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March 20, 2006

Public Service Commission of Utah  
Heber M. Wells Building  
160 East 300 South  
Salt Lake City, UT 84110

Attn: Ms. Julie Orchard  
Commission Secretary

Re: In the Matter of the Application of  
MidAmerican Energy Holdings Company  
And PacifiCorp dba Utah Power & Light  
Company for an Order Authorizing  
Proposed Transaction  
Docket No. 05-035-54

Dear Commissioners:

Under the terms of Commitment U 3 in Appendix A to the Amendment to Stipulation, which was approved by the Commission in its March 14, 2006 Order in this Docket, MEHC committed to provide notice to the Commission in writing prior to the implementation of plans to form an affiliate for the purpose of transacting business with PacifiCorp's regulated operations. As a result of a commitment adopted in state jurisdictions other than Utah, MEHC has also agreed to form a new, captive insurance company to provide insurance coverage for PacifiCorp's operations.

While these commitments will not become effective until after the closing of the transaction ("Transaction") approved by the Commission in this Docket, MEHC is already taking the steps necessary to implement commitments with the expectation that the Transaction will close later this week, after satisfaction of customary closing conditions. Therefore, pursuant to Commitment U 3, MEHC provides notice that, effective March 14, 2006, MEHC Insurance Services Ltd. was licensed to operate as a captive insurance company in the state of Vermont.

Please contact us if you have any questions.

Sincerely,

/S/

Mark C. Moench

cc: Division of Public Utilities  
Committee of Consumer Services