

April 5, 2012

***VIA ELECTRONIC MAIL***

***AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
P.O. Box 47250  
Olympia, WA 98504‑7250

Attention: David Danner  
 Executive Secretary

**RE: Affiliated Interest Filing for PacifiCorp**

Dear Mr. Danner:

Pursuant to the provisions of RCW 80.16.020 and WAC 480-100-245, PacifiCorp, d.b.a. Pacific Power & Light Company (PacifiCorp or the Company), provides notice of an affiliate interest transaction with International Business Machines Corporation (IBM). The Company desires to renew 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 to document this transaction is included as Attachment A. The previously existing agreement titled Contract between PacifiCorp and IBM Corporation for Software Solution and Implementation Services was provided to the Washington Utilities & Transportation Commission (Commission) in Docket UE-120187.

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. RCW 80.16.020 includes in its definition of “affiliated interest,” “every corporation five percent or more of whose voting securities are owned by any person or corporation owning five percent or more of the voting securities of such public service company or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities.” Therefore, Berkshire Hathaway’s ownership interest in IBM creates an affiliated interest.

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 for the Cognos Impromptu software was needed. Cognos is used Company-wide as a reporting tool and is designed to allow for configuring and managing reports. The Company will pay IBM $3,420 for the Cognos Impromptu licenses during the term of the license; March 30, 2012

through March 31, 2013. This is based on IBM’s “Passport” level pricing, which is a volume discount.

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 Cognos, many groups in the Company would not be able to prepare reports necessary for business functions. Installing a different reporting system would require considerable time and expense. Accordingly, the transaction is consistent with the public interest.

Also included with this filing is a notarized verification from Michelle R. Mishoe, Legal Counsel, PacifiCorp, regarding the Quote.

Please call Carla Bird at (503) 813-5269 if you have any questions.

Sincerely,

William Griffith

Vice President, Regulation

Pacific Power

Enclosures

**WASHINGTON AFFILIATED INTEREST FILING**

**ATTACHMENT A**

**QUOTE**

**WASHINGTON AFFILIATED INTEREST FILING**

**VERIFICATION**

**VERIFICATION**

I, Michelle R. Mishoe, am Legal Counsel for PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Quote, I verify that the Quote is a true and accurate copy.

I declare upon the penalty of perjury, that the foregoing is true and correct.

Executed on \_\_\_\_\_\_\_\_\_\_\_ \_\_, 2012 at Portland, Oregon.

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Michelle R. Mishoe

Legal Counsel

Subscribed and sworn to me on this \_\_\_ day of \_\_\_\_\_\_\_, 2012.

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Notary Public for Oregon

My Commission expires: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_