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December 16, 2013

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

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"), 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 between PacifiCorp and HomeServices Relocation (HomeServices). PacifiCorp previously submitted notice of an affiliate transaction between HomeServices and PacifiCorp in June 2010. The contract submitted with the notice contains a provision allowing for the extension of the contract. The contract term has been extended, effective January 1, 2014. A copy of the First Amendment to the Relocation Services Contract (Contract) is included as Attachment A.

PacifiCorp is a wholly-owned indirect subsidiary of MEHC. MEHC is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). As of March 31, 2010, 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 held an interest in excess of 5 percent in HomeServices. Therefore, Berkshire Hathaway's ownership interest in HomeServices may create an affiliated interest in some PacifiCorp jurisdictions.

For the current Contract, MEHC selected HomeServices through a Request for Proposal process designed to elicit the most comprehensive relocation services package at a reasonable cost. MEHC subsidiaries have the option to sign onto the Contract and receive the same terms and conditions as MEHC. After determining the terms and conditions to be reasonable, PacifiCorp has opted to sign onto the Amendment. Under the terms of the Contract, HomeServices will manage comprehensive relocation services for PacifiCorp's transferring employees and new hires and will directly bill PacifiCorp for expenses incurred. The terms and

conditions, and pricing structure remain the same as under the previous contract, except the term is extended to December 31, 2015 and the business ethics provisions is modified.

As part of its management service, HomeServices assigns a personal relocation consultant to each relocating employee or new hire to coordinate departure and destination services. Departure services include personalized needs assessment; for homeowners, home marketing plan design, evaluation and negotiation of offers, and closing and settlement assistance; household goods survey; thirty-day notice to landlords for renters; and car and hotel reservations. Destination services include providing real estate agent information, housing and community information, area tours, cost of living analyses, and school reports; home buying search, negotiation and closing assistance; for renters, rental property search; temporary living; rental car coordination; partner/spouse career assistance and counseling; household goods moving and storage; and overlapping mortgage payment assistance. HomeServices will provide these services through its network of preferred vendors and service providers.

HomeServices will charge PacifiCorp a modest, flat fee per relocation for its services, plus the actual costs of services procured from its vendors and service providers. The fee HomeServices charges for its services is comparable to or lower than fees charged by other companies that offer relocation management services. PacifiCorp expects to pay HomeServices \$400 per relocation managed. The base fee per transaction is \$1,600, which will be discounted by \$600 if HomeServices receives a fee from the real estate selling agent, and discounted by another \$600 if HomeServices receives a fee from the real estate buying agent. For this fee, HomeServices negotiates discounted rates for many of the services it provides through third-party vendors, such as household goods shipping and storage. HomeServices will bill PacifiCorp for the cost of the third-party services without markup.

To meet staffing needs, PacifiCorp occasionally relocates existing employees and new hires. PacifiCorp offers relocation services to its eligible employees and new hires as part of total employee compensation to offset the expense of relocating and to ensure a smooth transition to the new position. The Contract allows PacifiCorp to purchase these services at a discount. For these reasons, the Contract is reasonable and meets the public interest.

Please do not hesitate to contact me if you have any questions.

Best Regards,



Mark C. Moench
Senior Vice President and General Counsel
PacifiCorp

Enclosures

cc: Chris Parker, DPU
Michele Beck, OCS

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