

 May 30, 2012

***VIA ELECTRONIC FILING***

***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 and IBM-AIX Filing**

Dear Mr. Danner:

 PacifiCorp, d.b.a. Pacific Power & Light Company (PacifiCorp or the Company), provides notice of an indirect affiliate interest transaction with International Business Machines Corporation (IBM) through CompuCom Systems, Inc. (CompuCom), a reseller of IBM support, pursuant to the provisions of RCW 80.16.020 and WAC 480-100-245. The Company desires to renew a portion of a previously existing agreement with CompuCom to provide hardware and operating system support services for IBM servers originally purchased in 2003. A copy of the Quote to document this transaction is included as Attachment A. A copy of the Purchase Contract Between PacifiCorp and for CompuCom Systems, Inc. is included for ease of reference as Attachment B.

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 2003, prior to the existence of the affiliate relationship, the Company contracted with CompuCom for the purchase of IBM servers and mainframe systems. PacifiCorp has standardized the IBM servers and mainframes for certain applications and typically upgrades and or replaces the servers every five years. The Company houses several critical applications used by various departments to perform daily job functions. Due to the critical applications run on the servers and mainframes they have been under support from IBM through CompuCom since the original purchase. Some of the critical

applications that operate on the servers include: SAP, which contains accounting and financial records; CADOPS, which is the Company’s outage management system; Fastgate, which is a connectivity program for the power grid; and ETS, which operates the Company’s energy trading systems. IBM’s support through CompuCom is needed to maintain proper server and mainframe function and to minimize downtime. When the servers or mainframes are down, many groups in the Company would not be able to perform necessary business functions. Replacing the IBM servers and mainframes would result in considerable time and expense to the Company and its customers. Accordingly, this 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 do not hesitate to contact Carla Bird at (503) 813-5269 if you have any questions.

Sincerely,

William R. Griffith

Vice President, Regulation

Pacific Power

Enclosures

**WASHINGTON AFFILIATED INTEREST FILING**

**ATTACHMENT A**

**QUOTE**

**WASHINGTON AFFILIATED INTEREST FILING**

**ATTACHMENT B**

**PURCHASE CONTRACT BETWEEN PACIFICORP AND BETWEEN COMPUCOM SYSTEMS, INC.**

**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: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_