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February 13, 2012

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

Gary Widerburg
Commission Administrator
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*, issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power hereby submits an original and five copies each of an affiliate interest transaction with International Business Machines Corporation (IBM). The Company recently renewed a portion of a previously existing agreement with IBM to provide software support services for IBM software licenses purchased in 2008. A copy of the Quote and Purchase Order is included as Attachment A. The previously existing agreement titled Contract Between PacifiCorp and International Business Machine Corporation for Software Solution and Implementation Services is included as Attachment B.

PacifiCorp is a wholly-owned indirect subsidiary of MidAmerican Energy Holdings Company (MEHC). MEHC is a subsidiary of Berkshire Hathaway, Inc (Berkshire Hathaway). In mid-November 2011, Berkshire Hathaway publicly announced purchases of IBM common stock totaling greater than a five percent interest. Therefore, Berkshire Hathaway's ownership interest in IBM may create an affiliated interest in some PacifiCorp jurisdictions.

The Company has been reviewing its vendor records and determined that a business relationship with IBM began prior to the existence of the affiliate relationship. In 2008, the Company contracted with IBM for the provision of certain software and software support services. Opportunities for renewal of licensing and support services for individual software periodically arises. In December 2011, the Company determined that renewal of support for the Content Manager on Demand (CMOD) software was needed. CMOD is a software program that manages and stores data and allows that data to be retrieved and presented in desired formats.

The Company uses CMOD in its Customer Service group to allow representatives to access historic customer information. The Company will pay IBM \$140,336.40 for services related to CMOD, such as updating and repairing, during the calendar year 2012.

The Company relies on software furnished by IBM to create and maintain critical business records. This software is proprietary to IBM; therefore, only IBM is able to provide service. Without CMOD, the Customer Service group would not be able to access customer records, which would impede the ability to assist customers. Installing a different records management system would require considerable time and expense. Accordingly, the transaction is consistent with the public interest.

Additionally, the Company will provide notice of any renewals of software licensing and support services from IBM as they may arise in the future.

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

Sincerely,

A handwritten signature in blue ink that reads "Mark C. Moench".

Mark C. Moench
Senior Vice President and General Counsel
Rocky Mountain Power

Enclosures

cc: Chris Parker, DPU
Michele Beck, OCS