

March 20, 2007

VIA OVERNIGHT DELIVERY

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Attention: Julie P. Orchard, Commission Secretary

Re: Docket 05-035-54, MEHC Acquisition of PacifiCorp
Transaction Commitment
U26, C19, I15, O21, Wa13, Wy28
Low Income Arrearage Study

Pursuant to the additional commitments from the most-favored states process in Docket No. 05-035-54, MidAmerican Energy Holdings Company (“MEHC”) and PacifiCorp committed to conduct an arrearage management study for low income customers for possible implementation. An original and five (5) copies of this report will be provided via overnight delivery as well as an electronic version sent to the attention of mlivingston@utah.gov.

As part of the transaction for MEHC to purchase PacifiCorp, Commitment U26 reads as follows:

“MEHC commits to provide shareholder funding to hire a consultant to study and design for possible implementation of an arrearage management project for low-income customers that could be made applicable to Utah and other states that PacifiCorp serves. PacifiCorp will provide a resource for facilitation of a working group to oversee the project. The study shall commence no later than 180 days after close of the transaction and be completed, through the issuance of a formal report to the Commission, no later than 365 days after close of the transaction. MEHC recognizes that such a program may have to be tailored to best fit the unique low-income environment of each individual state. The project will be developed by PacifiCorp in conjunction with the relevant regulatory and governmental agencies, low-income advocates, and other interested parties in each state that is interested in participating. The goals for the project will include reducing service terminations, reducing referral of delinquent customers to third party collection agencies, reducing collection litigation and reducing arrearages and increasing voluntary customer payments of arrearages. The costs of this study will be at

least \$66,000 on a total company basis paid for by shareholders. If less than six states participate, the amount of the shareholder funds will be reduced proportionally.”

Attached is a copy of the Low Income Arrearage Study that was prepared for PacifiCorp by an outside consultant, Quantec. Attached to this study is an appendix which includes the comments received by members of the working group.

With the submission of the attached report, the transaction commitment described above has been finalized. However, it is PacifiCorp’s intention to engage in some additional work with regards to the low income arrearage study. First, PacifiCorp will schedule a meeting with working group members who participated in the study to identify any open issues remaining. Second, PacifiCorp will review the report contents and identify specific measures which potentially could be implemented to cost effectively reduce arrearages for low income customers. Third, PacifiCorp will request feedback from the working group regarding potential actions that may be taken in the future to address low income arrears.

It is respectfully requested that all formal correspondence and Staff requests regarding this submittal be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon, 97232

By fax: (503) 813-6060

Informal questions should be directed to Becky Eberle at 503-813-5154.

Sincerely,

Carole Rockney, Director
Customer & Regulatory Liaison

Enclosures

Cc: Rea Petersen, Division of Public Utilities
 Cheryl Murray, Committee of Consumer Services
 Betsy Wolf, Salt Lake Community Action Program
 Service List: 05-035-54 (w/out enclosures)