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October 22, 2012

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

Gary Widerburg  
Commission Secretary  
Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> 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 (the "Company") hereby provides notice of an indirect affiliate interest transaction with International Business Machines Corporation (IBM). The Company intends to purchase IBM mainframe hardware equipment and support services through Sirius Computer Solutions, Inc (Sirius). A copy of the Professional Services Contract between PacifiCorp and Sirius Computer Solutions, Inc. for IBM Mainframe Replacement (Contract) is included as Attachment A. Exhibit B to the Contract contains commercially-sensitive pricing information and is submitted as confidential, and the Company requests this information be kept under seal.

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 recently conducted a formal bidding process to select a vendor to replace existing IBM mainframe equipment, which is reaching the end of its lifecycle. The Company selected Sirius because Sirius submitted the lowest cost bid. The estimated useful life of the mainframe is five years. The initial purchase under the Contract will include three years of hardware support. The Company anticipates renewing the hardware support for an additional two-year term upon the expiration of the initial three-year term. The software support services will provide technical guidance for managing the mainframe environment and will be provided for one year under the Contract. PacifiCorp will evaluate the software support services at the end of the first year to determine if the service is cost effective and should be renewed after the first year.

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The Company relies on hardware and software furnished by IBM to create, maintain and process critical business records. New mainframe hardware equipment is needed to accommodate normal capacity growth and to support planned expansion of the use of the customer self-service Internet application. The Company will be able to increase its processing capacity by eight percent and reduce certain software licensing costs by 14%. Accordingly, the transaction is consistent with the public interest.

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

Sincerely,

A handwritten signature in blue ink that reads "Mark C. Moench". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Mark C. Moench  
Senior Vice President and General Counsel  
PacifiCorp

Enclosures

cc: Chris Parker, DPU  
Michele Beck, OCS