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September 30, 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 intends to purchase IBM servers and support services through Sirius Computer Solutions Inc. (Sirius). Copies of the two Purchase Orders containing the terms and conditions of purchase are included as Attachment A. The parties to the transaction agreed to use PacifiCorp's standard purchase order for this transaction.

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.

The Company recently conducted a request for proposal process to select a vendor to replace existing IBM servers, which is reaching the end of its lifecycle. The Company selected Sirius because Sirius submitted the lowest cost bid. The initial purchase under the Purchase Order will include hardware, operating system software, and maintenance support for that hardware and operating system software. These servers will be used to support the Company's CADOPS, SAP, EDW and ETS environments. PacifiCorp will make a one-time purchase of servers at a purchase price of \$1,432,650.70 and anticipates spending approximately \$141,000

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annually for hardware and operating systems support services for the lifetime of the hardware, which is intended to be 5 years.

The Company relies on hardware and software furnished by IBM or distributors to create, maintain and process critical business records and to support critical business programs. New server equipment is needed to replace obsolete servers currently being used by the Company. The Company selected IBM products for replacement because IBM equipment is already in use and the transition to new IBM servers can be accomplished with minimal disruption. To select a different type of server would require extensive programming and hardware updates at considerable expense.

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 written in a cursive, flowing style.

Mark C. Moench
Senior Vice President and General Counsel
PacifiCorp

Enclosures

cc: Chris Parker, DPU
Michele Beck, OCS