

May 10, 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—PacifiCorp, U.S. Bank National Association, Wells Fargo Bank, National Association and Wells Fargo Securities, LLC

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 an affiliate interest transaction with Wells Fargo Bank, National Association and Wells Fargo Securities, LLC (Wells Fargo), and U.S. Bank National Association (U.S. Bank).

PacifiCorp has selected Wells Fargo and U.S. Bank to each be one of seven joint lead arrangers for establishing a new revolving credit and letter of credit facility that will replace one of the Company's existing revolving credit agreements. In addition, the Company anticipates that Wells Fargo and U.S. Bank will serve in these same roles during a similar replacement process that is expected to occur during the first quarter of 2017 for the replacement of the Company's second revolving credit agreement.

Included with this filing are supporting documents to which Wells Fargo or U.S. Bank will be a party. A copy of the draft Confidential Commitment Letter, to which both Wells Fargo and U.S. Bank will be a party, is included as Attachment A. A copy of the draft Confidential Active Arranger Fee Letter to which Wells Fargo will be a party to is included as Attachment B. Included as Attachment C is a draft Confidential Passive Arranger Fee Letter to which U.S. Bank will be a party. All attachments hereto shall be referred to collectively as "Confidential Attachments." These Confidential Attachments contain commercially-sensitive information and are submitted in accordance with the provisions of WAC 480-07-160. These documents contain "draft" designations, which will be removed before execution. No material changes are expected to the terms and conditions of these letters.

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). Warren E. Buffett (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 hold an interest in excess of five percent in each of Wells Fargo and U.S. Bank common stock. 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’s ownership interest in each of Wells Fargo and U.S. Bank creates an affiliated interest.

PacifiCorp currently has two revolving credit agreements each with \$600 million of bank commitments.¹ One credit agreement expires in June 2017 (the 2017 Credit Agreement) and the second credit agreement expires in March 2018 (the 2018 Credit Agreement). PacifiCorp now intends to replace each of the two credit agreements over the next twelve months as part of an overall plan to maintain liquidity for commercial paper and other short-term borrowings and other obligations. In anticipation of replacing the credit agreements, PacifiCorp and its parent company, BHE, held discussions with, and solicited proposals from, a number of banks concerning PacifiCorp’s credit agreements. Several banks, including Wells Fargo and U.S. Bank, provided information on bank market conditions, structural considerations including tenors and impact on pricing and fees, syndication strategies, arrangement and upfront fees, experience in arranging comparable facilities for utilities and other corporate borrowers and other considerations.

The Company selected Wells Fargo as one of three active joint lead arrangers that will be engaged to assist PacifiCorp in arranging a replacement credit facility to the 2017 Credit Agreement. The Company selected U.S. Bank as one of four passive joint lead arrangers to further assist with replacing the 2017 Credit Agreement. The selection of each of Wells Fargo and U.S. Bank as one of the seven joint lead arrangers was based on their experience in syndicating comparable facilities for utilities, knowledge of current bank market conditions, credit ratings, willingness to make significant credit commitments to PacifiCorp, knowledge of the utility industry, the Company and its operations, successful outcomes in prior financing transactions for the Company and reasonable arrangement and other fees.

The selection of Wells Fargo or U.S. Bank was not influenced by Berkshire Hathaway’s ownership interest. Wells Fargo’s arrangement fee will be equal to the fees paid to one other active joint lead arrangers (while two other active joint lead arrangers will be paid slightly less due to expected lesser roles and work). U.S. Bank will be paid arranger fees approximately equal to or less than the other passive joint lead arrangers. PacifiCorp believes these fees to be at market rates or better for the Company. PacifiCorp anticipates Wells Fargo’s and U.S. Bank’s arrangement and upfront fees related to replacing the 2017 Credit Agreement will be approximately [REDACTED] and [REDACTED], respectively. In addition, both Wells Fargo and U.S. Bank will be paid an ongoing commitment fee and other fees at the same rate as all other banks in the new credit facility.

The Commission has previously authorized PacifiCorp to enter into one or more revolving credit agreements and borrowings thereunder in Docket UE-980404.

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.

¹ PacifiCorp has previously furnished these credit agreements to the Commission. Please see filings from July 16, 2012, and May 3, 2013, in Docket UE-980404.

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Revolving credit agreements and borrowings thereunder 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, these transactions with Wells Fargo and U.S. Bank are 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 Confidential Attachments.

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, Regulatory Projects Manager, at 503-813-5410 if you have any informal questions.

Sincerely,


R. Bryce Dalley
Vice President, Regulation

Enclosures

WASHINGTON AFFILIATED INTEREST FILING

CONFIDENTIAL

ATTACHMENT A

FORM OF COMMITMENT LETTER

CONFIDENTIAL PER WAC 480-07-160

**This entire document is designated as
Confidential per WAC 480-07-160**

CONFIDENTIAL

ATTACHMENT B

FORM OF ACTIVE ARRANGER FEE LETTER

CONFIDENTIAL PER WAC 480-07-160

**This entire document is designated as
Confidential per WAC 480-07-160**

CONFIDENTIAL

ATTACHMENT C

FORM OF PASSIVE ARRANGER FEE LETTER

CONFIDENTIAL PER WAC 480-07-160

**This entire document is designated as
Confidential per WAC 480-07-160**

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 Forms of Commitment Letter, Active Arranger Fee Letter and Passive Arranger Fee Letter, I verify that each is a true and accurate copy.

I declare upon the penalty of perjury, that the foregoing is true and correct.

Executed on May, 10, 2016 at Portland, Oregon.

Bruce N Williams

Bruce N. Williams
Vice President and Treasurer

Subscribed and sworn to me on this 10 day of May, 2016.

May Herring

Notary Public for Oregon

My Commission expires: April 27, 2019

