

June 28, 2013

***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: Stephen V. King
Acting Executive Director and Secretary

RE: Affiliated Interest Filing for PacifiCorp

Dear Mr. King:

Pursuant to the provisions of RCW 80.16.020 and in accordance with WAC 480-100-245, PacifiCorp, d/b/a Pacific Power & Light Company (PacifiCorp or Company), provides notice of an affiliate interest transaction with International Business Machines Corporation (IBM). The Company desires to enter into an Enterprise Software and Support Option (ESSO) with IBM to essentially combine existing agreements to achieve benefits. A copy of the ESSO is included as Attachment A and is designated as Confidential in accordance with WAC 480-07-160. Attachment A is commercially-sensitive and contains a provision requiring that the entire contract be designated confidential. Disclosure of the information could erode PacifiCorp's bargaining position and could be a breach of contractual obligations.

PacifiCorp is a wholly-owned indirect subsidiary of MidAmerican Energy Holdings Company (MEHC). MEHC is a subsidiary of Berkshire Hathaway, Inc (Berkshire Hathaway). Berkshire Hathaway publicly owns 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.

PacifiCorp has historically used a variety of technologies from IBM to support the delivery of key business functions. Specific functions provided by IBM include support for PacifiCorp's customer service and billing, support for enterprise reporting and analytics in the Enterprise Data Warehouse, support for Corporate Enterprise Content Management for document storage, archiving and retrieval, and support for optimization of energy trading activities. PacifiCorp provided notice of previously existing agreements for software and support services supporting the ESSO to the Washington Utilities and

Transportation Commission (Commission) in Dockets UE-120187 and UE-120770. The ESSO will allow PacifiCorp to bundle certain software licensing purchases and support services to achieve benefits over the term of the contract.

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 the software furnished by IBM, many groups in the Company would not be able to perform necessary for business functions or prepare reports related to those business functions. Installing a different reporting system would require considerable time and expense. Additionally, PacifiCorp will be able to conserve 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 Enterprise Software and Support Option.

Please contact Bryce Dalley, Director, Regulatory Affairs & Revenue Requirement at (503) 813-6389 if you have any questions.

Sincerely,

Handwritten signature of William R. Griffith, followed by the initials PBD.

William R. Griffith
Vice President, Regulation
Pacific Power

Enclosures

WASHINGTON AFFILIATED INTEREST FILING
CONFIDENTIAL ATTACHMENT A
ENTERPRISE SOFTWARE AND SUPPORT OPTION
CONFIDENTIAL PER WAC 480-07-160

**CONFIDENTIAL ATTACHMENT A
ENTERPRISE SOFTWARE AND SUPPORT OPTION**

**THIS ENTIRE DOCUMENT IS DESIGNATED AS
CONFIDENTIAL
PER WAC 480-07-160**

WASHINGTON AFFILIATED INTEREST FILING

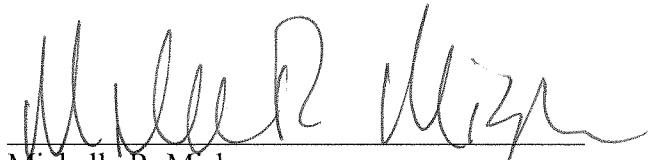
VERIFICATION

VERIFICATION

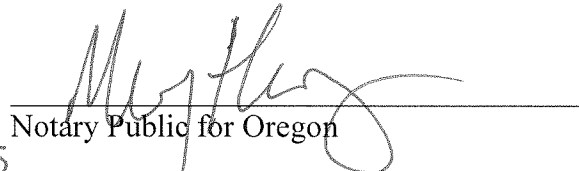
I, Michelle R. Mishoe, am Senior Counsel for PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached Enterprise Software and Support Option, I verify that the Enterprise Software and Support Option is a true and accurate copy.

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

Executed on June 28, 2013 at Portland, Oregon.


Michelle R. Mishoe
Senior Counsel

Subscribed and sworn to me on this 28th day of June, 2013.


Notary Public for Oregon

My Commission expires: May 17, 2015

