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July 7, 2021

VIA ELECTRONIC FILING

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

Received
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07/07/21 15:23
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Docket No. UE-21_____—Affiliated Interest Filing—PacifiCorp; Sumitomo Mitsui Banking Corp, US Bank, N.A., Bank of America N.A., and Bank of New York Mellon Corporation

Dear Mr. Johnson:

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 Sumitomo Mitsui Banking Corp (SMBC), US Bank, N.A. (US Bank), Bank of America N.A. (Bank of America) and Bank of New York Mellon Corporation (BNYM).

The Company selected SMBC as one of five active underwriters, US Bank and SMBC as two passive underwriters and Bank of America as one of six co-managers for this bond offering. A confidential copy of the draft Form of Underwriting Agreement (Agreement) is included as Confidential 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 Berkshire Hathaway Energy, (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). On December 31, 2020, 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 SMBC, US Bank, Bank of America and BNYM 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 SMBC, US Bank, Bank of America and BNYM 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 SMBC, US Bank, Bank of America and BNYM, provided information on indicative credit spreads, market conditions, their credit analysis, marketing plans, and underwriting fees. The selection of SMBC, US Bank, Bank of America and BNYM was not influenced by Berkshire Hathaway’s ownership interest. SMBC, US Bank, Bank of America and BNYM underwriting fees will be determined at a rate equal to

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all underwriters and at what PacifiCorp believes to be market rates or better for the Company. PacifiCorp anticipates the underwriting fee will be approximately [REDACTED] each, respectively. 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 verification from Nikki Kobliha, Vice President, CFO and Treasurer, PacifiCorp, regarding the Agreement.

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

Sincerely,

/s/

Shelley McCoy
Director, Regulation
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Enclosures

NEW-PPL-Attach-A-7-7-21 (R).pdf
NEW-PPL-Attach-A-7-7-21 (C).pdf
NEW-PPL-Verification-Kobliha-7-7-21