

July 9, 2013

***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

Attn: Stephen V. King
 Acting Executive Director and Secretary

**RE: Affiliated Interest Filing for PacifiCorp**

Dear Mr. King:

In accordance with RCW 80.16.020 and WAC 480-100-245, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) provides notice of an affiliated interest transaction with International Business Machines Corporation (IBM) for telecommunications expense management services. MidAmerican Energy Holdings Company (MEHC) entered into a master Transaction Document, including a Statement of Work (Agreement) on behalf of its platforms. MEHC platforms may execute an Affiliate Addendum to become a party to the Agreement. PacifiCorp intends to participate in the Agreement. A copy of the Agreement is included as Attachment A. A copy of PacifiCorp’s Affiliate Addendum is included as Attachment B.

PacifiCorp is a wholly-owned, indirect subsidiary of MEHC. MEHC is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). Berkshire Hathaway holds 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.

IBM offers comprehensive strategic supply, category spend, and contract management services through IBM Emptoris Rivermine telecommunications expense management. PacifiCorp has been using IBM’s telecommunications expense management services for automated telecommunications invoice management, integrated telecommunications inventory management, and integrated accounts payable functions. PacifiCorp submitted a notice of an affiliate transaction with IBM for telecommunications management services on December 11, 2013 in Docket UE-121957.[[1]](#footnote-1) PacifiCorp has been operating under the existing contract on a month-to-month basis pending the outcome of negotiations of an MEHC-wide agreement. A new Agreement with IBM has been negotiated to make the services received by PacifiCorp available to all MEHC platforms. The Agreement contains updated terms and conditions, and a comprehensive plan for rolling out telecommunications management services to those MEHC platforms not yet receiving telecommunications management services.

The Company relies on the telecommunications expense management services furnished by IBM 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, Senior Counsel, PacifiCorp, regarding the Agreement.

Please do not hesitate to contact Bryce Dalley at (503) 813-6389 if you have any questions.

Sincerely,

William R. Griffith

Vice President, Regulation

Enclosures

**WASHINGTON AFFILIATED INTEREST FILING**

**ATTACHMENT A**

**AGREEMENT**

**WASHINGTON AFFILIATED INTEREST FILING**

**ATTACHMENT B**

**AFFILIATE ADDENDUM**

**WASHINGTON AFFILIATED INTEREST FILING**

**VERIFICATION**

**VERIFICATION**

I, Michelle R. Mishoe, am Senior Counsel for PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Transaction Document between MidAmerican Energy Holdings Company and International Business Machines Corporation and the Affiliate Addendum, I verify that the Transaction Document and Affiliate Addendum are true and accurate copies.

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

Executed on \_\_\_\_\_\_\_\_\_\_\_ \_\_, 2013 at Portland, Oregon.

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Michelle R. Mishoe

Senior Counsel

Subscribed and sworn to me on this \_\_\_ day of \_\_\_\_\_\_\_, 2013.

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Notary Public for Oregon

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

1. The original contract was between PacifiCorp and Rivermine Software, Inc., which was acquired by Emptoris. IBM acquired Emptoris in June 2012. [↑](#footnote-ref-1)