

ORDER NO. 26-141

ENTERED Apr 29 2026

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UI 533

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Application for Approval of an Affiliated
Interest Filing with PacifiCorp and Chubb
Limited.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on April 28, 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.

**PUBLIC UTILITY COMMISSION OF OREGON
REDACTED STAFF REPORT
PUBLIC MEETING DATE: April 28, 2026**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A**

DATE: April 16, 2026

TO: Public Utility Commission

FROM: Itayi Chipanera

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

SUBJECT: PACIFICORP:
(Docket No. UI 533)
PacifiCorp Application for Approval of an Affiliated Interest Filing with
PacifiCorp and Chubb Limited.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve PacifiCorp's application for an affiliated interest Agreement with Chubb Limited for surety appeal bonds, subject to the following Staff-proposed conditions:

Conditions:

1. PacifiCorp shall report to the Commission, as part of its annual affiliated interest report, a summary of the Company's transactions with Chubb Limited.
2. PacifiCorp shall notify the Commission of any substantive changes to the Agreement, including any material changes in price or other parameters of the Agreement. Any such changes shall be submitted in an application for a supplemental order (or other appropriate format) in this docket.
3. PacifiCorp shall provide the Commission, upon request, access to all books of account, as well as documents, data and records that pertain to any transaction involving Chubb Limited.
4. The Commission reserves the right to review, for reasonableness, all financial aspects of these transactions in any rate proceeding or alternative form of regulation.

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5. **[BEGIN CONFIDENTIAL]** [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] **[END CONFIDENTIAL]**

DISCUSSION:

Issue

Whether the Commission should approve PacifiCorp's affiliated-interest transaction involving a General Agreement of Indemnity (Agreement) between PacifiCorp and its affiliate, Chubb Limited (Chubb), under which Chubb, through its Chubb Surety division, would provide surety appeal bonds for PacifiCorp's wildfire litigation.

Applicable Law

"Affiliated interest," as defined in ORS 757.015(3), includes every corporation five percent or more of whose voting securities are owned by any corporation or person owning five percent of the voting securities of a public utility or in any successive chain of ownership of a public utility.

ORS 757.495 requires a public utility to seek approval of contracts with affiliated interests within 90 days of the execution of the contract. ORS 757.495(3) provides that the Commission may approve an affiliated interest agreement if the agreement is fair, reasonable, and not contrary to the public interest. When services or supplies (except for generation) are sold to an energy utility by an affiliate, sales shall be recorded in the energy utility's accounts at the affiliate's cost or the market rate, whichever is lower, unless there is an applicable rate on file with the Commission or with the Federal Energy Regulatory Commission (FERC). OAR 860-027-0048(4)(e).

The requirements for an affiliated interest transaction application are set forth in OAR 860-027-0040. The application must include a description of the relationship between the utility and the other contracting entity, any pecuniary interest of any officer or director, a description of the goods or services to be provided, the market value of the goods or services if different from the costs, the methods for pricing those goods and services, the reason for or benefits received from the transaction, and a copy of the contract. OAR 860-027-0040(a)-(m).

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Background

Chubb provides insurance and surety bonds worldwide, serving businesses of all sizes. Surety appeal bonds act as financial guarantees required when appealing monetary judgments in civil cases. PacifiCorp's engagement with Chubb will help the Company secure the bond coverage needed to file appeals in ongoing wildfire litigation.¹

PacifiCorp is an indirect, wholly owned subsidiary of Berkshire Hathaway Energy Company (BHE), which is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway, BHI). On May 15, 2024, BHI acquired an ownership interest amounting to greater than five percent Chubb common stock.² Berkshire Hathaway's ownership interest in PacifiCorp and Chubb qualifies Chubb as affiliated interests of PacifiCorp.

PacifiCorp filed this Application with the Commission on February 29, 2026, pursuant to ORS 757.495 and in accordance with OAR 860-027-0040. According to PacifiCorp's application, the agreement with Chubb enables PacifiCorp access to important surety bond coverage at rates in line with the market.³ PacificCorp also requests the **[BEGIN**

CONFIDENTIAL] [REDACTED]

[REDACTED] **[END**
CONFIDENTIAL]

Analysis

Staff's review included examination of the Company's current application, including a copy of the confidential quoted amounts PacifiCorp will pay for the surety coverage. Staff investigated the following issues:

1. Terms of the General Agreement of Indemnity,
2. Transfer Pricing,
3. Public Interest Compliance, and
4. Records Availability, Audit Provisions, and Reporting Requirements.

Terms and Conditions of the Agreement

Staff reviewed the quotations and the General Agreement of Indemnity and did not identify any unexpected or unusual terms or conditions.

¹ In the Matter of PACIFICORP d/b/a PACIFIC POWER Application for Approval of an Affiliated Interest Filing with PacifiCorp and Chubb Limited.

² *Id.*

³ *Id.*

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Transfer Pricing

[BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [END CONFIDENTIAL]

Staff asked PacifiCorp whether the coverage premium was attained by using a lower of cost or market method where quotes and coverage details from multiple insurance companies were reviewed, compared and negotiated. The Company provided information demonstrating that the Chubb pricing was the same as that of unaffiliated insurance companies that were providing bonds during the same time period.

Staff recommends the Commission approve [BEGIN CONFIDENTIAL] [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [END
CONFIDENTIAL]

Public Interest

The Commission customarily applies a “no-harm” standard in determining what is “not contrary to the public interest” in matters involving affiliated interest transactions.⁴ Staff finds the agreement will not harm customers and is satisfied that agreement is not contrary to the public interest.

Records Availability, Audit Provisions, and Reporting Requirements

Staff notes that the Commission retains the ability to review all affiliated-interest transactions of the Company through both its annual affiliated-interest report, in general rate case filings, and its auditing capability. Staff’s recommended conditions provide for all necessary Commission examination of PacifiCorp’s records concerning the agreement.

Conclusion

Based on Staff’s review of this application, Staff concludes that the public interest is not harmed by this transaction, provided the recommended Conditions are adopted.

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

⁴ See e.g., *In the Matter of a Legal Standard for Approval of Mergers*, Commission Order No. 01-778 at 10 (September 4, 2001).

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PROPOSED COMMISSION MOTION:

Approve PacifiCorp's application for an affiliated-interest Agreement with Chubb Limited, subject to the Staff's five recommended Conditions.

CA7 - PAC UI 533 Surety Bonds