



825 NE Multnomah, Suite 2000  
Portland, Oregon 97232

March 4, 2015

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon  
3930 Fairview Industrial Drive S.E.  
Salem, OR 97302-1166

Attn: Filing Center

**RE: UI \_\_\_—PacifiCorp Application Requesting Approval of an Affiliated Interest Agreement with Wells Fargo Bank, N.A.**

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits for filing its Application Requesting Approval an Affiliated Interest Agreement with Wells Fargo Bank, N.A. Confidential attachments will be provided on a Confidential CD subject to OAR-860-001-0070.


PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232

Informal questions concerning this filing may be directed to Natasha Siores, Director, Regulatory Affairs & Revenue Requirement, at (503) 813-6583.

Sincerely,

  
R. Bryce Dalley  
Vice President, Regulation

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UI \_\_\_\_\_

In the Matter of the Application of  
PACIFICORP d/b/a Pacific Power,  
Requesting Approval of an Affiliated  
Interest Agreement with Wells Fargo Bank,  
N.A.

**APPLICATION OF PACIFICORP**

1           In accordance with ORS 757.495(1) and OAR 860-027-0040, PacifiCorp d/b/a  
2 Pacific Power (PacifiCorp or Company) requests approval from the Public Utility  
3 Commission of Oregon (Commission) of the confidential Form of Custody Agreement  
4 (Agreement) between PacifiCorp and Wells Fargo Bank, N.A. (Wells Fargo). Wells Fargo is  
5 an affiliated interest of PacifiCorp. The Agreement is included with this Application as  
6 Attachment A and is filed as confidential consistent with OAR 860-001-070. The Agreement  
7 contains information that is commercially-sensitive and could expose the Company to  
8 competitive harm if disclosed. The Company respectfully requests that the Commission  
9 approve the Agreement as an affiliated interest agreement and allow PacifiCorp to purchase  
10 services pursuant to the Agreement.

11 **I. Background**

12           PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy  
13 Company (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway).  
14 Warren E. Buffet (an individual who may be deemed to control Berkshire Hathaway),  
15 Berkshire Hathaway, various subsidiaries of Berkshire Hathaway, and various employee  
16 benefit plans of Berkshire Hathaway subsidiaries together held in excess of five percent in  
17 each of Wells Fargo & Company common stock. Wells Fargo Bank, N.A. is a subsidiary of  
18 Wells Fargo & Company. “Affiliated interest,” as defined in ORS 757.015(3), includes

1 every corporation five percent or more of whose voting securities are owned by any  
2 corporation or person owning five percent of the voting securities of a public utility or in any  
3 successive chain of ownership of a public utility. Berkshire Hathaway's ownership interest  
4 in PacifiCorp through BHE and Wells Fargo qualifies Wells Fargo as an affiliated interest.

5 PacifiCorp selected Wells Fargo to be the custodian to hold assets for its Long Term  
6 Incentive Plan (LTIP). The selection of Wells Fargo was not influenced by Berkshire  
7 Hathaway's ownership interest. Before 2015, BHE provided an LTIP for designated  
8 employees of BHE and some of its subsidiaries, including PacifiCorp. In January 2015,  
9 certain BHE subsidiaries, including PacifiCorp, began implementation and administration of  
10 their own individual LTIPs and are no longer part of the BHE LTIP. PacifiCorp selected  
11 Wells Fargo to serve as the custodian to hold the LTIP assets due to Wells Fargo providing  
12 similar custody services for the current BHE LTIP, overall satisfaction with its  
13 administration and services, reports and fees. PacifiCorp will pay a fee to Wells Fargo,  
14 priced at market rates or better, based on the size of the custodial account and the number  
15 of transactions and consistent with other financial arrangements currently in place.

16 With this Application, the Company requests Commission authorization to engage in  
17 business transactions with Wells Fargo under the terms and conditions of the Agreement.

## 18 **II. Compliance with OAR 860-027-0040 Filing Requirements**

### 19 **A. Address**

20 The Company's name and address of its principal business office are:

21 PacifiCorp  
22 825 NE Multnomah Street  
23 Portland, OR 97232

### 24 **B. Communications and Notices**

25 All notices and communications with respect to this Application should be addressed to:

1 PacifiCorp Oregon Dockets  
2 825 NE Multnomah Street, Suite 2000  
3 Portland, OR 97232  
4 [OregonDockets@pacificorp.com](mailto:OregonDockets@pacificorp.com)

Michelle R. Mishoe  
Senior Counsel  
Pacific Power  
825 NE Multnomah Street, Suite 1800  
Portland, OR 97232  
Tel. (503) 813-5977  
[michelle.mishoe@pacificorp.com](mailto:michelle.mishoe@pacificorp.com)

8 In addition, PacifiCorp respectfully requests that all data requests regarding this  
9 matter be addressed to:

10 By e-mail (**preferred**) [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

11 By regular mail Data Request Response Center  
12 PacifiCorp  
13 825 NE Multnomah Street, Suite 2000  
14 Portland, OR 97232

15 Informal inquires may be directed to Natasha Siores, Director, Regulatory Affairs  
16 and Revenue Requirement, at (503) 813-6583.

17 **C. Relationship Between PacifiCorp and Affiliated Interest**

18 PacifiCorp is a wholly-owned indirect subsidiary of BHE. BHE is a subsidiary of  
19 Berkshire Hathaway. Warren E. Buffet, Berkshire Hathaway, various subsidiaries of  
20 Berkshire Hathaway, and various employee benefit plans of Berkshire Hathaway subsidiaries  
21 together hold in excess of five percent interest in Wells Fargo common stock. Therefore,  
22 Wells Fargo is an “affiliated interest” of the Company as set forth in ORS 757.015(3).

23 **D. Voting Securities**

24 The Company and Wells Fargo do not own voting securities in each other.

25 **E. Common Officers and Directors**

26 The Company and Wells Fargo do not share any officers or directors.

1           **F. Pecuniary Interest**

2           No officer or director of either the Company or Wells Fargo is a party to or has a  
3           pecuniary interest in the contemplated business transactions between the Company and Wells  
4           Fargo.

5           **G. Description of Goods and Services Provided; Cost(s) Incurred;  
6           Market Value; Pricing Methods**

7           The Company selected Wells Fargo to be the custodian to hold assets for its LTIP due  
8           to Wells Fargo providing similar custody services for the current BHE LTIP, overall  
9           satisfaction with its administration and services, reports and fees. PacifiCorp will pay a fee  
10          to Wells Fargo, priced at market rates or better, based on the size of the custodial account and  
11          the number of transactions and consistent with other financial arrangements currently in  
12          place. The pricing structure is included with this Application as confidential Attachment B  
13          consistent with OAR 860-001-0070. Attachment B contains commercially-sensitive  
14          information, which if disclosed could subject the Company to competitive harm.

15          **H. Estimate of Amount PacifiCorp will Pay Annually for Services**

16          It is estimated that PacifiCorp's payments to Wells Fargo during the first year under  
17          the Agreement will not exceed \$2,500.

18          **I. Reasons Relied Upon for Procuring the Proposed Services, and  
19          Benefits to the Public**

20          As a public utility, the Company is expected to acquire, construct, improve, and  
21          maintain sufficient utility facilities to serve its customers adequately and reliably at  
22          reasonable cost. Holding assets in a custodial account is a prudent arrangement to set aside  
23          assets to fund the Company's LTIP obligations. Accordingly, the transaction is consistent  
24          with the public interest.

1           **J.       Description of the Procurement Process**

2           PacifiCorp selected Wells Fargo to serve as the custodian to hold the LTIP assets due  
3 to Wells Fargo providing similar custody services for the current BHE LTIP, overall  
4 satisfaction with its administration and services, reports and fees. The selection of Wells  
5 Fargo was not influenced by Berkshire Hathaway’s ownership interest.

6           **K.       Relationship of Cost of Provision of Services and Market Value**

7           The fees applicable to services under the Agreement are priced at market rates or  
8 better, are based on the size of the custodial account and the number of transactions and  
9 consistent with other financial arrangements currently in place with Wells Fargo.

10          **L.       Contracts Between Affiliated Interest and PacifiCorp**

11          A copy of the Form of Custody Agreement between PacifiCorp Wells Fargo is  
12 included with this Application as Confidential Attachment A.

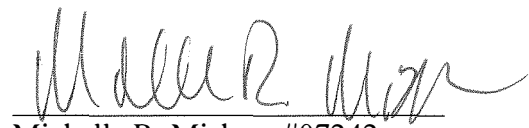
13          **M.       Copy of Board Resolutions**

14          Execution of the Form of Custody Agreement did not require approval from  
15 PacifiCorp’s Board of Directors.

16          WHEREFORE, for the reasons set forth above, PacifiCorp respectfully requests that  
17 the Commission issue an order authorizing PacifiCorp to conduct business with Wells Fargo  
18 Bank, N.A., under the provisions of ORS 757.495 and OAR 860-027-0040.

DATED: March 4, 2015

Respectfully submitted,



Michelle R. Mishoe, #07242

Senior Counsel

Pacific Power

**CONFIDENTIAL**

**ATTACHMENT A**

Form of Custody Agreement

CONFIDENTIAL ATTACHMENT A IS PROVIDED SEPARATELY  
SUBJECT TO OAR 860-001-0070

**CONFIDENTIAL**

**ATTACHMENT B**

Pricing Sheet

CONFIDENTIAL ATTACHMENT B IS PROVIDED SEPARATELY  
SUBJECT TO OAR 860-001-0070