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***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

November 2, 2006

Julie P. Orchard
Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, Utah 84111

Re: PacifiCorp Notice of Affiliate Transaction
Docket No. 05-035-54

Dear Ms. Orchard:

This letter will serve as notice pursuant to Commitment U 3(2), incorporated in the Public Service Commission of Utah's *Report and Order*, issued February 28, 2006, approving the acquisition of PacifiCorp by MidAmerican Energy Holdings Company, as amended by that certain *Report and Order*, issued March 14, 2006, that PacifiCorp intends to enter into the following new transaction with an affiliate:

A natural gas Firm Transportation Service Agreement ("Agreement") between PacifiCorp and Kern River Gas Transmission Company having a contract demand of 91,000 dth/day, for an initial term of 30 years commencing on February 1, 2007.

Although this is an affiliate transaction, the parties negotiated the Agreement at arms-length. A copy of the Agreement that will be executed is attached hereto for your reference as Exhibit I. As provided in Commitment U 14 in the referenced docket, a copy of this letter is being provided to the Division of Public Utilities and the Committee of Consumer Services.

Please call me at the above number or Dave Taylor at (801) 220-2923 if you have any questions regarding this filing.

Sincerely,

Dean S. Brockbank
cc: Connie White, DPU
Reed Warnick, CCS