

Confidential per WAC 480-07-160

Redacted

June 3, 2013

***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
 Acting Executive Director and Secretary

RE: Affiliated Interest Filing for PacifiCorp

Dear Mr. King:

In accordance with RCW 80.16.020 and WAC 480-100-245, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) provides notice of an affiliate interest transaction with Wells Fargo Securities, LLC (Wells Fargo). The Company selected Wells Fargo to be one of the three joint book running managers for a bond offering the Company intends to issue in the near future. A copy of the draft Form of Underwriting Agreement is included as 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). At year-end 2012, 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 Wells Fargo & Company 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 Wells Fargo & Company 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, provided information on indicative credit spreads, market conditions, their credit analysis, marketing plans, and underwriting fees. The Company selected Wells Fargo as one of three joint book running managers for this bond offering based on the favorable indicative credit spreads, knowledge of the utility industry, the Company and its operations, ability to market the bonds to prospective investors, successful outcomes in prior underwriting for the Company, and reasonable underwriting fees. The selection of Wells Fargo was not influenced by Berkshire Hathaway’s ownership interest. Wells Fargo’s underwriting fees will be equal to the fees paid to each of the two other joint book running managers and at what PacifiCorp believes to be market rates or better for the Company. PacifiCorp anticipates Wells Fargo’s underwriting fee will range from approximately \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ depending on the maturity of the debt that PacifiCorp issues. 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 Underwriting Agreement.

Informal questions concerning this filing may be directed to Bryce Dalley, Director, Regulatory Affairs & Revenue Requirement, at (503) 813-6389.

Sincerely,

William R. Griffith

Vice President, Regulation

Pacific Power

Enclosure

**WASHINGTON AFFILIATED INTEREST FILING**

**FORM OF UNDERWRITING AGREEMENT**

**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 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 June 3, 2013, at Portland, Oregon.

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Bruce N. Williams

Vice President and Treasurer

Subscribed and sworn to me on this 3rd day of June, 2013.

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Notary Public for Oregon

My Commission expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_