution of, certain surety bonds, undertakings, guaranties, stipulations or other obligatory agreements on behalf of PRINCIPAL (all such agreements being hereinafter collectively called BONDS); and

WHEREAS, the UNDERSIGNED by executing this Agreement represents that it has a material and beneficial interest in the obtaining of such BONDS by each of the PRINCIPALS.

NOW, THEREFORE, in consideration of the execution of any one or more such BONDS, the UNDERSIGNED, for itself, its respective personal representatives, successors and assigns, covenants and agrees with respect to all such BONDS heretofore or hereafter executed that:

1. This Agreement binds each UNDERSIGNED to SURETY with respect to all BONDS executed or procured for any UNDERSIGNED executing this Agreement and for any PRINCIPAL. If any BOND or BONDS shall be executed or procured for any Joint Venture to which any PRINCIPAL is or may become a party, the liability and obligations of the UNDERSIGNED to SURETY shall be the same as if such BOND or BONDS had been executed for the PRINCIPAL acting alone, notwithstanding any agreement between or among the Joint Venturers. PRINCIPAL as used in this Agreement shall mean: any UNDERSIGNED; any partnership, association, corporation, successor, assign, affiliate, related entity, subsidiary, and/or division of the UNDERSIGNED, whether now existing or hereafter formed or acquired; and any other person who obtains BONDS from SURETY at the request of any UNDERSIGNED.

2. If SURETY executes or procures execution of a Bid or Proposal BOND or Consent of Surety to the issuance of BONDS, it may decline to execute or procure execution of any BONDS required in connection with any award made under the proposal for which such Bid or Proposal BOND or Consent of Surety to the issuance of BONDS is given; and such declination shall not diminish or alter the liability of the UNDERSIGNED with respect to such Bid or Proposal BOND or Consent of Surety.

3. This Agreement shall apply to any and all BONDS requested by the PRINCIPAL or UNDERSIGNED, whether or not such BONDS were executed before or following the date of this Agreement; and, further, this Agreement shall apply to any and all BONDS executed, or the execution of which has been procured, by SURETY for any PRINCIPAL, whether or not there shall be any written application therefor executed by one or more of the UNDERSIGNED.

4. This Agreement shall not in any way be construed to require the SURETY to assume suretyship on any BOND, or any continuation, extension, alteration or renewal thereof, or any new BOND or obligation, or to deprive the SURETY of the right to withdraw from such suretyship at any time it might desire.

5. The UNDERSIGNED shall indemnify SURETY and hold it harmless from and against all claims, damages, suits, expenses, losses, costs, professional and consulting fees, disbursements, interests, attorney fees, and expenses of every nature (including premiums and fees due for the issuance and continuance of any BOND or BONDS) which the Surety may sustain, incur or become liable for by reason of having executed or procured the execution of any BOND or BONDS, or by making any investigation of any matter concerning any BOND or BONDS, or by prosecuting or defending any action in connection with any BOND or BONDS, or by recovering any salvage or enforcing this Agreement. In the event SURETY advances funds for the benefit of any PRINCIPAL in connection with work subject to a BOND or BONDS (hereinafter sometimes referred to as BONDED CONTRACT) and/or for the discharge of obligations incurred in connection with a BONDED CONTRACT, such advances shall be deemed "losses" under the terms of this Agreement whether or not such advances have been so used by the PRINCIPAL.

6. (A) At SURETY's sole discretion, SURETY may demand and, upon SURETY's demand, the UNDERSIGNED shall deliver over to SURETY collateral security acceptable to SURETY and equal in value to any reserve set up by SURETY to cover any contingent losses and any subsequent increase thereof. SURETY shall return to the UNDERSIGNED any unused portion of collateral upon termination of the liability of SURETY on any BOND or BONDS and satisfaction by the UNDERSIGNED of its obligations to SURETY under this Agreement.

(B) All payments received for or on account of a BONDED CONTRACT, and all monies due and to become due under any such contract or contracts, whether in the possession of the PRINCIPAL or otherwise, are trust funds, in which SURETY has an interest, for the payment of obligations incurred in the performances of such contract and for labor, materials and services furnished in the prosecution of the work provided in such contract or any extension of modification thereof.

7. The SURETY may settle or compromise any claim, liability, demand, suit or judgment upon any BOND or BONDS executed or procured by it, and any such settlement or compromise shall be binding upon the UNDERSIGNED. The vouchers or other evidence of payments made by SURETY shall be prima facie evidence of the fact and amount of the liability of the UNDERSIGNED TO SURETY.

8. The SURETY shall be entitled to reimbursement from UNDERSIGNED immediately upon making payments or upon incurring any costs, losses or expenses in connection with any BOND, and shall not be compelled to wait until it has exhausted its remedies or rights against the PRINCIPAL.

9. The PRINCIPAL shall furnish to SURETY such information as it may request concerning any BONDED CONTRACT, and the PRINCIPAL hereby authorizes those with whom such contracts are made to furnish to SURETY all information concerning such contracts and the work thereunder. The SURETY may from time to time, in its sole discretion, examine the books and records of the PRINCIPAL.

10. (A) In the event (i) the PRINCIPAL is declared to be in default in the performance of a BONDED CONTRACT or (ii) the PRINCIPAL or the UNDERSIGNED shall breach any terms or this Agreement (hereinafter collectively referred to as "EVENT OF DEFAULT"), then the PRINCIPAL does hereby assign, or, in the alternative, the UNDERSIGNED shall cause the PRINCIPAL to assign, to SURETY all their right, title and interest to: (a) all payments, monies and properties that may become payable on a BONDED CONTRACT; (b) all supplies, equipment and material used in performance of a BONDED CONTRACT; and (c) all subcontracts related to work under a BONDED CONTRACT and all surety bonds securing the performance of, or the discharge of obligations incurred in connection with, such subcontracts, hereby agreeing that SURETY may enforce the same in the name of the PRINCIPAL, or otherwise. In addition, in any such event aforesaid, SURETY, at its option and in its sole discretion, may take possession of all or any part of the work under any or all BONDED CONTRACTS, and at the expense of the UNDERSIGNED complete, or cause the completion of, such work, or re-let, or consent to the re-letting or completion thereof; and in such event, SURETY may invite the Obligees, and the Obligees are authorized to declare the PRINCIPAL in default under such contracts, any provisions thereof to the contrary notwithstanding. Upon the happening of an EVENT OF DEFAULT, SURETY shall have the right to take immediate possession of the supplies, tools, plant, equipment, and materials and to use, and consume, if necessary, the same in the performance of any BONDED CONTRACT by itself or by others.

(B) Upon the happening of an EVENT OF DEFAULT, the UNDERSIGNED authorize and empower SURETY, or any person or persons designated by SURETY, to execute in the name of the PRINCIPAL any agreements deemed necessary or desirable by SURETY to provide absolute title to SURETY of any funds, property and rights as are hereby assigned, transferred or conveyed; and the PRINCIPAL hereby authorizes SURETY, or such person or persons designated by SURETY, to take immediate possession of such funds, property, and rights, to collect such sums as may be due from the PRINCIPAL or other person, and to endorse, in the name of the PRINCIPAL, and to collect any checks, drafts, warrants and other agreements made and issued in payment of any such funds. The SURETY is authorized to assert and prosecute any right of claim hereby assigned, transferred or otherwise conveyed in the name of the PRINCIPAL and to compromise and settle any such right or claim on such terms as it considers reasonable under the circumstances in its sole and absolute discretion, subject only to the requirement that it act in good faith, which shall be defined as the absence of deliberate or willful malfeasance. The SURETY may sell any property assigned to it pursuant to this Agreement at public or private sale, with or without notice, at any time or place, without incurring any liability of any kind. The SURETY may purchase any of the property at such sale. Neither SURETY nor the Obligees shall incur any liability to any of the UNDERSIGNED in the exercise of the rights granted by this Section 10, except for deliberate and willful malfeasance.

11. The UNDERSIGNED shall not, while any BOND or BONDS shall be outstanding and shall not have been released or discharged to SURETY's satisfaction, take any action that would affect or diminish the rights of SURETY under this Agreement.

12. The SURETY is authorized and empowered without notice to or knowledge of the UNDERSIGNED to amend any BOND or to assent to a change in the contracts or obligations covered by said BOND, or to execute additional BONDS, it being expressly understood and agreed that the UNDERSIGNED shall remain bound under the terms of this Agreement even though any such action by SURETY does or might substantially increase the liability of the UNDERSIGNED. The UNDERSIGNED waives notice of default or any other acts giving rise to a claim under a BOND or liability of SURETY under the BONDS. The SURETY shall have the right to decline to execute any BOND and to assent or refuse to assent to changes in any BOND without in any way releasing or affecting the obligations of the UNDERSIGNED to SURETY.

13. If the execution of this Agreement by any of the UNDERSIGNED shall be invalid for any reason, or if any of the UNDERSIGNED shall be released from their obligations hereunder, the terms and conditions hereof shall nevertheless be binding upon and continue in full force and effect as to the rest of the UNDERSIGNED. Nor shall it be a defense to any claim by SURETY hereunder

that it was to have procured additional indemnity or security, or that it has procured additional indemnity or security, or that it has released other indemnity or security in respect of such BOND or BONDS. If any provision or provisions of this Agreement be void or unenforceable under the laws of any place governing its construction or enforcement, this Agreement shall not be void or vitiated thereby, but shall be construed and enforced with the same effect as though such provision or provisions were omitted. All rights and remedies of SURETY under this Agreement shall be cumulative, and the exercise of or failure to exercise any particular right or remedy at any time shall not be considered to be an election of remedy or a waiver of any other right or remedy. The rights, powers and remedies afforded SURETY by the terms of this Agreement are in addition to, and not in lieu of, any and all right rights, powers, and remedies which SURETY may have or acquire against the UNDERSIGNED or others whether by the terms of any other agreement or by operation of law.

14. This Agreement constitutes both a security agreement to SURETY and also a financing statement, in accordance with the provisions of the Uniform Commercial Code of every jurisdiction wherein such Code is in effect. The filing or recording of this Agreement shall be solely at the option of SURETY, and may be filed by SURETY without in any way subrogating, restricting or limiting the rights of SURETY under this Agreement, under law or in equity. The failure to file this Agreement shall not release or excuse any of the obligations of the PRINCIPAL or the UNDERSIGNED under this Agreement. The SURETY may add schedules to this Agreement, describing specific items of security covered by this Agreement. For the purpose of recording this Agreement, a photocopy acknowledged before a Notary Public to be a true copy hereof shall be regarded as an original. The SURETY, when recording this Agreement, may also prepare, execute, and file a UCC-1 form pursuant to the power of attorney granted to SURETY under this Agreement.

15. The UNDERSIGNED hereby irrevocably constitute and appoint SURETY as their true and lawful attorney with the right, but not the obligation, to exercise all of the rights of the UNDERSIGNED assigned, transferred and conveyed to SURETY in this Agreement; hereby giving and granting to SURETY full power and authority to make, execute, endorse and deliver any agreements for the pull protection intended to be given to SURETY hereunder as the UNDERSIGNED might or could do.

16. This Agreement, its riders and addenda may be executed in separate counterparts, none of which need contain signatures of all parties, each of which shall be deemed an original, and all of which taken together constitute one and the same instrument.

17. The rights and remedies afforded SURETY by the terms of this Agreement may not be waived or modified unless agreed to in a writing executed by SURETY. There have been no oral or other agreements as a condition precedent or inducement to the execution of this Agreement by any of the UNDERSIGNED.

Dated this day of \_\_\_\_\_, \_\_\_\_\_.

THE UNDERSIGNED REPRESENTS TO THE SURETY THAT IT HAS CAREFULLY READ THIS ENTIRE AGREEMENT AND THAT THERE ARE NO OTHER AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY LESSEN OR MODIFY THE OBLIGATIONS SET FORTH HEREIN.

GENERAL AGREEMENT OF INDEMNITY  
Signature Page

---

THIS PAGE IS ATTACHED TO, AND FORMS PART OF, THE GENERAL AGREEMENT OF INDEMNITY

ATTEST(S):

\_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(Signature to be signed by a Corporate Officer) By \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print or Type Name and Title) By \_\_\_\_\_  
(Print or Type Name and Title)

Address : \_\_\_\_\_  
\_\_\_\_\_

Tax ID: \_\_\_\_\_

---

\_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(Signature to be signed by a Corporate Officer) By \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print or Type Name and Title) By \_\_\_\_\_  
(Print or Type Name and Title)

Address: \_\_\_\_\_  
\_\_\_\_\_

Tax ID: \_\_\_\_\_

---

\_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(Signature to be signed by a Corporate Officer) By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print or Type Name and Title) By: \_\_\_\_\_  
(Print or Type Name and Title)

Address: \_\_\_\_\_  
\_\_\_\_\_

Tax ID: \_\_\_\_\_

---

**WASHINGTON AFFILIATED INTEREST FILING**

**VERIFICATION**

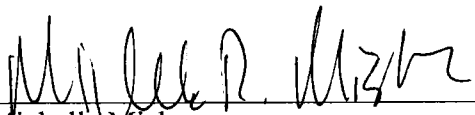


**VERIFICATION**

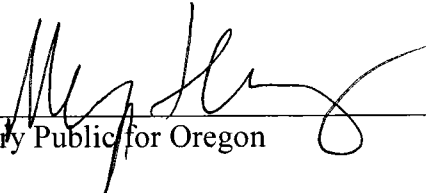
I, Michelle Mishoe, am Legal Counsel for Pacific Power and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached General Agreement of Indemnity, I verify that the General Agreement of Indemnity is a true and accurate copy.

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

Executed on September 27, 2012 at Portland, Oregon.

  
\_\_\_\_\_  
Michelle Mishoe  
Legal Counsel

Subscribed and sworn to me on this \_\_\_ day of September, 2012.

  
\_\_\_\_\_  
Notary Public for Oregon

My Commission expires: May 17 2015

