

 December 11, 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 – PacifiCorp and IBM/Emptoris**

 **Docket No. UE-12\_\_\_\_\_\_**

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 Company), provides notice of an affiliate interest transaction between International Business Machines Corporation (IBM) Emptoris (Emptoris). A copy of the Services Contract between PacifiCorp and Rivermine Software, Inc. (Contract) is included as Attachment A. PacifiCorp originally entered into the Contract with Rivermine Software, Inc. (Rivermine) in 2008. Emptoris subsequently acquired Rivermine. In June 2012, IBM acquired Emptoris and assumed responsibility to provide services under the Contract. PacifiCorp is in the process of transitioning to paying IBM rather than Emptoris under the contract.

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. IBM acquired Emptoris in June 2012. 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.

Emptoris offers comprehensive strategic supply, category spend and contract management services. Prior to IBM’s acquisition of Emptoris, PacifiCorp was using telecommunications expense management services for automated telecommunications invoice management, integrated telecommunications inventory management and integrated accounts payable functions under the Contract. PacifiCorp intends to continue using such services under the Contract, although payment will now be made to IBM. PacifiCorp will pay $103,200 per year for these services under the Contract. Implementation charges may arise as more business platforms are integrated into these services, which may increase the annual spend.

 The Company relies on the telecommunications expense management services furnished by Emptoris to reduce its company-wide telecommunications expenses. 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 Contract.

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**

**CONTRACT**

**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 Services Contract Between PacifiCorp and Rivermine Software, Inc., I verify that the Services Contract Between PacifiCorp and Rivermine Software, Inc. 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: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_