

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UI 531

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Application for Approval of an Affiliated
Transaction with a Special Purpose Entity
(Sale-leaseback Financing Arrangement -
B2H Project).

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on March 3, 2026, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Alison Lackey
Chief Administrative Law Judge



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 Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. RA1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 3, 2026**

REGULAR **X** **CONSENT** **EFFECTIVE DATE** **March 4, 2026**

DATE: February 17, 2026

TO: Public Utility Commission

FROM: Itayi Chipanera

THROUGH: Scott Gibbens and Matt Muldoon **SIGNED**

SUBJECT: PACIFICORP:
(Docket No. UI 531)
Affiliated Interest with Special Purpose Entity (Sale-leaseback Boardman-to-Hemingway Project).

STAFF RECOMMENDATION:

Staff recommends that the Commission approve PacifiCorp's request to sell and lease-back its ownership rights in the Boardman to Hemingway (B2H) transmission line to an affiliate as described herein, subject to the conditions of approval in Attachment A (Conditions).

DISCUSSION:

Issue

Whether the Commission should approve PacifiCorp's proposal to sell and lease-back its ownership rights in the Boardman-to-Hemingway (B2H) transmission line to a special purpose affiliated entity, BHE B2H, LLC (SPE), a wholly owned subsidiary of Berkshire Hathaway Energy (BHE).

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Applicable Rule or Law

ORS 757.495(1) and (2) require a public utility to file certain contracts with affiliated interests with the Commission for its review and approval. An "affiliated interest" is defined for purposes of ORS 757.495 in ORS 757.012(1). Application requirements for affiliated interest transactions are set forth in OAR 860-027-0040. The Commission reviews affiliated interest transactions to ensure they are fair and reasonable and not contrary to the public interest. ORS 757.495(3). The "fair and reasonable and not contrary to the public interest" standard is customarily applied as a "no harm" standard by the Commission.¹

Additionally, Staff takes the position that ORS 757.480 applies to this transaction. Under ORS 757.480(1), Commission approval is required for a public utility to sell, lease, assign, mortgage or otherwise encumber or dispose of certain property of the public utility that is necessary or useful in the performance of the public utility's duties to the public. Application requirements for transactions under ORS 757.480 are set forth in OAR 860-027-0025. OAR 860-027-0025(1)(I) requires the applicant to show that the proposed transfer will be consistent with the public interest. The Commission has previously interpreted the phrase "consistent with the public interest" as used in this rule as a showing of no harm.² PacifiCorp maintains that ORS 757.480 is not applicable because the property in question has not been constructed, is not in service, is not in rates, and also asserts that it is not necessary and useful for serving customers. This issue was submitted for legal briefing, but was not resolved as Staff and PacifiCorp reached agreement on the conditions for approval.

The Commission need not determine the reasonableness of all financial aspects of a transaction for ratemaking purposes, as the Commission reserves that issue for a subsequent proceeding, per Commission Order No. 11-071 in Docket No. UI 306.

Analysis

Boardman to Hemmingway Transmission Line Project

The Boardman to Hemmingway transmission line project (B2H Project) is a construction project that includes construction of approximately 300 miles of a single-circuit 500 kV transmission line, running from Hemingway, Idaho to a substation near Boardman,

¹ See, e.g., *In the Matter of a Legal Standard for Approval of Mergers*, Commission Order No. 01-778 at 10 (September 4, 2001); *In the Matter of Mid-America Energy Holdings*, Docket No. UM 1209, Order No. 06-082 (February 24, 2006).

² See, e.g., *In the Matter of the Application of Portland General Electric Company*, Order No. 99-730 at 7 (1999); *In the Matter of the Application of PacifiCorp*, Order No. 00-112 at 6 (2000).

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Oregon, and related structures.³ In 2012, PacifiCorp joined in the development of the B2H Project by signing a joint permit funding agreement with Idaho Power Company (Idaho Power) and Bonneville Power Administration (BPA) to support the permitting phase of development.⁴ A number of additional agreements have followed, including a 2022 term sheet between BPA, PacifiCorp and Idaho Power, and a Construction Funding Agreement between PacifiCorp and Idaho Power. Idaho Power has a 45.45 percent ownership interest in the B2H Project and is the Project Manager for construction. PacifiCorp's ownership interest is 54.55 percent with a corresponding construction funding obligation.⁵ B2H is under construction and scheduled to be in service by December 2027.⁶ Idaho Power is to invoice the Construction Funding Agreement participants monthly for their share of construction costs.⁷

UI 531 Application

PacifiCorp submitted its filing for this docket on November 7, 2025, as a request for approval of an affiliated interest transaction under ORS 757.495. With its filing in this docket, PacifiCorp seeks approval of 1) Master Purchase and Sale Agreement (MPSA) with BHE B2H, LLC; and 2) Master Lease Agreement (MLA) with BHE B2H LLC as an affiliated interest (AI) transaction.

Under the MPSA, PacifiCorp agrees to sell and lease back its interest in the B2H Project.⁸ The MPSA allows for the execution of additional schedules for the sale of other assets, but has only executed Schedule 1, addressing the B2H Project, at this time. For use in funding the capital expenditures that PacifiCorp is obligated to pay, based on the invoices it receives, the BHE B2H LLC will make one or more installment payments to PacifiCorp on a schedule to be agreed upon, up to \$1,050,000,000.00.⁹

³ *In the Matter of Idaho Power Company, Petition for Certificate of Public Convenience and Necessity*, Docket PCN 5, Order No. 23-225 at 3 (June 29, 2023); *In the Matter of STOP B2H Coalition and Irene Gilbert*, Docket UM 2394, Order No. 25-456, Appendix A at 3 (November 14, 2025).

⁴ *In the Matter of PacifiCorp's 2017 Integrated Resource Plan*, Docket No. LC 67, Ch. 4, at 69, 267 (April 4, 2017).

⁵ Docket No. UM 2394, Order No. 25-456 Appendix A at 2-3; UM 2394, PacifiCorp Initial Comments at 3 (September 15, 2025; B2H Project Term Sheet, available here: <https://boardman2hemingway.blob.core.windows.net/media/Default/documents/B2H%20-%20Term%20Sheet%20-%20BPA%20PAC%20IPC%20Signed-IP.pdf>. See also *In the Matter of PacifiCorp's 2025 Integrated Resource Plan*, Docket LC 85, IRP at Chapter 4, page 84 (March 31, 2025).

⁶ *In the Matter of Idaho Power Company 2025 Integrated Resource Plan*, Docket No. LC 87, Idaho Power 2025 IRP Presentation (Aug. 19, 2025).

⁷ B2H Project Term Sheet at 28, available here: <https://boardman2hemingway.blob.core.windows.net/media/Default/documents/B2H%20-%20Term%20Sheet%20-%20BPA%20PAC%20IPC%20Signed-IP.pdf>.

⁸ UI 531, Application, MPSA Sections 1, 2, Schedule 1, Annex A.

⁹ UI 531, Application, MPSA, Sections 2, 3, Schedule 1.

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With the first installment payment, PacifiCorp must grant the buyer “a perfected first lien security interest in the Project Interest, including any and all of the Seller’s right, title, and interest in the Project’s real property, fixtures, and personal or intangible property related to the Project.”¹⁰ Ultimately, the total of these installment payments is identified as the purchase price paid by the buyer.¹¹ If the Project is completed and placed in service by December 31, 2028, the sale may close at that final price and the lease documents can be executed.¹²

The MLA was executed on the same date as the MPSA—November 7, 2025. The lease term is timed to begin with close of the MPSA property sale, with the lease payment determined at that time under the terms of the MPSA and MLA. Level lease payments, consisting of both a return of and a return on capital, will be calculated so that the present value of all payments over the lease term equals the present value of a proxy revenue requirement determined under traditional cost-of-service ratemaking, as if PacifiCorp owned the Project directly.¹³ The assumed rate of return included in the lease payments will be the lower of:¹⁴

- (a) PacifiCorp’s regulated weighted average cost of capital from its OATT formula rate effective on the date of the closing; or
- (b) An average of PacifiCorp’s state authorized regulated weighted average cost of capital from the most recent state regulated retail rate case in each of state jurisdictions as of the date of the closing.

The lease will cover 20 years, with an option to renew. On the fifth anniversary of the lease term commencement, every five years following, and at the end of the lease term, PacifiCorp may purchase its Project Interest from BHE B2H LLC at a price calculated under the agreement.¹⁵

Staff’s review of the Application

Staff conducted a review of the Company’s application, issued supplemental information requests, and organized workshops to address outstanding questions beyond the formal requests, with the objective of gaining further understanding of the Company’s proposal.

According to PacifiCorp, BHE B2H, LLC, designated as a Special Purpose Entity (SPE) and a wholly owned subsidiary of Berkshire Hathaway Energy was established on

¹⁰ UI 531, Application, MPSA Exhibit 2, Conditions Precedent to Installment Payments, Item (f). See also Exhibit 3 Item (e).

¹¹ UI 531, Application, MPSA Section 3.

¹² UI 531, Application, MPSA Section 5, Exhibit 3 (h), Schedule 1.

¹³ UI 531, Application, MPSA, Annex J.

¹⁴ *Id.*

¹⁵ MPSA, Schedule 1, Annex J, MLA, Term 8.

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November 3, 2025. Its sole purpose is to acquire and hold the B2H transmission line.¹⁶ The Company stated that BHE B2H, LLC currently owns no other assets and is not aware of any plans for the entity to acquire additional transmission assets from other Berkshire Hathaway Energy subsidiaries or external parties.¹⁷ Two current members of PacifiCorp's board of directors will serve as the board of managers for the SPE. No other services or employees will be shared between the SPE and PacifiCorp. The SPE will solely function as the asset owner, while PacifiCorp will handle all activities required to operate and maintain the B2H transmission line. PacifiCorp will bear the sole responsibility for liabilities relating to B2H transmission project.¹⁸ For federal and state income tax purposes, PacifiCorp will be treated as the owner of the project interest and will claim deductions for tax depreciation and interest expense.¹⁹

PacifiCorp further indicated that it does not anticipate that the proposed sale will affect the Certificate of Public Convenience and Necessity (CPCN), which is held by Idaho Power. Although PacifiCorp is a partner in the B2HProject, it is not the CPCN holder.²⁰

Staff Review under the No Harm Standard

PacifiCorp did not request approval of the transaction under ORS 757.480 and does not agree that the statute applies to this transaction. Staff takes the position that both ORS 757.480 and ORS 757.495 apply to the filed transaction, however, both statutes are reviewed on consideration of a similar "no harm" standard. In the prior phase of this docket, Staff and PacifiCorp filed briefing addressing whether Commission approval is required under ORS 757.480. Resolution of the issues raised in briefing has become moot with both Staff and PacifiCorp supporting Commission approval contingent on the terms and conditions listed in Attachment A.

Staff and PacifiCorp have conferred, and with PacifiCorp's support of, and agreement to the terms and conditions, Staff supports a finding that the transaction is reasonable and in the public interest, such that the "no harm" standard is met, if this transaction is approved subject to those terms and conditions.

The purpose of the proposed transaction is as PacifiCorp states in its application. Specifically, the proposed transaction will enable PacifiCorp to fulfill its funding obligations for PacifiCorp's share of the B2H Project (approximately \$1 billion) while "maintaining the basic rights and obligations with regard to the use of the line for the

¹⁶ PacifiCorp response to Staff data request 1.

¹⁷ *In the Matter of PacifiCorp d/b/a Pacific Power Application for Approval of an Affiliated Transaction with a Special Purpose Entity*, Docket UI 531, Initial Application, Page 3.

¹⁸ PacifiCorp data response to Staff data request 6.

¹⁹ UI 531, Application, MLA, Section 12 and Section 7(u).

²⁰ PacifiCorp data response to Staff data request 19.

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benefit of its customers.”²¹ The B2H Project has been recognized as an important transmission project in other proceedings before the Commission, and as described in PacifiCorp’s application.²² The proposed transaction will enable PacifiCorp to meet its obligations for funding construction of the line and therefore will help ensure customers will be able to access the benefits of this transmission line once it is operational. Staff emphasizes that its review of this application is not a prudence review. A prudence review will be conducted when the line is ready to serve customers and the Company seeks to include the project’s construction costs in customer rates for recovery. PacifiCorp continues to bear the burden of demonstrating that the costs incurred in constructing the line are just, reasonable, and prudent. Staff supports adoption of the agreed terms and conditions set out in Attachment A, and summarized below, as an effective set of measures to protect customers from harm during the sale/lease-back period:

- Conditions addressing General Governance and Scope

Attachment A contains six terms and conditions addressing governance and scope. Notably, these conditions clarify that Commission approval is limited to approval of the Schedule 1 sale and lease-back of PacifiCorp’s interest in the B2H Project and approval only covers the base term of the associated lease agreement. Commission approval will be required for the sale or leasing of additional assets, any material change to the agreements, and any extension of the lease terms.

The proposed transaction, as noted above, is with a passive SPE. Under Condition 3, PacifiCorp will file a notice within 30 days with the Commission in the event the SPE conducts any activities beyond holding the B2H assets, makes regulatory filings, issues any securities, or if there is any change in control.

In the event any jurisdiction(s) outside Oregon impose conditions on the proposed transaction, or there are any denials or disapprovals, Conditions 4 and 5 allow the Commission to revisit an order approving the transaction.

- Conditions addressing Regulatory Oversight and Ratepayer Protections

Conditions 7 through 14 in Attachment A address protections for ratepayers and regulatory oversight. Regarding financial protections, Condition 7 confirms that the Commission reserves the right to review all aspects of the transaction in any rate

²¹ UI 531, Application at 3-4.

²² Docket UI 531, Application at 2; *In the Matter of PacifiCorp Application for Partial Waiver of OAR Chapter 860-089, Request to Engage Independent Evaluator and Approval of 2025 Draft RFP*, Docket UM 2383, Order No. 25-343, Appendix A at 10-11 (citations omitted).

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proceeding or alternative form of regulation. In Condition 12, PacifiCorp acknowledges that the proposed transaction will not affect wheeling revenue that will flow to Oregon retail customers. In Condition 9, PacifiCorp commits to taking action to re-acquire title to the B2H Project as soon as it is financially feasible.

Conditions 11, 13 and 14 address regulatory oversight. Under these conditions, PacifiCorp will operate and maintain its portion of B2H in compliance with applicable Oregon and federal safety standards and policies. PacifiCorp will include B2H in its local and regional transmission planning, and “otherwise treat the line as an integral transmission resource in its system portfolio for purposes of resource planning and cost allocation in relevant Oregon dockets, including but not limited to its Wildfire Mitigation Plans, Integrated Resource Plans (IRPs) and Clean Energy Plans (CEPs).”

Under Condition 11, PacifiCorp acknowledges its intention to secure a redirect of its existing transmission rights with BPA to the Longhorn substation, and further agrees to notify the Commission in a stand-alone filing made within 10 business days if PacifiCorp determines it will no longer seek to secure any portion of those redirect requests. Though any special contract or large energy use facility agreement that PacifiCorp would enter into with any large new load customer or other counterparty that would require the use of the B2H transmission line to facilitate load service will require Commission approval, Staff believes this condition will provide for greater transparency and review by the Commission as PacifiCorp seeks to secure an east to west resource delivery pathway using B2H.

- Conditions addressing Financial Integrity and Transaction Information

Conditions 15 through 20 provide for greater clarity, tracking and reporting on the transaction, relevant entities and key financial information.

- Additional Conditions

Conditions 21 and 22 address the Commission’s access to information. Conditions 23 through 28 address accounting issues related to the transaction, provide for testimony by subject matter experts before the Commission and address audits by the Commission. Condition 29 confirms that nothing in the conditions or their implementation shall modify, rescind, impair or limit the application and continuing effectiveness of Commission Order No, 06-082, approving the acquisition of PacifiCorp, and as subsequently amended.

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Staff believes that with the imposition of the conditions listed in Attachment A, the proposed transaction offers no harm to customers, and is consistent with the public interest.

Public Comments

As of the drafting of this report, public comments have been submitted by two individuals opposing approval of the transaction. These comments raise concerns with approval of the proposed transaction and with the process.

Regarding approval of the proposed transaction, one comment states that “The sale should not be allowed. If PacifiCorp thinks the liability is too large then the project should be ended.”²³ Another comment states that approval will expose customers from unreasonable financial risk, prevent the Commission from requiring the Company to explore ways to use B2H to serve Oregon customers, and provide a non-regulated entity with veto power regarding decisions related to the transmission line.²⁴

In response, Staff notes that its understanding is that the transaction is intended to enable PacifiCorp to meet its funding obligations and thereby allow the B2H Project to be constructed and placed in operation by PacifiCorp and Idaho Power. Approval of the transaction, including the Master Lease Agreement allowing for PacifiCorp’s continued operation of B2H, will allow PacifiCorp to access the customer benefits associated with B2H, including reliability, increased interconnection capacity, wheeling revenue and transfer capabilities, while disapproval would not. Staff believes the terms and conditions of approval in Attachment A are necessary and sufficient to meet the Commission’s standards and protect ratepayers. Of note here, those terms and conditions provide that approval does not establish a precedent for other proceedings, and the Commission retains authority to review the reasonableness and prudence of all financial aspects of the transaction in any future rate proceeding or other form of regulation.

Regarding the process for this docket, public comments submitted by Irene Gilbert on February 10, 2026, raised concerns with the limited time available for public comment from the February 6, 2026 interim ruling and the proposal to bring this item to the February 17, 2026, public meeting, requesting that this matter be rescheduled.²⁵ In addition, these comments assert that this docket must be a contested case proceeding

²³ See: UI 531, Oregon Public Utility Commission - Docket Public Comments - DocketPublicCommentReport.

²⁴ See: UI 531, Irene Gilbert public comment, December 8, 2025: [ui531hac342123028.pdf](#).

²⁵ See: UI 531, Irene Gilbert public comment, February 10, 2026: [ui531hpc343675058.pdf](#).

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and that the February 6, 2026 interim ruling should be reissued with findings of fact, conclusions of law, and appeal rights for impacted parties.

In response to these comments on process, Staff notes that this docket was moved to the March 3, 2026, public meeting agenda to allow additional time for the development of public comment. Staff is not aware of any statutory requirement that a decision on a transaction under either ORS 757.480 or ORS 757.495 be rendered by the Commission in a contested case, and in fact, many such decisions have been issued following consideration at a public meeting. The administrative law judge's February 6, 2026, interim ruling granting the joint motion filed by the two parties that participated in the earlier phase of this docket, PacifiCorp and Commission Staff, was, just as it was titled, an interim ruling. Staff understands that any future order issued by the Commission in this docket that is dispositive of PacifiCorp's application will be a final order and will be rendered consistent with the applicable legal standards.

Conclusion

As stated above, Staff believes that with the imposition of the terms and conditions listed in Attachment A, the proposed transaction offers no harm to customers, and is consistent with the public interest. This finding addresses the same standard applicable to review under both ORS 757.480 and ORS 757.495 and the differing positions on which statute applies need not be resolved by the Commission to address PacifiCorp's application.

Subject to these Conditions, Staff concludes that the proposed transaction will not result in harm and is consistent with the public interest.

The Company has reviewed a draft of this memo and agrees with its content.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's request to sell and lease-back its ownership in the Boardman-to-Hemingway project, subject to the Conditions set forth in Attachment A.

RA1 - PAC UI 531 AI w SPE and B2H Sale w Leaseback Chipanera

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Attachment A

UI 531 Conditions of Approval

Whereas, PacifiCorp does not stipulate to the application of ORS 757.480 to this transaction.

Whereas, Staff, takes the position that both ORS 757.480 and ORS 757.495 apply. However, on review of the transaction and available information, it finds that the requirements of ORS 757.480 and ORS 757.495 can be met and a finding that the transaction is reasonable and in the public interest can be made, if this transaction is approved by the Public Utility Commission of Oregon (Commission) subject to the following terms and conditions:

General Governance and Scope

1. Companies herein shall mean individually and severally: Berkshire Hathaway, Inc; Berkshire Hathaway Energy Company (BHE); PPW Holdings LLC (PPW); BHE B2H LLC, PacifiCorp, and any other affiliated Special Purposes Entities (SPE) doing or intending to do business with PacifiCorp (Collectively: Companies).
2. Commission approval of the transaction as filed in Docket UI 531, including the Master Purchase and Sale agreement (MPSA) and Master Lease Agreement (MLA) as executed on November 7, 2025, is limited to the Schedule 1 sale and lease back of PacifiCorp's interest in the Boardman to Hemmingway transmission line project (B2H Project) and associated lease agreement. The execution of any additional schedules and the sale or leasing of additional PacifiCorp assets and interests under the MPSA and MLA or to another SPE requires a separate filing by PacifiCorp for Commission approval. Any material changes to the MPSA and MLA require a separate filing by PacifiCorp for Commission approval.
3. PacifiCorp will make a notice filing in this docket in the event the SPE conducts any activities beyond holding the B2H assets, makes any regulatory filings, issues any securities, or if there is any change in control of the SPE within 30 days.
4. PacifiCorp will notify the Commission in writing within 60 days of any conditions imposed in jurisdictions outside Oregon concerning the filed transaction, whether by state or federal commissions or other regulatory agencies, and the Commission may at any time modify any Commission order approving the filed transaction to add commitments and conditions accepted or ordered in another jurisdiction.
5. PacifiCorp will notify the Commission in writing within 60 days of any denials or

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disapprovals in jurisdictions outside Oregon concerning the filed transaction, whether by state or federal commissions or other regulatory agencies, and the Commission may at any time rescind, suspend, or modify any Commission order approving the filed transaction.

6. Commission approval of the filed transaction extends only to the base term of the MLA filed in this docket, and PacifiCorp will obtain Commission approval before agreeing to any extension of the MLA.

Regulatory Oversight and Ratepayer Protections

7. The Commission reserves the right to review, for reasonableness and/or prudence, all financial aspects of the filed transaction in any rate proceeding or alternative form of regulation.
8. Commission approval of this transaction shall not be considered as a precedent in any future proceeding.
9. PacifiCorp will take action to re-acquire title to the B2H Project, free and clear of encumbrances, as soon as it is financially feasible. In the event PacifiCorp does not re-acquire title within twenty-one years of the B2H in-service date, the Company will promptly file a notice and explanation of relevant circumstances with the Commission.
10. PacifiCorp will apply payments it receives under the MPSA consistent with Section 3(e) of the MPSA.
11. PacifiCorp acknowledges its intention to secure a redirect of its existing transmission rights with BPA to the Longhorn substation. If PacifiCorp determines it will no longer seek to secure any portion of these redirect requests, it will notify the Commission in a stand-alone filing made within 10 business days. In addition, any special contract or large energy use facility agreement that PacifiCorp enters into with any large new load customer or other counterparty that would require the use of the B2H transmission line to facilitate load service will require Commission approval.
12. PacifiCorp acknowledges that the proposed transaction will not affect the wheeling revenue that will flow to Oregon retail customers once the B2H project is placed in service.
13. PacifiCorp operates and maintains a portion of B2H. For the portion of B2H, PacifiCorp is responsible for operating and maintaining, it will do so in compliance with all applicable Oregon and federal safety standards and policies.
14. PacifiCorp shall continue to include the B2H transmission line in its local and regional transmission planning, and otherwise treat the line as an integral transmission resource in its system portfolio for purposes of resource planning

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and cost allocation in relevant Oregon dockets, including but not limited to its Wildfire Mitigation Plans, Integrated Resource Plans (IRPs) and Clean Energy Plans (CEPs).

Financial Integrity and Transactional Information:

15. The Companies will maintain separate books and records.
16. PacifiCorp shall notify the Commission within 30 days of a) the date the B2H transmission line is placed in service, b) the close of the sale of PacifiCorp's Interest under the MPSA with notice of the purchase price paid by BHE B2H LLC, c) any sale, conveyance, assignment or other transfer of any right, title or interest in the MPSA by PacifiCorp, d) any sale, conveyance, assignment or other transfer of any right, title or interest in in the MPSA or any assignment of rights or of collateral under the MLA by BHE B2H LLC, and e) any notice provided by either party to the MPSA or the MLA indicating a declaration of default or an intent to terminate either agreement.
17. PacifiCorp acknowledges that all costs attributable to the B2H Project, including those associated with the MPSA and MLA, will be auditable by Staff and the origin of such costs must be demonstrable, so as to be specifically identified and tracked for the Commission. All transactions and expenditures shall be separately tracked in PacifiCorp's regulated books of accounts.
18. PacifiCorp acknowledges that other than to specifically initially fund BHE B2H, LLC, it may not, without Commission approval: a) Make loans or transfer funds to affiliated SPEs; b) Assume any obligation or liability as guarantor, endorser, surety, or otherwise for SPEs; c) Seek to pledge its assets or securities backing for any hedging, indebtedness, or securities for the benefit of the SPE; d) Enter into cross-default provisions; or e) Participate in a money pool with the SPE.
19. In addition to any information the Commission may request from PacifiCorp, within 60 days following the filing of PacifiCorp's annual report on Form 10-K covering the fiscal period ending December 31, 2026, PacifiCorp will also file a report with the Commission containing the following, unless otherwise provided to the Commission in any other proceeding:
 - a. The most recent Moody's and Standard and Poor's Credit Ratings and most recent credit reports for PacifiCorp;
 - b. The Funds from Operations to Debt ratio calculated by PacifiCorp and as of:
 - i. December 31, 2025;
 - ii. December 31, 2026;
 - c. Times Interest Earned (net earnings test under the PacifiCorp mortgage) as of the most recent debt issuance;

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- d. PacifiCorp securities itemization and totals of all types outstanding;
- e. PacifiCorp credit facilities of all types outstanding as of December 31, 2026, and an itemization of type and amount for each Letter of Credit (LC) outstanding under the revolving credit facility as of December 31, 2026; and
- f. A summary of each LC outside of those under the revolving credit facility outstanding as of December 31, 2026.

20. PacifiCorp will file a report to the Commission in Docket UI 531 within 180 days of Commission approval describing in detail the terms of the MPSA and MLA under which PacifiCorp would not have the right to operate the B2H transmission line.

Access to Information

- 21. PacifiCorp shall provide the Commission with access to all books of accounts, budgets, documents, data, records, accounting and financial information as well as engineering and other assessments and reporting without restriction.
- 22. PacifiCorp shall make credit ratings available to the Commission upon request.

Accounting and General

- 23. PacifiCorp shall record all transactions related to the B2H Project, including costs, investments and expenditures under the MPSA and MLA in regulated utility accounts.
- 24. PacifiCorp shall account for personnel time in accordance with its accounting policies and practices.
- 25. PacifiCorp acknowledges that it will make subject matter experts available to testify on an informational basis before the Commission at the Commission's convenience.
- 26. Organizational, start-up, or other costs associated with the creation of BHE B2H LLC will be separately tracked and will not be allocated to PacifiCorp customers, any remaining formation costs or other BHE B2H LLC-related costs will not appear on PacifiCorp books.
- 27. PacifiCorp will comply with all applicable Oregon statutes and administrative rules regarding affiliated interest transactions, including timely filing of applications and reports with the Commission.
- 28. The Commission may request an audit of the accounting records of PacifiCorp to the extent that they are the basis for jurisdictional charges to PacifiCorp, to verify the costs and the allocation factors used by the PacifiCorp or its affiliates to assign costs to PacifiCorp and amounts subject to allocation or direct charges. PacifiCorp will cooperate fully with such Commission audits.

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No Impairment to Controls and Protections in Prior Commission Orders

29. Nothing in the Conditions herein or the implementation thereof by the Companies shall modify, rescind, impair or limit to any extent the application and continuing effectiveness of Commission Order No 06-082, approving the acquisition of PacifiCorp by MidAmerican Energy Holdings Company (MEHC), now known as BHE, and as subsequently amended by the Commission, including Commission Order No. 26-008.