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May 11, 2016

Gary Widerburg  
Commission Secretary  
Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, Utah 84111

Re: PacifiCorp Notice of Affiliate Transaction  
Docket No. 05-035-54

Dear Mr. Widerburg:

Pursuant to Commitment U3(2), incorporated in the Public Service Commission of Utah's *Report and Order* approving the *Acquisition of PacifiCorp by MidAmerican Energy Holdings Company* (MEHC)<sup>1</sup>, issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power d.b.a. PacifiCorp hereby provides notice of an affiliate interest transaction with Wells Fargo Bank, National Association and Wells Fargo Securities, LLC (Wells Fargo), and U.S. Bank National Association (U.S. Bank).

PacifiCorp has selected Wells Fargo and U.S. Bank to each be one of seven joint lead arrangers for establishing a new revolving credit and letter of credit facility that will replace one of the Company's existing revolving credit agreements. In addition, the Company anticipates that Wells Fargo and U.S. Bank will serve in these same roles during a similar replacement process that is expected to occur during the first quarter of 2017 for the replacement of the Company's second revolving credit agreement.

Included with this filing are supporting documents to which Wells Fargo or U.S. Bank will be a party. A copy of the draft Confidential Commitment Letter, to which both Wells Fargo and U.S. Bank will be a party, is included as Attachment A. A copy of the draft Confidential Active Arranger Fee Letter to which Wells Fargo will be a party to is included as Attachment B. Included as Attachment C is a draft Confidential Passive Arranger Fee Letter to which U.S. Bank will be a party. All attachments hereto shall be referred to collectively as "Confidential Attachments." These Confidential Attachments contain commercially-sensitive information and are submitted as confidential. These documents contain "draft" designations, which will be removed before execution. No material changes are expected to the terms and conditions of these letters.

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway).

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<sup>1</sup> As of April 30, 2014, MEHC was renamed Berkshire Hathaway Energy.

Warren E. Buffet (an individual who may be deemed to control Berkshire Hathaway), Berkshire Hathaway, various subsidiaries of Berkshire Hathaway and various employee benefit plans of Berkshire Hathaway subsidiaries together hold an interest in excess of five percent in each of Wells Fargo and U.S. Bank common stock. Therefore, Berkshire Hathaway's ownership interest in each of Wells Fargo and U.S. Bank may create an affiliated interest in some PacifiCorp jurisdictions.

PacifiCorp currently has two revolving credit agreements each with \$600 million of bank commitments.<sup>2</sup> One credit agreement expires in June 2017 (the 2017 Credit Agreement) and the second credit agreement expires in March 2018 (the 2018 Credit Agreement). PacifiCorp now intends to replace each of the two credit agreements over the next twelve months as part of an overall plan to maintain liquidity for commercial paper and other short-term borrowings and other obligations. In anticipation of replacing the credit agreements, PacifiCorp and its parent company, BHE, held discussions with, and solicited proposals from, a number of banks concerning PacifiCorp's credit agreements. Several banks, including Wells Fargo and U.S. Bank, provided information on bank market conditions, structural considerations including tenors and impact on pricing and fees, syndication strategies, arrangement and upfront fees, experience in arranging comparable facilities for utilities and other corporate borrowers and other considerations.

The Company selected Wells Fargo as one of three active joint lead arrangers that will be engaged to assist PacifiCorp in arranging a replacement credit facility to the 2017 Credit Agreement. The Company selected U.S. Bank as one of four passive joint lead arrangers to further assist with replacing the 2017 Credit Agreement. The selection of each of Wells Fargo and U.S. Bank as one of the seven joint lead arrangers was based on their experience in syndicating comparable facilities for utilities, knowledge of current bank market conditions, credit ratings, willingness to make significant credit commitments to PacifiCorp, knowledge of the utility industry, the Company and its operations, successful outcomes in prior financing transactions for the Company and reasonable arrangement and other fees.

The selection of Wells Fargo or U.S. Bank was not influenced by Berkshire Hathaway's ownership interest. Wells Fargo's arrangement fee will be equal to the fees paid to one other active joint lead arrangers (while two other active joint lead arrangers will be paid slightly less due to expected lesser roles and work). U.S. Bank will be paid arranger fees approximately equal to or less than the other passive joint lead arrangers. PacifiCorp believes these fees to be at market rates or better for the Company. PacifiCorp anticipates Wells Fargo's and U.S. Bank's arrangement and upfront fees related to replacing the 2017 Credit Agreement will be approximately [REDACTED] and [REDACTED], respectively. In addition, both Wells Fargo and U.S. Bank will be paid an ongoing commitment fee and other fees at the same rate as all other banks in the new credit facility.

As a public utility, the Company is expected to acquire, construct, improve, and maintain sufficient utility facilities to serve its customers adequately and reliably at reasonable cost. Revolving credit agreements and borrowings thereunder are part of a program to finance the

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<sup>2</sup> PacifiCorp has previously furnished these credit agreements to the Commission. Please see filings from July 16, 2012, and May 3, 2013, in Docket UE-980404.

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Company's facilities taking into consideration prudent capital ratios, earning coverage tests and market uncertainties as to the relative merits of the various types of securities the Company could sell. Accordingly, these transactions with Wells Fargo and U.S. Bank are consistent with the public interest.

Best Regards,



R. Jeff Richards  
Vice President and General Counsel  
PacifiCorp

Enclosures

cc: Chris Parker, DPU  
Michele Beck, OCS