



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

March 12, 2014

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

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

Attn: Filing Center

**RE: UI ___—Affiliated Interest Application Requesting Approval of an Affiliated
Interest Agreement with American Express Travel Related Services Company, Inc.**

PacifiCorp d/b/a Pacific Power submits for filing its Application Requesting Approval of an Affiliated Interest Agreement with American Express Travel Related Services Company, Inc. An original and three copies will be provided by overnight delivery.

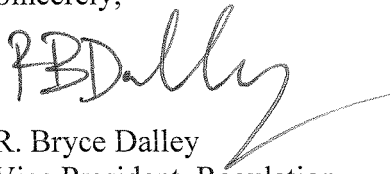
PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

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

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

Informal questions concerning this filing may be directed to Gary Tawwater, Regulatory Affairs Manager, at (503) 813-6805.

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 American Express
Travel Related Services Company, Inc.

APPLICATION OF PACIFICORP

1 Under the provisions of ORS 757.495(1) and in accordance with OAR 860-027-0040,
2 PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) requests approval from the Public
3 Utility Commission of Oregon (Commission) of the Company’s participation in an
4 agreement for travel-related services between American Express Travel Related Services
5 Company, Inc. (AXP) and MidAmerican Energy Holdings Company (MEHC). MEHC
6 entered into a master Business Travel Services Agreement, including a Statement of Work
7 (Agreement) on behalf of its platforms. To participate in the Agreement, MEHC platforms
8 may execute an Affiliate Acceptance Letter to become a party to the Agreement. PacifiCorp
9 executed an Affiliate Acceptance Letter and is a party to the Agreement.

10 The Company provides the Agreement as confidential in accordance with OAR 860-
11 001-0070 as Confidential Attachment A. PacifiCorp is required under the Agreement to
12 maintain the confidentiality of the entire agreement. Additionally, the Agreement contains
13 terms and conditions resulting from negotiations between the parties, the disclosure of which
14 could erode the Company’s bargaining power in the future. Also provided as confidential in
15 accordance with OAR 860-001-0070 is a copy of PacifiCorp’s Confidential Affiliate
16 Acceptance Letter (Confidential Attachment B). The Company respectfully requests that the
17 Commission approve the Agreement as an affiliated interest agreement and allow PacifiCorp
18 to purchase services in accordance with the Agreement.

1 **I. Background**

2 PacifiCorp is a wholly-owned, indirect subsidiary of MEHC. MEHC is a subsidiary
3 of Berkshire Hathaway, Inc. (Berkshire Hathaway). Berkshire Hathaway holds American
4 Express Company common stock totaling greater than a five percent interest. AXP is a
5 subsidiary of the American Express Company. “Affiliated interest,” as defined in ORS
6 757.015(3), includes every corporation five percent or more of whose voting securities are
7 owned by any corporation or person owning five percent of the voting securities of a public
8 utility or in any successive chain of ownership of a public utility. Therefore, Berkshire
9 Hathaway’s ownership interest in American Express Company, and American Express
10 Company’s ownership interest in AXP creates an affiliated interest for PacifiCorp through
11 Berkshire Hathaway’s ownership interest in MEHC and MEHC’s ownership interest in the
12 Company.

13 AXP will be the Company’s preferred travel agency and will provide travel
14 reservations and online booking services. Services provided by AXP will provide savings to
15 PacifiCorp over the costs incurred for travel services from the previous vendor.

16 With this Application, the Company requests Commission authorization to engage in
17 business transactions with AXP 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

Michelle R. Mishoe
Senior Counsel
Pacific Power
825 NE Multnomah Street, Suite 1800
Portland, OR 97232
Tel. (503) 813-5977
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

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

15 Informal inquiries may be directed to Gary Tawwater, Regulatory Affairs Manager, at
16 (503) 813-6805.

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

18 PacifiCorp is a wholly-owned, indirect subsidiary of MEHC. MEHC is a subsidiary
19 of Berkshire Hathaway. Berkshire Hathaway holds American Express Company common
20 stock totaling greater than a five percent interest. AXP is a subsidiary of the American
21 Express Company. Therefore, Wells Fargo is an “affiliated interest” of the Company as set
22 forth in ORS 757.015(3).

23 **D. Voting Securities**

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

25 **E. Common Officers and Directors**

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

27 **F. Pecuniary Interest**

28 No officer or director of either the Company or AXP is a party to or has a pecuniary
29 interest in the contemplated business transactions between the Company and AXP.

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

3 MEHC entered into a master Business Travel Services Agreement with AXP on
4 behalf of its platforms for the provision of travel related services after conducting a
5 competitive bidding process to select a vendor for travel services. MEHC platforms may
6 execute an Affiliate Acceptance Letter to become a party to the Agreement. Grouping all
7 MEHC platforms into one competitively-bid agreement allowed for savings to be achieved
8 and passed along to all platforms choosing to participate.

9 PacifiCorp executed a copy of the Affiliate Acceptance Letter and is now a party to
10 the Agreement. AXP will be the Company’s preferred travel agency and will provide travel
11 reservations and online booking services. PacifiCorp operates in six states. Relying on
12 travel services provides an efficient and cost-effective way of managing travel needs and
13 expense.

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

15 PacifiCorp anticipates spending \$35,000 per year on travel services purchased from
16 AXP.

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

19 PacifiCorp operates in six states and certain employees must travel between the six
20 states as part of their job functions. For example, the Company will send employees to
21 various state public utility regulatory agencies for various proceedings. Or line crews will
22 need to travel to another state to assist with outage restoration efforts. Relying on travel
23 services provides an efficient and cost-effective way of managing travel needs and expense.
24 Accordingly, the transaction is consistent with the public interest.

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

2 AXP was selected by MEHC through a competitive bid process.

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

4 The pricing under the Agreement was established through a competitive bid. The
5 pricing is market value or better.

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

7 Included with this Application as Attachment A is a copy of the confidential Business
8 Travel Services Agreement. A copy of PacifiCorp's confidential Affiliate Acceptance Letter
9 is included as Attachment B. The Company provides the Agreement as confidential in
10 accordance with OAR 860-001-0070. PacifiCorp is required under the Agreement to
11 maintain the confidentiality of the entire agreement. Additionally, the Agreement contains
12 terms and conditions resulting from negotiations between the parties, the disclosure of which
13 could erode the Company's bargaining power in the future.


14 **M. Copy of Board Resolutions**

15 The Agreement with AXP did not require a resolution from PacifiCorp's Board of
16 Directors.

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

20 DATED: March 12, 2014.

Respectfully submitted,


Michelle R. Mishoe, #07242
Senior Counsel
Pacific Power

CONFIDENTIAL

ATTACHMENT A

Confidential Business Travel Services Agreement

Attachment A is Confidential per OAR 860-001-0070
and will be provided separately.

CONFIDENTIAL

ATTACHMENT B

Confidential Affiliate Acceptance Letter

Attachment B is Confidential per OAR 860-001-0070
and will be provided separately.