



*Mark C. Moench
Senior Vice President and General Counsel
201 S. Main Street, Suite 2400
Salt Lake City, UT 84111
801-220-4459 Office
801-220-4058 Fax
mark.moench@pacificorp.com*

July 1, 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*, issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power ("Company") hereby provides notice of an affiliate interest transaction with International Business Machines Corporation (IBM). The Company desires to enter into an Enterprise Software and Support Option (ESSO) with IBM to essentially combine existing agreements to achieve savings. A copy of the ESSO is included as Confidential Attachment A. This material contains commercially-sensitive information and is submitted under seal, and the Company requests that it be made confidential.

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 IBM. Therefore, Berkshire Hathaway's ownership interest in IBM may create an affiliated interest in some PacifiCorp jurisdictions.

PacifiCorp has historically used a variety of technologies from IBM to support the delivery of key business functions. Specific functions provided by IBM include support for PacifiCorp's customer service and billing, support for enterprise reporting and analytics in the Enterprise Data Warehouse, support for Corporate Enterprise Content Management for document storage, archiving and retrieval, and support for optimization of energy trading activities. The ESSO will allow PacifiCorp to bundle certain software licensing purchases and support services to achieve significant savings over the term of the contract. PacifiCorp anticipates saving approximately \$800,900 over the next three years.

Gary Widerburg
Notice of Affiliate Transaction
July 1, 2013
Page 2

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 software furnished by IBM, many groups in the Company would not be able to perform necessary for business functions or prepare reports related to those business functions. Installing a different reporting system would require considerable time and expense. Additionally, PacifiCorp will be able to conserve expenses. Accordingly, the transaction is 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