

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2406

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Request to Amend Order No. 06-082
pursuant to ORS 756.568 to Allow PPW
Holdings to Maintain a Common Equity
Percentage of Less Than 44 Percent.

ORDER

DISPOSITION: STIPULATION ADOPTED AS MODIFIED; ORDER NO. 06-082
AMENDED

I. SUMMARY

In this order, we adopt a modified stipulation addressing the request filed by PacifiCorp, dba Pacific Power, to amend Order No. 06-082. In that order, the Commission approved the acquisition of PacifiCorp by MidAmerican Energy Holdings Company (MEHC), now known as Berkshire Hathaway Energy Company. PacifiCorp seeks to amend a condition to that approval to allow PacifiCorp's direct corporate parent, PPW Holdings, LLC (PPW Holdings) to have common equity capital below 44 percent of its total capital.

We amend and approve the stipulation filed by PacifiCorp and the Commission Staff to amend Order No. 06-082, Appendix A, Oregon-Specific Commitment 15.a to permit PacifiCorp and PPW Holdings to allow PPW Holdings' common equity capital percentage to drop below 44 percent of its Total Capital for a period of three years from the date of this order, and to require certain reporting during the same three-year period.

II. PROCEDURAL HISTORY AND BACKGROUND

In Order No. 06-082, docket UM 1209, we approved MEHC's acquisition of PacifiCorp from ScottishPower. As part of that acquisition, PacifiCorp and MEHC committed, among other things, to maintain PPW Holdings' common equity capital at no less than 44 percent after December 31, 2011.

On September 24, 2025, PacifiCorp filed a request to modify the common equity capital requirement for PPW Holdings. PacifiCorp noted that, as of June 30, 2025, PPW Holdings' capital structure included an equity percentage of 45.9 percent. PacifiCorp

detailed that significant wildfire liabilities have reduced the equity percentage of PPW Holdings' capital structure. Further, PacifiCorp asserted that additional capital investment is necessary to maintain the company's generation, transmission and distribution systems, as well as support new transmission and renewable generation projects, and to fund investments in wildfire mitigation.

On December 19, 2025, PacifiCorp and Staff (together Stipulating Parties) filed a stipulation addressing all issues in these proceedings, along with joint testimony supporting the stipulation. The stipulation is attached as Appendix A. Also on December 19, 2025, PacifiCorp filed a motion to suspend the established procedural deadlines in these proceedings. On December 22, 2025, the Commission suspended all deadlines previously established in these proceedings and set a deadline for parties to file an objection to, or request a hearing on, the stipulation. No party made a filing by the deadline.

III. STIPULATION

The Stipulating Parties agree that PPW Holdings will be allowed to maintain a common equity capital below the 44 percent specified in Order No. 06-082, but no lower than 35 percent, for a period of three years. The stipulation proposes this three-year waiver window begin on the date of any order by the Commission approving the proposed stipulation. Further, the stipulation provides the option for two additional one-year extensions of the waiver period, upon individual request from PacifiCorp and approval by the Commission.

Additionally, the Stipulating Parties agree that PPW Holdings will not issue debt, common or preferred stock or other securities, hybrid or otherwise, during the initial three-year waiver period or during a period of extension, should any be approved. The Stipulating Parties agree the stipulation represents a resolution of all contested issues in these proceedings.

IV. RESOLUTION

In all Commission contested case proceedings, some or all of the parties may enter into a settlement of any or all issues at any time during the proceedings.¹ In reviewing a stipulation, the Commission reviews the proposed settlement on a holistic basis to determine whether it serves the public interest and results in just and reasonable rates. The Commission may adopt, reject, or propose to modify a stipulation. If the Commission proposes to modify a stipulation, the Commission must explain the decision and provide the parties with sufficient opportunity on the record to present evidence and

¹ See generally OAR 860-001-0350.

argument in support of the stipulation. We have reviewed the stipulation, supporting testimony and responses to bench requests issued by the Administrative Law Judge (ALJ). Based upon this review, we modify the stipulation and amend Order No. 06-082 as discussed below.

The stipulation proposed by the Stipulating Parties provides for an initial three-year waiver of Oregon Commitment 15.a, with the explicit option for two additional one-year extensions of the waiver subject to Commission approval at a regular public meeting. PacifiCorp's responses to the ALJ's bench requests appear to indicate that the company anticipates a five-year window to return to compliance with Oregon Commitment 15.a.² While we understand the importance of the company's ability to fund its efforts to provide safe, reliable service to its customers,³ we are likewise aware of the potential for accumulating risks to ratepayers from a protracted period of increased debt leverage.⁴ Accordingly, we find a three-year waiver of Oregon Commitment 15.a reasonable.

Next, we find that regular status and progress reports regarding the efforts of PacifiCorp and its affiliates to return to compliance with Oregon Commitment 15.a would be informative and provide transparency to the Commission. Accordingly, we direct PacifiCorp to file reports specifically detailing the company's strategy framework and implemented efforts to return to compliance with Oregon Commitment 15.a, and identify PPW Holdings' actual consolidated capital structure as calculated within one week of the filing. The first of these reports is due 180 days after the issuance of this order and additional reports shall be filed no later than 180 days after the filing of the prior report.

Finally, given the company's necessary efforts in other jurisdictions seeking similar relief, we find it reasonable to attach two contingencies to approval of the modified stipulation. First, our adoption of the modified stipulation and subsequent amendment of Order No. 06-082 is contingent upon approval by other state regulatory commissions of similar requested waivers. Second, we require PacifiCorp to provide notice to the Commission, through a filing in the above-captioned docket, of any commitments or conditions that PacifiCorp is required to comply with in other jurisdictions, even if such commitment and/or conditions are agreed to after the Commission enters this order. We specifically reserve the right, pursuant to ORS 756.568, to further modify Order No. 06-082 to add commitments and conditions accepted or ordered in another state jurisdiction.

We adopt this modified stipulation and amendment to Order No. 06-082 as a reasonable resolution of the issues in these proceedings. We find that the terms of the stipulation, as

² See e.g. PacifiCorp Response to Bench Request 6 (Jan. 14, 2026).

³ See Joint Stipulating Parties/100, Weems-Muldoon/5:17-18. See also PacifiCorp's Response to Bench Request 2-1 (Jan. 16, 2026).

⁴ See Staff Response to Bench Requests 1-11 and 1-12 (Jan. 14, 2026).

modified, are supported by sufficient evidence, appropriately resolve issues in these proceedings, and will result in just, fair, and reasonable rates. We determine that, as modified, the stipulation contributes to an overall settlement in the public interest. Therefore, we adopt the stipulation as modified in its entirety.

V. ORDER

IT IS ORDERED that:

1. The stipulation between PacifiCorp, dba Pacific Power, and Staff of the Public Utility Commission of Oregon, attached as Appendix A, is adopted as modified.
2. Order No. 06-082, Appendix A, Oregon-Specific Commitment 15.a is amended to provide a waiver of PacifiCorp's commitment that the consolidated capital structure of PPW Holdings LLC will not contain common equity capital below 44 percent after December 31, 2011. Such waiver shall be effective for three years from the date of this Order.
3. Pursuant to 860-001-0350(9) and OAR 860-001-0710, PacifiCorp and Staff of the Public Utility Commission of Oregon are directed to notify the Commission no later than February 4, 2026, whether the terms of this order are accepted.

Made, entered, and effective Jan 21 2026.



Letha Tawney
Chair



Les Perkins
Commissioner



Karin Power
Commissioner



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

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STIPULATION

1

INTRODUCTION

2 In 2006, the Commission approved an application from MidAmerican Energy
 3 Holdings Company (MEHC) – since retitled to Berkshire Hathaway Energy Company (BHE)
 4 – and its parent company Berkshire Hathaway, Inc. (BHI) to acquire PacifiCorp (PacifiCorp
 5 or the Company).¹ In its order approving the acquisition, the Commission approved
 6 commitments applying to both the Company, BHE and BHI, including several commitments
 7 related to the capital structure of PacifiCorp and its direct parent, PPW Holdings. As
 8 relevant here, a component of Oregon Commitment 15(a) (Commitment O 15) requires that
 9 “the consolidated capital structure of PPW Holdings LLC will not contain common equity
 10 capital below the following percentages of its Total Capital² . . . 44.00 [percent] after
 11 December 31, 2011.”³ Due to certain ongoing circumstances, PacifiCorp now seeks to

¹ Order No. 06-082 at 17-18.

² Commitment 18(b) defines “Total Capital” as “common equity, preferred equity and long-term debt. Long-term debt is defined (in Oregon) as debt with a term of more than one year. For purposes of calculating the numerator of the percentage, common equity will be increased by 50% of the remaining balance of preferred stock that was in existence prior to the acquisition of PacifiCorp by MEHC. PacifiCorp and MEHC will work with Commission staff to determine a percentage of common equity credit to apply to preferred stock issued by PacifiCorp after the acquisition of PacifiCorp by MEHC. In the absence of such an agreement between Commission staff and the Companies, MEHC and PacifiCorp agree to treat new issuances of preferred stock as 100% debt, unless a Commission order approves a different percentage.” Order No. 06-082, Appendix A at 26.

³ Order No. 06-082, Appendix A at 40. The full text of Oregon Commitment 15 states: “(a) MEHC commits that

1 modify this commitment.

2 **PARTIES**

3 1. The parties to this Stipulation are PacifiCorp and Commission Staff (Staff).
4 No other parties have intervened in this proceeding. The Stipulating Parties are entering
5 into this Stipulation to resolve all issues in this proceeding.

6 **BACKGROUND**

7 1. On September 24, 2025, PacifiCorp filed a request for the Commission to
8 allow PPW Holdings LLC (PPW Holdings) to maintain an equity percentage below the 44
9 percent minimum limit that the Commission adopted in Order No. 06-082. The Company
10 articulated that this authority is necessary to allow the Company to remain in compliance
11 with the merger commitments as it continues to operate in the normal course of business,
12 where PPW Holdings' equity percentage is expected to fall below the 44 percent
13 minimum limit as a result of, among other things, accrual of significant wildfire liabilities
14 and ongoing financing requirements to invest in wildfire mitigation, generation, and
15 transmission assets to benefit customers through improved resource adequacy, system
16 resilience, and reliability.

immediately following the closing of the transaction, the acquiring company (PPW Holdings LLC) will have no debt in its capital structure. MEHC and PacifiCorp commit that the consolidated capital structure of PPW Holdings LLC will not contain common equity capital below the following percentages of its Total Capital as defined in Commitment 18b: 48.25% from the date of the close of the transaction through December 31, 2008; 47.25% from January 1, 2009 through December 31, 2009; 46.25% from January 1, 2010 through December 31, 2010; 45.25% from January 1, 2011 through December 31, 2011; 44.00% after December 31, 2011. b) MEHC and PacifiCorp commit that the consolidated capital structure of PPW Holdings LLC will not contain common equity capital below 35% of its Total Adjusted Capital as defined in Commitment 18c. c) MEHC will provide the Commission 30 days prior notice if PPW Holdings LLC intends to issue debt. MEHC and PacifiCorp acknowledge that if PPW Holdings LLC does issue debt, the Commission has the authority pursuant to a re-opener under ORS 756.568 limited to the consideration of additional ring-fencing provisions that may be appropriate.”

1 2. The parties convened preliminary discussions on December 11, 2025 and a
2 settlement conference on December 16, 2025 and reached an agreement in principle to
3 resolve all issues in this proceeding.

AGREEMENT

5 3. Limited Waiver: The Parties agree to support PacifiCorp's request to
6 modify Oregon Commitment 15(a) from Order No. 06-082 to allow PPW Holdings LLC
7 to contain common equity capital below 44 percent after December 31, 2011 as follows:

8 a. PPW Holdings LLC may contain common equity capital below the
9 44 percent specified in Order No. 08-082, but no lower than 35 percent, for a base period
10 of three years starting on the date of any order by the Commission approving this
11 stipulation (from Order entry date). PPW Holdings LLC may contain common equity
12 capital below the 44 percent, but no lower than 35 percent, for two additional one-year
13 periods beyond the base period, but each one-year extension is subject to Commission
14 approval at a regular public meeting prior to the expiration of the base period or any one-
15 year extension.

19 4. Other Issues: The Parties agree that this term sheet represents a resolution of
20 the contested issues in this proceeding.

21 5. This Stipulation will be offered into the record of this proceeding as
22 evidence pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this
23 Stipulation throughout this proceeding and any appeal, provide witnesses to sponsor this

1 Stipulation at the hearing, and recommend that the Commission issue an order adopting
2 the settlements contained herein. The Stipulating Parties also agree to cooperate in
3 drafting and submitting joint testimony or a brief in support of the Stipulation in
4 accordance with OAR 860-001-0350(7)(a).

5 6. If this Stipulation is challenged, the Stipulating Parties agree that they will
6 continue to support the Commission's adoption of the terms of this Stipulation. The
7 Stipulating Parties agree to cooperate in any hearing and put on such a case as they deem
8 appropriate to respond fully to the issues presented, which may include raising issues that
9 are incorporated in the settlements embodied in this Stipulation.

10 7. The Stipulating Parties have negotiated this Stipulation as an integrated
11 document. If the Commission rejects all or any material part of this Stipulation or adds
12 any material condition to any final order that is not consistent with this Stipulation, each
13 Stipulating Party reserves its right, pursuant to OAR 860-001-0350(9), to present evidence
14 and argument on the record in support of the Stipulation or to withdraw from the
15 Stipulation. The Stipulating Parties agree that in the event the Commission rejects all or
16 any material part of this Stipulation or adds any material condition to any final order that
17 is not consistent with this Stipulation, the Stipulating Parties will meet in good faith within
18 15 days and discuss next steps. A Stipulating Party may withdraw from the Stipulation
19 after this meeting by providing written notice to the Commission and other Stipulating
20 Parties. The Stipulating Parties shall be entitled to seek rehearing or reconsideration
21 pursuant to OAR 860-001-0720 in any manner that is consistent with the agreement
22 embodied in this Stipulation.

1 8. By entering into this Stipulation, no Stipulating Party shall be deemed to
2 have approved, admitted, or consented to the facts, principles, methods, or theories
3 employed by any other Stipulating Party in arriving at the terms of this Stipulation, other
4 than those specifically identified in the body of this Stipulation. No Stipulating Party shall
5 be deemed to have agreed that any provision of this Stipulation is appropriate for
6 resolving issues in any other proceeding, except as specifically identified in this
7 Stipulation.

8 9. The Stipulating Parties agree to make best efforts: (1) to provide each other
9 any and all news releases that any Stipulating Party intends to make about the Stipulation
10 two business days in advance of publication, and (2) to include in any news release or
11 announcement a statement that the Staff's recommendation to approve the settlement is
12 not binding on the Commission itself.

13 10. This Stipulation is not enforceable by any Stipulating Party unless and until
14 adopted by the Commission in a final order. Each signatory to this Stipulation
15 acknowledges that they are signing this Stipulation in good faith and that they intend to
16 abide by the terms of this Stipulation unless and until the Commission rejects or adopts
17 only in part the Stipulation. The Stipulating Parties agree that the Commission has
18 exclusive jurisdiction to enforce or modify the Stipulation.

19 11. This Stipulation may be executed in counterparts, and each signed
20 counterpart shall constitute an original document.

STAFF

By: *s/ Stephanie Andrus*
Stephanie Andrus

Date: 12/19/2025

PACIFICORP

By: 
Ryan Weems

Date: 12/19/2025