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April 7, 2020

VIA ELECTRONIC FILING

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

RE: Docket No. UE-20_____ —Affiliated Interest Filing — PacifiCorp and U.S. Bank

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

U.S. Bank has been selected to be an active underwriter for a bond offering the Company intends to issue in the near future. A confidential copy of the Form of Underwriting Agreement (Agreement) is included as Confidential Attachment A.

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy, (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). On December 31, 2019, 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 U.S. Bancorp common stock. 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 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 U.S. Bank, provided information on indicative credit spreads, market conditions, their credit analysis, marketing plans, and underwriting fees. The Company selected four other banking institutions to lead the transaction as joint book running managers and selected U.S. Bank to be among them for this bond offering. The selection of U.S. Bank was not influenced by Berkshire Hathaway’s ownership interest. 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 for the Company. PacifiCorp anticipates U.S. Bank’s underwriting fee will be approximately [REDACTED] each. 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.

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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 verification from Nikki Kobliha, Vice President, CFO and Treasurer, PacifiCorp, regarding the Agreement.

Informal questions concerning this filing may be directed to Ariel Son, Regulatory Affairs Manager at (503) 813-5410.

Sincerely,

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Enclosures

NEW-PPL-Attach-A-4-7-20 (C).pdf

NEW-PPL-Attach-A-4-7-20 (R).pdf

NEW-PPL-Verification-Kobliha-4-7-20.pdf