

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN)	CASE NO. PAC-E-25-18
POWER'S APPLICATION FOR)	
AUTHORITY TO ALLOW PARENT)	ORDER NO. 36915
COMPANY TO MAINTAIN A COMMON)	
EQUITY PERCENTAGE OF LESS THAN 44)	
PERCENT)	

On September 24, 2025, Rocky Mountain Power, a division of PacifiCorp ("Company"), applied to the Idaho Public Utilities Commission ("Commission") requesting authority to allow the Company's direct parent company, PPW Holdings LLC ("PPW Holdings"), to maintain an equity percentage below the 44 percent minimum threshold set by the Commission in Case No. PAC-E-05-08 ("Application").

On October 10, 2025, the Commission issued a Notice of Application and Notice of Intervention Deadline, establishing a 21-day intervention period. Order No. 36801. There were no intervenors in the case.

On December 12, 2025, the Commission issued a Notice of Modified Procedure, establishing written comment deadlines. Order No. 36870. On January 9, 2026, Staff filed comments recommending the Commission deny the Company's Application. On January 12, 2026, Staff notified the Commission that it had begun settlement negotiations with the Company. On January 14, 2026, Staff filed supplemental comments recommending that the Commission approve the Application with certain modifications. On January 15, 2026, the Company filed reply comments agreeing to the modifications proposed by Staff.

With this Order, the Commission approves the Company's Application with the modifications described herein.

BACKGROUND

In 2006, the Commission issued Order No. 29973 (*amended* by Order No. 29998), approving MidAmerican Energy Holdings Company (which is now Berkshire Hathaway Energy Company) and Berkshire Hathaway, Inc.'s application to acquire the Company. The approval included a requirement that PPW Holdings' consolidated capital structure contain at least 44 percent of common equity capital after 2011 ("Idaho Commitment 21"). Order No. 29998, Consolidated List of Commitments, Commitment No. 21.

THE APPLICATION

As of June 30, 2025, PPW Holdings' capital structure included an equity percentage of 45.9 percent. Application at 1. However, the Company stated that due to its wildfire liabilities, increased long-term debt, and lower earnings projections for 2025–2026, PPW Holdings will likely be too leveraged to maintain an equity percentage above the 44 percent minimum threshold for the next several years. *Id.* at 1–2.

According to the Company, allowing PPW Holdings' equity to decrease below 44 percent would serve the public interest by enabling the Company to maintain its generation, transmission, and distribution system; to make necessary capital investments; and to meet its other merger commitments. *Id.* at 4–5. The Company also represented that it has taken steps, such as suspending shareholder dividends, to limit PPW Holdings' equity dilution. *Id.* at 5.

STAFF COMMENTS

Upon review of the Company's Application, Staff initially recommended that the Commission deny the Company's request to allow PPW Holdings to maintain an equity percentage below the 44 percent minimum threshold established by Idaho Commitment 21. Staff Comments at 1. Staff stated that Idaho Commitment 21 was intended to protect customers from a single shareholder taking dividend payments without providing meaningful equity to the utility's operations. *Id.* at 2. Staff contended noncompliance with Idaho Commitment 21 was unjustified partly because the wildfire liabilities cited by the Company are largely attributable to Oregon wildfires and were possibly incurred as a result of policy decisions reflected in Oregon law. *Id.* at 3. Additionally, Staff did not believe the Company had sufficiently identified a need for capital investment in transmission or renewable generation projects that would result in noncompliance with Idaho Commitment 21. *Id.*

Alternatively, Staff recommended that, if the Commission granted the Company's request, the Commission should also require the Company to use its actual capital structure rather than a hypothetical capital structure for ratemaking purposes in future general rate cases. *Id.* at 2. In the event the Commission approved the Company's request, Staff also recommended the Commission refuse any reduction in the Company's equity ratio as justification for increasing the Company's authorized return on equity. *Id.* at 4.

After discussion with the Company, Staff recommended the Commission approve the Company's request to allow PPW Holdings to maintain an equity percentage below 44 percent,

while imposing additional conditions. Staff Supplemental Comments at 2. According to Staff, its proposed modifications would serve as safeguards to protect ratepayers and would be of convenience for the Company, which will be subject to substantially similar conditions under an agreement with the Oregon Public Utilities Commission (“OPUC”). *Id.* (citing OPUC Docket No. UM 2406). Specifically, Staff proposed the Commission order:

1. PPW Holdings may contain common equity capital below the 44 percent specified in Idaho Commitment 21, but no lower than 35 percent, for a base period of three years starting on the date of any order by the Commission approving the Application. PPW Holdings may contain common equity capital below 44 percent, but no lower than 35 percent, for two additional one-year periods beyond the base period, but each one-year extension is subject to Commission approval prior to the expiration of the base period or the one-year extension, if granted.
2. PPW Holdings will issue no debt, common or preferred stock, or other securities, whether hybrid or otherwise, during the base period plus any extensions as discussed above.
3. The Company and PPW Holdings will not pay any dividends while PPW Holdings has a common equity capital below 44 percent.

Id.

COMPANY REPLY COMMENTS

In its reply comments, the Company agreed to Staff’s proposed conditions that would allow PPW Holdings to contain a common equity capital below 44 percent, but no lower than 35 percent, for three years, with two additional one-year extensions subject to Commission approval. Company Reply Comments at 3. The Company also expressly committed that PPW Holdings would not issue any debt, preferred stock, or other securities while PPW Holdings has a common equity capital below 44 percent. *Id.* The Company noted that it remains subject to other financial commitments that limit its ability to make dividends to PPW Holdings or Berkshire Hathaway Energy Company. *Id.* at 3.

The Company stated that it plans to raise funds for operations and capital investments by issuing new long-term debt and retaining earnings, which might temporarily lower PPW Holdings’ equity percentage. *Id.* at 2.

COMMISSION FINDINGS AND DECISION

The Commission's jurisdiction over this matter under *Idaho Code* § 61-328 requires Commission authorization for certain electric utility transactions, including mergers and acquisitions. Under the statute, the Commission has discretion to attach terms and conditions to its authorization that serve the public convenience and necessity. *Idaho Code* § 61-328(4). Additionally, *Idaho Code* § 61-501 authorizes the Commission to "supervise and regulate every public utility in the state and to do all things necessary to carry out the spirit and intent of the [Public Utilities Law]."

Based on our review of the record, the Commission finds it fair, just, and reasonable to approve the Company's requested waiver of Idaho Commitment 21, and authorize PPW Holdings to maintain an equity percentage below 44 percent, subject to the following conditions, to which the Company has committed to adhere: (1) PPW Holdings' consolidated capital structure will not contain common equity capital below 35 percent; (2) the waiver of Idaho Commitment 21 shall expire after a three-year base period, beginning on the service date of this Order; (3) prior to the waiver's expiration, the Company may apply to the Commission for approval of two separate, single-year extensions beyond the base period; (4) PPW Holdings shall issue no debt, common or preferred stock, or other securities, whether hybrid or otherwise, while PPW Holdings has a common equity capital below 44 percent; and (5) neither the Company nor PPW Holdings shall pay any dividends while PPW Holdings has a common equity capital below 44 percent.

The Commission cautions that, prior to approving any single-year extension of the waiver contemplated by the conditions listed above, it expects PPW Holdings' common equity capital to have a positive trajectory, indicating the Company's intention to return to compliance with Idaho Commitment 21.

Approval of this waiver and its conditions in no way limit the position that any party may advance regarding the Company's capital structure or return on equity in any future rate case.

ORDER

IT IS HEREBY ORDERED that the Company's requested waiver of Idaho Commitment 21, which requires PPW Holdings' consolidated capital structure to contain common equity capital of at least 44 percent, is approved, subject to the following conditions, to which the Company has committed to adhere:

- (1) PPW Holdings' consolidated capital structure will not contain common equity capital below 35 percent;
- (2) The waiver of Idaho Commitment 21 shall expire after a three-year base period, beginning on the service date of this Order;
- (3) Prior to the waiver's expiration, the Company may apply to the Commission for approval of two separate, single-year extensions beyond the base period;
- (4) PPW Holdings shall issue no debt, common or preferred stock, or other securities, whether hybrid or otherwise, while PPW Holdings has a common equity capital below 44 percent; and
- (5) Neither the Company nor PPW Holdings shall pay any dividends while PPW Holdings has a common equity capital below 44 percent.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* §§ 61-626.

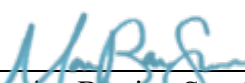
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 23rd day of January 2026.


EDWARD LODGE, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

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