



R. Jeff Richards
Vice President and General Counsel
1407 West North Temple, Suite 320
Salt Lake City, UT 84116
801-220-4734 Office
801-220-4058 Fax
jeff.richards@pacificorp.com

April 21, 2017

Gary Widerburg
Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building, 4th 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)¹, 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. As detailed in PacifiCorp's May 10, 2016 filing, this is Phase II of the Credit Agreement replacements.

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.

¹ As of April 30, 2014, MEHC was renamed Berkshire Hathaway Energy.

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). 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 creates an affiliated interest in some PacifiCorp jurisdictions.

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 2018 Credit Agreement. The Company selected U.S. Bank as one of four passive joint lead arrangers to further assist with replacing the 2018 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.

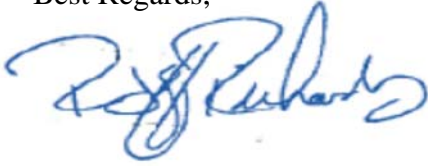
The selection of Wells Fargo or U.S. Bank was not influenced by Berkshire Hathaway's ownership interest. Wells Fargo's arrangement fee will be equal to the fees paid to one other active joint lead arrangers (while two other active joint lead arrangers will be paid slightly less due to expected lesser 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 2018 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 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.

REDACTED

Gary Widerburg
Notice of Affiliate Transaction
Page 3

Best Regards,

A handwritten signature in blue ink, appearing to read "R. Jeff Richards". The signature is fluid and cursive, with a large initial "R" and "J".

R. Jeff Richards
Vice President and General Counsel
PacifiCorp

Enclosures

cc: Chris Parker, DPU
Michele Beck, OCS

CONFIDENTIAL
ATTACHMENT A
DRAFT COMMITMENT LETTER

**THIS ATTACHMENT IS CONFIDENTIAL IN
ITS ENTIRETY AND IS PROVIDED UNDER
SEPARATE COVER**

CONFIDENTIAL

ATTACHMENT B

DRAFT ACTIVE ARRANGER FEE LETTER

**THIS ATTACHMENT IS CONFIDENTIAL IN
ITS ENTIRETY AND IS PROVIDED UNDER
SEPARATE COVER**

CONFIDENTIAL

ATTACHMENT C

DRAFT PASSIVE ARRANGER FEE LETTER

**THIS ATTACHMENT IS CONFIDENTIAL IN
ITS ENTIRETY AND IS PROVIDED UNDER
SEPARATE COVER**