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June 22, 2020

VIA ELECTRONIC FILING

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

Received
Records Management
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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

**RE: Docket UE-20_____—Affiliated Interest Filing—PacifiCorp and BHE
Renewables, LLC**

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 an affiliated interest transaction with BHE Renewables, LLC (BHER) through its wholly owned subsidiary, BHE Wind, LLC. BHER will be transferring \$ [REDACTED] worth of equipment to PacifiCorp for PacifiCorp’s Pryor Mountain wind facility (the Wind Project). A verified copy of the Agreement (Agreement) is included with this Notice as Confidential Attachment A. PacifiCorp provides the Agreement as confidential in accordance with WAC 480-07-160. The Agreement contains sensitive pricing and cost information which, if disclosed to the public, could erode the Company’s ability to bargain with vendors in the future.

PacifiCorp is a wholly-owned subsidiary of Berkshire Hathaway Energy Company (BHE). BHER is a limited liability company, which is also a wholly-owned subsidiary of BHE. BHE Wind, LLC (BHE Wind) is a limited liability company which is a wholly owned subsidiary of BHER. 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, BHE’s ownership interest in PacifiCorp and BHER creates an affiliate interest relationship between PacifiCorp and BHE Wind.

Based in Phoenix, Arizona, BHER owns solar, wind, geothermal, and hydroelectric projects that produce energy for both the wholesale market and for customers under long-term power agreements. BHE Wind is transferring certain wind turbine equipment to PacifiCorp for use in its Wind Project.

Vestas V110 60 hertz 2.0-2.2MW equipment will be transferred from BHE Wind to PacifiCorp via a purchase and sale agreement priced at BHE Wind’s cost of [REDACTED]. Based on PacifiCorp’s experience in soliciting proposals for wind turbine supply agreements, the Company was seeing limited supply and price volatility and there were concerns regarding the ability of suppliers to meet the needs and supply the entire project within the short time frame available for PTC qualification. PacifiCorp

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had an opportunity to acquire these turbines from BHER at cost. This transaction supports the cost effectiveness and deliverability for the Pryor Mountain facility for the benefit of customers.

This transaction is not currently reflected in Washington rates under the West Control Area inter-jurisdictional allocation methodology. However, this project may be included in Washington rates under the Washington Inter-Jurisdictional Allocation Method proposed in PacifiCorp's current general rate case (UE-191024). Notwithstanding, the Company is providing this notice out of an abundance of caution to ensure consistent treatment of affiliate contracts under the requirements of RCW 80.16.020.

Also included with this filing is a verification from Joseph Paul, Senior Attorney, regarding the Agreement.

It is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

By email (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, Regulatory Affairs Manager, at (503) 813-5410 if you have any informal questions.

Sincerely,

 /s/
Michael Wilding
Director, Net Power Costs and Regulatory Policy
Pacific Power & Light Company
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(503) 813-5431
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Enclosures
NEW-PAC-Affiliate-Agreement-6-22-20 (C)
NEW-PAC-Affiliate-Agreement-6-22-20 (R)
NEW-PAC-Affiliate-Verification-6-22-20