

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of PacifiCorp (U-901-E) and
MidAmerican Energy Holdings Company for
Exemption Under Section 853(b) from the
Approval Requirements of Section 854(a) of
the Public Utilities Code with Respect to the
Acquisition of PacifiCorp by MidAmerican.

Application 05-07-010
(Filed July 15, 2005)

PETITION OF PACIFICORP (U-901-E) TO MODIFY DECISION 06-09-032

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October 15, 2025

SUMMARY OF RECOMMENDATIONS

PacifiCorp proposes modifying Commitment C-16 of D.06-09-032 to read:

MEHC commits that 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 19b:

- 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~~ **35.00**% after December 31, 2011.

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Pursuant to Rule 16.4 of the Rules of Practice and Procedure¹ of the California Public Utilities Commission (“Commission”), PacifiCorp d/b/a Pacific Power (“PacifiCorp” or the “Company”) submits this Petition to Modify Decision 06-09-032 (“Petition”). PacifiCorp requests that the Commission amend Decision (“D.”) 06-09-032 to allow PacifiCorp’s direct parent company, PPW Holdings LLC (“PPW Holdings”) to maintain a minimum equity percentage of 35 percent of MidAmerican Energy Holding Company’s (“MEHC”²) Total Capital. Although this Petition is not filed within one year of the effective date of D.06-09-032, there is good reason to grant this Petition at this time because it is in the public interest to do so and the need for the requested modification of the decision was unknown to PacifiCorp within one year of D.06-09-032.³

I. INTRODUCTION AND BACKGROUND

A. Decision 06-09-032 Requires PacifiCorp to Maintain a Minimum Common Equity Capital of 44 Percent of Its Total Capital After December 31, 2011.

In D.06-02-033, which preceded D.06-09-032 in Application (“A.”) 05-07-010, the

¹ California Public Utilities Commission Rules of Practice and Procedure.

² MEHC is now Berkshire Hathaway Energy, Inc. (“BHE”).

³ Rule 16.4(d).

Commission approved the request from MEHC and Berkshire Hathaway, Inc. (“BHI”) to acquire PacifiCorp.⁴ In its order approving MEHC’s acquisition of PacifiCorp, the Commission adopted “commitments” applicable to both PacifiCorp and BHI, including several commitments related to PacifiCorp’s capital structure. As relevant to this Petition, California Commitment 16(a) (“Commitment C 16”) requires that “the consolidated capital structure of PPW Holdings LLC⁵ will not contain common equity capital below the following percentages of its Total Capital⁶ . . . 44.00 [percent] after December 31, 2011.”⁷

Following the Commission’s issuance of D.06-02-033, five other states in which PacifiCorp operates in adopted additional commitments for PacifiCorp.⁸ PacifiCorp and MEHC

⁴ Decision 06-02-033 at 56.

⁵ PPW Holdings LLC is a single-purpose entity, that is wholly owned by BHE, and that owns all the stock of PacifiCorp.

⁶ Commitment 18(b) defines “Total Capital” as “common equity, preferred equity and long-term debt. Long-term debt is defined 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.” Decision 06-09-032, Appendix C at 4-5.

⁷ Decision 06-09-032, Appendix C at 17. The full text of Commitment C 16 states: “a) MEHC commits that 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 California Public Utilities Code §854, limited to the consideration of additional ring-fencing provisions that may be appropriate.”

⁸ These states included Idaho, Oregon, Utah, Washington, and Wyoming.

filed a Petition to Modify D.06-02-033 on June 23, 2006 to implement additional out-of-state commitments in California.⁹ On September 21, 2006, Commission adopted the Petition to Modify D.06-02-033 through its issuance of D.06-09-032.¹⁰ D.06-09-032 made technical changes to D.06-02-033 to add the out-of-state commitments and correct typographical errors, but made no changes to California Commitment 16(a).¹¹

II. THE COMMISSION SHOULD AUTHORIZE PACIFICORP TO DECREASE PPW HOLDINGS' MINIMUM EQUITY LEVEL REQUIREMENT TO 35 PERCENT.

Through this Petition, PacifiCorp requests that the Commission amend D.06-09-032 and reduce the minimum equity level requirement for PPW Holdings from 44 to 35 percent of MEHC's Total Capital. As described in the following subsections, it is the public interest for the Commission to grant this Petition and there is good reason for PacifiCorp's filing at this time.

A. Amending D.06-09-032 to Reduce PPW Holdings' Minimum Equity Level Requirement to 35 Percent is in the Public Interest.

PacifiCorp has complied with Commitment C 16(a) since its adoption in 2006, has not previously requested Commission approval to decrease PPW Holdings' equity below 44 percent of Total Capital, and has taken proactive measures, such as suspending shareholder dividends, to reduce the impacts on PPW Holdings' capital structure. As of June 30, 2025, PPW Holdings' capital structure includes an equity percentage, as defined by the merger commitment, of 45.9 percent. However, PacifiCorp forecasts that PPW Holdings' consolidated capital structure equity level will fall below the 44 percent threshold for two reasons. First, PacifiCorp has accrued substantial wildfire liabilities that have decreased the equity percentage in PPW Holdings'

⁹ Petition of Modification of D.06-02-033 (Filed June 23, 2026).

¹⁰ D.06-09-032.

¹¹ D.06-09-032, Appendix C, p.17.

capital structure.¹² Second, beyond the ongoing financing requirements of the regulated operations, PacifiCorp has continued needs for additional capital to maintain its transmission and distribution system. These capital expenditures are necessary to meet its customers' needs for new cost-effective transmission and renewable generation, improved reliability and power delivery, wildfire mitigation efforts, and to ensure safe operations.¹³ The forecasted and necessary capital spending, however, will require additional funds. PacifiCorp intends to raise funds by issuing new long-term debt in the debt capital markets and retaining all its earnings. Although the issuance of long-term debt will contribute to PPW Holdings' equity level falling below the 44 percent threshold, PacifiCorp's planned investments are necessary, appropriate, and consistent with the Company's obligation to provide safe, reliable service to its customers.¹⁴ For these reasons, the Commission should amend D.06-09-032 and modify PPW Holdings' equity level minimum threshold requirement to 35 percent of MEHC's Total Capital, as opposed to the 44 percent threshold established in D.06-09-032.

B. PacifiCorp' Petition is Timely Because the Need for Additional Debt Impacting PPW Holdings' Equity Level Was Not Known to PacifiCorp Within One Year of D.06-09-032.

As described above, PPW Holdings' equity level is anticipated to fall below the 44 percent threshold established in D.06-09-032 due to PacifiCorp's accrual of wildfire liabilities and the pressing need to make additional capital investments in its system. The wildfire liabilities affecting PacifiCorp occurred just within the last five years.¹⁵ Similarly, the planned increase in capital investments is also a recent development. The need for the expenditures that will cause

¹² Declaration of Ryan Weems In Support of Petition of PacifiCorp to Modify Decision 06-09-032, p. 2.

¹³ *Id.*, pp. 2-3.

¹⁴ *Id.*, p. 3.

¹⁵ *Id.*, p. 2.

PPW Holdings' equity level to decline below the 44 percent threshold were not foreseeable within one year of D.06-09-032, and therefore PacifiCorp could not have filed this Petition within that timeframe. These facts establish that PacifiCorp's Petition is timely under the provisions of Rule 16.4 (d) of the Commission's Rules of Practice and Procedure.

III. CONCLUSION

For the reasons described in this Petition, PacifiCorp respectfully requests that the Commission modify D.06-09-032 and lower the common equity capital threshold of PPW Holdings from a minimum of 44 percent to 35 percent.

Respectfully submitted October 15, 2025, at San Francisco, California

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DECLARATION OF RYAN WEEMS
IN SUPPORT OF PETITION OF PACIFICORP TO MODIFY DECISION 06-09-032

I, RYAN WEEMS, declare as follows;

1. I am the Vice President, Controller and Treasurer for PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company). I am responsible for treasury, financing, investments, budgeting and forecasting, and capital planning. PacifiCorp is a multi-jurisdictional utility providing electric retail service to customers in California, Idaho, Oregon, Utah, Washington, and Wyoming. PacifiCorp serves approximately 46,000 customers in portions of Del Norte, Modoc, Shasta, and Siskiyou Counties in northern California.
2. This declaration is based on my information and belief and is submitted for the purpose of supporting the Petition of PacifiCorp to Modify Decision (D.) 06-09-032, as provided for in Rule 16.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission).
3. D.06-02-033, issued by the Commission in Application (“A.”) 05-07-010, approved the request of MidAmerican Energy Holding Company (“MEHC”) and Berkshire Hathaway, Inc. (“BHI”) to acquire PacifiCorp.¹ In its order approving MEHC’s acquisition of PacifiCorp, the Commission adopted “commitments” applicable to both PacifiCorp and BHI, including several commitments related to PacifiCorp’s capital structure.

¹ Decision 06-02-033. This decision was subsequently modified by D.06-09-032, which made changes to D.06-02-033 to add the out-of-state commitments and correct typographical errors.

4. California Commitment 16(a) (“Commitment C 16”) in D.06-02-033 requires that the consolidated capital structure of PPW Holdings LLC² will not contain common equity capital of less than 44.00 percent of its Total Capital³ after December 31, 2011.⁴

5. PacifiCorp has complied with Commitment C 16(a) since its adoption in 2006, and has not previously requested Commission approval to decrease PPW Holdings’ equity below 44 percent of Total Capital. In addition, PacifiCorp has taken proactive measures to maintain PPW Holdings’ capital structure above the required minimum limits, including suspending shareholder dividends.

6. In D.25-09-003, the Commission approved PacifiCorp’s Application (A.) 23-06-017 to establish a Wildfire Expense Memorandum Account, due to the fact that PacifiCorp is subject to a number of lawsuits relating to wildfires that occurred since 2020.⁵ Those suits have created significant wildfire liability-related costs for PacifiCorp. These accrued substantial wildfire liabilities that have decreased the equity percentage in PPW Holdings’ capital structure.

7. In addition, beyond its obligation to meet the ongoing financing requirements of its regulated operations, PacifiCorp has continuing needs for additional capital to maintain and expand its transmission and distribution system. These capital expenditures are necessary to meet

² PPW Holdings LLC is a single-purpose entity, that is wholly owned by BHE, and that owns all the stock of PacifiCorp.

³ Commitment 18(b) defines “Total Capital” as “common equity, preferred equity and long-term debt.” Decision 06-09-032, Appendix C at 4-5.

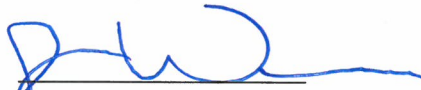
⁴ Decision 06-09-032, Appendix C at 17. Commitment C 16 states in part: “a) MEHC commits that immediately following the closing of the transaction, the acquiring company (PPW Holdings LLC) will have no debt in its capital structure. MEHC and PacifiCorp commit that the consolidated capital structure of PPW Holdings LLC will not contain common equity capital below the following percentages of its Total Capital as defined in Commitment 18b:...44.00% after December 31, 2011.... ”

⁵ D.25-09-003, p. 9.

its customers' needs for new cost-effective transmission and renewable generation, improved reliability and power delivery, wildfire mitigation efforts, and to ensure safe operations. The forecasted and necessary capital spending for these projects will require additional funds. PacifiCorp intends to raise the funds for these new capital expenditures by issuing new long-term debt in the debt capital markets and retaining all its earnings. Although the issuance of long-term debt will contribute to PPW Holdings' equity level falling below the current minimum 44 percent threshold, PacifiCorp's planned investments are necessary, appropriate, and consistent with the Company's obligation to provide safe, reliable service to its customers.

8. I declare under penalty of perjury under the laws of the State of California that the statements and information contained in this declaration are true and correct.

Executed in Portland, Oregon on this October 14, 2025.



Ryan Weems
Vice President, Controller and Treasurer
PacifiCorp