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October 18, 2007

Julie P. Orchard  
Commission Secretary  
Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> 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 January 27, 2006, approving the acquisition of PacifiCorp by MidAmerican Energy Holdings Company, as amended by that certain *Report and Order*, issued March 14, 2006, and that certain *Report and Order*, issued June 5, 2006, that PacifiCorp will commence new business transactions with affiliates. The transactions are supported by the agreements described below.

#### Bridger Coal Company Agreements

The following agreements are hereafter collectively referred to as the "**Bridger Coal Company Agreements**": Relocation Services Agreement between HomeServices Relocation, LLC ("**HomeServices**") and Bridger Coal Company [attached hereto as Exhibit "1"]; Master Subsidy Agreement between HomeServices Lending ("**HSL**") and Bridger Coal Company [attached hereto as Exhibit "2"]; and Employee Home Equity Financing Guaranty Agreement between Wells Fargo Home Equity and Bridger Coal Company [attached hereto as Exhibit "3"]. Bridger Coal Company is a joint venture between Pacific Minerals, Inc., which is a subsidiary of PacifiCorp, and Idaho Energy Resources Company. HomeServices, HSL and Pacific Minerals, Inc. are affiliates of PacifiCorp. The effective date of the Bridger Coal Company Agreements is October 22, 2007. The agreements have been executed by Bridger Coal Company and will be fully executed by all parties prior to their effective date.

Under the Relocation Services Agreement, HomeServices will provide housing assistance programs to eligible Bridger Coal Company employees. Under the programs, eligible employees choosing to purchase a home may opt for either a mortgage subsidy or a corporate purchase second mortgage. The mortgage subsidy plan will be financed through HSL under the terms of

the Master Subsidy Agreement. Wells Fargo Home Equity, a division of Bank, National Association, will finance the corporate purchase second mortgage program under the terms of the Employee Home Equity Financing Guaranty Agreement.

#### PacifiCorp Energy Agreements

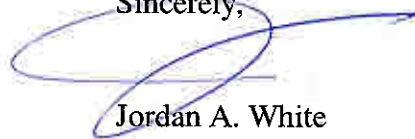
The following agreements are hereafter collectively referred to as the “**PacifiCorp Energy Agreements**”: Relocation Services Agreement between HomeServices and PacifiCorp Energy [attached hereto as Exhibit “4”]; Master Subsidy Agreement between HSL and PacifiCorp Energy [attached hereto as Exhibit “5”]; and Employee Home Equity Financing Guaranty Agreement between Wells Fargo Home Equity and PacifiCorp Energy [attached hereto as Exhibit “6”]. PacifiCorp Energy is a division of PacifiCorp. HomeServices and HSL are affiliates of PacifiCorp. The effective date of the PacifiCorp Energy Agreements is October 22, 2007. The agreements have been executed by PacifiCorp Energy and will be fully executed by all parties prior to their effective date.

The Relocation Services Agreement between PacifiCorp Energy and HomeServices contains the same terms and conditions as those contained in the Bridger Coal Company’s Relocation Services Agreement with HomeServices. Additionally, PacifiCorp Energy’s Jim Bridger Power Plant Housing Assistance Program offers a mortgage subsidy program and corporate purchase second mortgage program. The mortgage subsidy program will be offered under the terms of the Master Subsidy Agreement between Jim Bridger Power Plant and HSL. The terms and conditions of the Jim Bridger Power Plant Master Subsidy Agreement are the same as the Bridger Coal Company Master Subsidy Agreement. The corporate purchase second mortgage program will be financed by Wells Fargo Home Equity under the Employee Home Equity Financing Guaranty Agreement.

Although these are affiliate transactions, the parties negotiated the agreements at arms-length. 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,



Jordan A. White

cc: Connie White, DPU  
Michele Beck, CCS