

September 28, 2016

***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-16 ____—Affiliated Interest Filing—Environment One Corp., via
Precision Castparts Company**

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, Pacific Power & Light Company (Pacific Power or Company), a division of PacifiCorp, provides notice of ongoing ordinary course affiliated interest transactions from time to time with Environment One Corp., a wholly-owned indirect subsidiary of Precision Castparts Company (Environment One).

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a subsidiary of Berkshire Hathaway Inc.

On January 29, 2016, Berkshire Hathaway Inc. completed its acquisition of Precision Castparts Company, causing it and its subsidiaries, including Environment One, to become new affiliates 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 Environment One creates an affiliated interest relationship between Pacific Power and Environment One.

Environment One provides Pacific Power with certain mechanical parts, supplies, and services used by Pacific Power’s large thermal generation plants, including vacuum pumps, cloud chamber assemblies and collector analysis, cleaning, and repair. Pacific Power purchased such mechanical parts, supplies and services from Environment One before Berkshire Hathaway Inc. acquired Precision Castparts Company, and desires to continue using Environment One as one of its generation parts and services suppliers. The parts and services are purchased from time to time via standard PacifiCorp purchase orders, in the same manner as other supplies purchased via PacifiCorp’s procurement department. Instances of such purchase orders are attached hereto as Attachment A (the Agreement). Environment One is one of the only entities that can provide these parts and services at reasonable prices.

Pacific Power purchases the parts and services from Environment One as needed from time to time, to use in its fleet of generation plants. As such, there is no set dollar amount of such purchases, but PacifiCorp has historically purchased approximately \$110,000 of Environment One parts and services on average per year, and anticipates future purchase levels will be similar.

In addition, PacifiCorp recently discovered that it had purchased approximately \$56,452 of parts and services from Environment One since January 29, 2016, under the above-described pre-existing vendor relationship. Environment One was not initially flagged as an affiliate in PacifiCorp's affiliate tracking systems due to a naming convention issue in the software, which has now been remedied, and additional compliance checks have been run with respect to Precision Castparts Company and its voluminous subsidiaries.

The Agreement contains standard commercial sales terms and conditions to protect the Company's ability to provide safe and reliable service. Thus, the use of Environment One as a supplier of products and services under similar agreements via standard PacifiCorp purchase orders will not harm the public interest.

Pacific Power requests confidential treatment for Attachment A in accordance with WAC 480-07-160. The attachment contains commercially sensitive pricing information that could expose the Company and Environment One to competitive injury if disclosure is unrestricted. The Company requests confidential treatment on the basis that the document contains "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.

Washington Utilities and Transportation Commission

September 28, 2016

Page 3

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bryce Dalley", with a long horizontal flourish extending to the right.

R. Bryce Dalley
Vice President, Regulation

Enclosures

CONFIDENTIAL PER WAC 480-07-160

WASHINGTON AFFILIATED INTEREST FILING

ATTACHMENT A

This attachment is confidential in its entirety and will be provided under separate cover.

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 Purchase Order, I verify that it 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 September 28, 2016 at Portland, Oregon.



Jeffery B. Erb
Assistant General Counsel
Pacific Power

Subscribed and sworn to me on this 28 day of September, 2016.


Notary Public for Oregon

My Commission expires: MARCH 12, 2019

