

July 11, 2018

VIA ELECTRONIC FILING

Mark L. Johnson Washington Utilities and Transportation Commission 1300 S. Evergreen Park Drive S.W. P.O. Box 47250 Olympia, WA 98504-7250

RE: Docket UE-18_____—Affiliated Interest Filing—PacifiCorp and Bank of New Mellon

Under the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, Pacific Power & Light Company, a division of PacifiCorp, provides notice of affiliate interest transactions with Bank of New York Mellon, N.A. and BNY Mellon Capital Markets, LLC (collectively as used herein, "BNY Mellon").

PacifiCorp selected BNY Mellon to serve as a co-manager underwriter for a bond offering the company intends to make in the near future. A confidential copy of the draft Form of Underwriting Agreement (Agreement) is included as Confidential Attachment A hereto. This document contains a "draft" designation, which will be removed upon execution of the Agreement. The company does not expect to see material changes to the terms and conditions of the Agreement.

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). As of the date hereof, 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 of BNY Mellon common stock. 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 BNY Mellon creates an affiliated interest.

PacifiCorp intends to issue a bond offering in the near future and has solicited underwriting proposals from a number of investment banks. Several banks, including BNY Mellon, provided information on indicative credit spreads, market conditions, their credit analysis, marketing plans, and underwriting fees. The company selected five other banking institutions to lead the transaction as joint book-running managers and selected BNY Mellon to be among the comanagers for this bond offering. The selection of BNY Mellon was not influenced by Berkshire Hathaway's ownership interest. BNY Mellon's underwriting fees will be determined at a rate equal to all underwriters and at what PacifiCorp believes to be market rates or better for the company. PacifiCorp anticipates BNY Mellon's underwriting fee will be significantly less than

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the fees paid to the joint book-running managers. 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 an ongoing 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 Jeffery B. Erb, Chief Corporate Counsel for Berkshire Hathaway Energy Company, as designated counsel for PacifiCorp, and PacifiCorp Corporate Secretary, regarding the Agreement.

Questions may be directed to Ariel Son, Regulatory Affairs Manager, at (503) 813-5410.

Sincerely,

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Enclosure NEW-PPL-Attach-A-7-11-18 (C).pdf NEW-PPL-Attach-A-7-11-18 (R).pdf NEW-PPL-Verification-Erb-7-11-18.pdf