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June 4, 2012

***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*, issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power hereby provides notice of affiliate interest transactions with International Business Machines Corporation ("IBM"). The Company desires to renew portions of a previously existing agreement with IBM to provide software support services for IBM software licenses purchased in 2008 and a portion of an agreement with CompuCom, a reseller of IBM products and services. A copy of the Quotes or Invoices to document these transactions are included as Attachment A - G.

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.

In 2008, prior to the existence of the affiliate relationship, 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 arise. The Company determined that renewal of licensing and support for certain software programs and support for hardware was needed.

The renewals are for: IBM Sterling Commerce included as Attachment A, IBM Cognos included as Attachment B, IBM Cognos and DB2 included as Attachment C, IBM Content Manager on Demand (CMOD) and FileNet included as Attachment D, IBM Princeton Softech

included as Attachment E, IBM Mainframe Operating System (O/S) included as Attachment F, and IBM ILOG through CompuCom included as Attachment G.

Attachment A Quote for IBM Sterling Commerce

The Quote for IBM Sterling Commerce covers renewal of Gentran software for z/OS (“Gentran”). Gentran is an electronic data interchange (“EDI”) solution, designed for the translation of inbound and outbound EDI files and messages. Without this software, necessary transmission of electronic data would not occur in the Company’s Customer Support System (“CSS”) and business financial system (“SAP”).

The renewal is for the period of December 1, 2012, through May 31, 2013. As part of efforts to streamline business with IBM, the Company is renegotiating the renewal periods for its software licensing so that the renewals occur on the same schedule rather than on a staggered schedule. Renewing IBM Sterling Commerce at this time will align the renewal schedule with other software. PacifiCorp anticipates spending approximately \$18,967 on this renewal.

Attachment B IBM Cognos Quote

The Quote for IBM Cognos covers renewal of PowerPlay and Impromptu software. PowerPlay is used to analyze large volumes of dimensionally-modeled data with sub-second response times and allows data to be viewed from any angle and in any combination to identify and analyze the driving factors. Impromptu creates reports from any data source and distributes them to business users across the organization. Without this software necessary data analysis and report writing could not be performed.

The renewal is for the period June 1, 2012, through May 31, 2013. PacifiCorp anticipates spending approximately \$105,638 on this renewal.

Attachment C IBM Cognos, DB2 Connect Quote

The Quote for IBM covers renewal of Cognos and DB2 Connect support. As noted above, PowerPlay is used to analyze large volumes of dimensionally modeled data with sub-second response times and allows data to be viewed from any angle and in any combination to identify and analyze the driving factors. Cognos Impromptu creates reports from any data source and distributes them to business users across the organization. DB2 Connect consolidates host access through a gateway and deploys Web and multi-tier applications. Without this software necessary data analysis and report writing could not be performed.

The renewal is for the period June 1, 2012, through May 31, 2013. PacifiCorp anticipates spending approximately \$254,852 on this renewal.

Attachment D IBM FileNet/CMOD Quote

The Quote for IBM FileNet/CMOD covers the renewal of Websphere, FileNet applications and CMOD. Websphere is a Java application server. FileNet is an enterprise platform that enables the capture, storage, management, securing, and processing of information. 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.

Without these applications to allow the storage and content management of necessary operational data and documentation could not be managed within business operations.

The renewal is for the period June 1, 2012, through May 31, 2013. PacifiCorp anticipates spending approximately \$498,564 on this renewal.

Attachment E IBM Princeton Softech Invoice

The Invoice for IBM Princeton Softech covers the operating system for data management in the Company's Customer Support System (CSS) and is used for managing information from the mainframe, purging and archiving data for system health and compliance. Without this software data volume on the mainframe would grow to an unsustainable volume, leading to slow performance and eventual failure of CSS.

The renewal is for the period of September 1, 2012, through May 31, 2013. As part of efforts to streamline business with IBM, the Company is renegotiating the renewal periods for its software licensing so that the renewals occur on the same schedule rather than on a staggered schedule. Renewing IBM Princeton Softech at this time will align the renewal schedule with other software. PacifiCorp will spend approximately \$42,750 under the current contract. PacifiCorp will submit the quote for the renewal after it becomes available. The Company receives monthly invoices based on usage. The rate billed for usage was set at the time of equipment installation and only changes when new equipment is installed.

Attachment F IBM Operating System (O/S) Invoice

The Invoice for IBM Operating System O/S covers the renewal of the mainframe that supports PacifiCorp's billing systems, work manager and financial systems. Without the mainframe, PacifiCorp would not be able to bill and support customers, dispatch field workers, or provide key financial and regulatory reports.

The renewal is for the period of June 1, 2012, through May 31, 2013. The Company will receive monthly invoices based on usage and anticipates spending approximately \$85,000 per month over the renewal period. The rate billed for usage was set at the time of equipment installation and only changes when new equipment is installed.

Attachment G IBM ILOG Invoice

The Invoice for IBM ILOG covers the renewal of ILOG OPL Studio and CPLEX Optimization Studio, which is used by the Company's generation resource planning group to develop and deploy optimization models for planning purposes. Without these programs, PacifiCorp would not be able to perform the necessary optimization planning models for managing electric generation resources within the Company. The Company contracts with CompuCom, a reseller of IBM products and services, for the ILOG product and services, although the Company works directly with IBM for the performance of the contract.

The renewal is for the period of April 1, 2012, through May 31, 2013. The Company will receive monthly invoices based on usage and anticipates spending approximately \$70,000 per month based on usage. The rate billed for usage was set at the time of equipment installation and only changes when new equipment is installed.

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 the above listed software, many groups in the Company would not be able to perform necessary business functions. Installing different software would require considerable time and expense. Accordingly, these transactions are consistent with the public interest.

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

Best Regards,

A handwritten signature in blue ink that reads "Mark C. Moench". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark C. Moench
Senior Vice President and General Counsel
PacifiCorp

Enclosures

cc: Chris Parker, DPU
Michele Beck, OCS