



201 South Main, Suite 2300
Salt Lake City, Utah 84111

February 17, 2011

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

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Julie P. Orchard
Commission Secretary

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

Dear Ms. Orchard:

Pursuant to Commitment U3(2), incorporated in the Public Service Commission of Utah's *Report and Order* approving the *Acquisition of PacifiCorp by MidAmerican Energy Holdings Company*, issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power hereby provides notice of an affiliate transaction and includes with this letter for filing an original and five (5) copies of an emailed quote from Perkins Power for replacement parts to be shipped from the Company to MidAmerican Energy Company (MEC) and PacifiCorp. PacifiCorp is a wholly-owned subsidiary of MidAmerican Energy Holdings Company (MEHC). MEC is regulated investor-owned utility company providing retail electric and natural gas service in Iowa, South Dakota and Illinois, and is also wholly-owned subsidiary of MEHC. Therefore, MEC is an affiliate of PacifiCorp. A copy of the emailed quote is included as Attachment A.

On February 1, 2011, during a routine maintenance outage at the Company's Dave Johnston Plant, it was discovered that two oil coolers used to maintain the atomizers for unit three were damaged and needed repair before the unit could be brought back into service. The Company uses the atomizers as emissions control devices. Oil coolers are a critical component to the operation of the atomizers, without which PacifiCorp would be unable to meet air quality regulations.

The Company did not have in inventory the necessary parts to replace the damaged oil coolers and contacted several vendors to determine availability. None of the vendors held the oil coolers in stock, but could have them available in 12-15 days. The Company contacted MEC's Walter Scott plant in Council Bluff, Iowa regarding the oil coolers. MEC had two oil coolers available. To avoid a lengthy and costly outage of the 220 megawatt unit, the Company accepted delivery via courier of two oil coolers from MEC. The Company was able to replace the oil coolers and return Dave Johnston Unit 3 to service within 24 hours of the outage.

The Company will order five oil coolers from a vendor at \$493 each and will send two to MEC to replace those supplied for the repair to the Dave Johnston plant. The Company estimates that the outage, which lasted approximately 16.5 hours, at Dave Johnston unit three cost \$104,000. A 12-15 day outage would have cost significantly more. Accepting replacement oil coolers from MEC served the public interest by ensuring that the Company repaired the Dave Johnston plant in a timely manner, by minimizing costs associated with prolonged outages, and by ensuring the Company meets applicable air quality regulations.

If you have any questions, please feel free to contact Dave Taylor at 801-220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

Enclosures

cc: Chris Parker, DPU
Michele Beck, CCS