



Redacted
Confidential per WAC 480-07-160

825 NE Multnomah, Suite 2000
Portland, Oregon 97232

March 10, 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

Attention: Steven V. King
Executive Director and Secretary

RE: Docket No. UE-14 _____—Affiliated Interest Filing—Wells Fargo and U.S. Bank

Dear Mr. King:

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, Pacific Power & Light Company, a business unit of PacifiCorp (PacifiCorp or Company) provides notice of affiliate interest transactions with Wells Fargo Securities, LLC (Wells Fargo) and U.S. Bancorp Investments, Inc. (U.S. Bank).

The Company selected Wells Fargo and U.S. Bank to each be a co-manager underwriter for a bond offering the Company intends to issue in the near future. A confidential copy of the draft Form of Underwriting Agreement (Agreement) is included as Confidential Attachment A. This document contains a “draft” designation, which will be removed upon execution of the agreement. The Company does not expect to see any material changes to the terms and conditions of the Agreement.

PacifiCorp is a wholly-owned indirect subsidiary of MidAmerican Energy Holdings Company (MEHC). MEHC is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). On December 31, 2013, Warren E. Buffet (an individual who may be deemed to control Berkshire Hathaway), Berkshire Hathaway, various subsidiaries of Berkshire Hathaway, and various employee benefit plans of Berkshire Hathaway subsidiaries together held in excess of five percent in each of Wells Fargo & Company and U.S. Bancorp common stock. Wells Fargo Securities, LLC is a subsidiary or operating division of Wells Fargo & Company. U.S. Bancorp Investments, Inc., is a subsidiary of U.S. Bancorp. 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 Hathaway’s ownership interest in Wells Fargo & Company and U.S. Bancorp creates an affiliated interest.

PacifiCorp intends to issue a bond offering in the near future and has solicited underwriting proposals from a number of banks. Several banks, including Wells Fargo and U.S. Bank, provided information on indicative credit spreads, market conditions, their credit analysis,

marketing plans, and underwriting fees. The Company selected three other banking institutions to lead the transaction as joint book running managers and selected Wells Fargo and U.S. Bank to be among the 11 co-managers for this bond offering. The selection of Wells Fargo or U.S. Bank was not influenced by Berkshire Hathaway's ownership interest. Wells Fargo's and U.S. Bank's underwriting fees will be determined at a rate equal to all underwriters and at what PacifiCorp believes to be market rates or better. PacifiCorp anticipates Wells Fargo's and U.S. Bank's underwriting fee will be significantly less than the fees paid to the joint book running managers and will be approximately [REDACTED] each, respectively. The underwriting fee is commercially-sensitive, and if revealed, could erode the Company's bargaining position in future transactions. Such erosion of bargaining power could lead to increased costs. This information is designated confidential under RCW 80.04.095 and submitted in accordance with the provisions of WAC 480-07-160.

As a public utility, the Company is expected to acquire, construct, improve, and maintain sufficient utility facilities to serve its customers adequately and reliably at reasonable cost. Issuance of bonds are part of a program to finance the Company's facilities taking into consideration prudent capital ratios, earning coverage tests, and market uncertainties as to the relative merits of the various types of securities the Company could sell. Accordingly, the transaction is consistent with the public interest.

Also included with this filing is a notarized verification from Bruce N. Williams, Vice President and Treasurer, PacifiCorp, regarding the Agreement.

Informal questions concerning this filing may be directed to Bryce Dalley, Vice President, Regulation, at (503) 813-6389.

Sincerely,

Handwritten signature of R. Bryce Dalley in cursive, with the initials "GWT" written to the right of the signature.

R. Bryce Dalley
Vice President, Regulation
Pacific Power

Enclosure

WASHINGTON AFFILIATED INTEREST FILING

FORM OF UNDERWRITING AGREEMENT

REDACTED

ENTIRE DOCUMENT IS CONFIDENTIAL PER WAC 480-07-160

WASHINGTON AFFILIATED INTEREST FILING

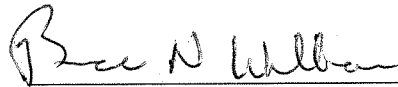
VERIFICATION

VERIFICATION

I, Bruce N. Williams, am an officer of PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Form of Underwriting Agreement, I verify that the draft Form of Underwriting Agreement is a true and accurate copy.

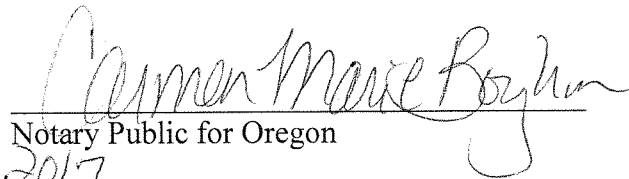
I declare upon the penalty of perjury, that the foregoing is true and correct.

Executed on March 10, 2014 at Portland, Oregon.



Bruce N. Williams
Vice President and Treasurer

Subscribed and sworn to me on this 10th day of March, 2014.



Notary Public for Oregon

My Commission expires: August 17, 2017

