



JON HUNTSMAN Jr.
Governor
GARY HERBERT
Lieutenant Governor

State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

Philip Powlick
Director, Division of Public Utilities

Notification

To: Utah Public Service Commission

From: Division of Public Utilities
Philip Powlick, Director
Artie Powell, Manager, Energy Section
Charles Peterson, Technical Consultant
Judith Johnson, Technical Consultant

Date: March 13, 2008

Subject: PacifiCorp Notice of Affiliate Transaction - MidAmerican Energy
Holding Company Transaction Commitment U 3(2)
Docket No. 05-035-54

Recommendation: No Action

As discussed below, Rocky Mountain Power made an informational filing. At this time there is no action to be taken.

Issue

In a January 22, 2008 memo, Rocky Mountain Power (RMP) notified the Utah Public Service Commission that MidAmerican Energy Holdings (MEHC) had negotiated an agreement for an undivided 12.5% interest in an aircraft with an affiliate of MEHC, NetJets Aviation, Inc. RMP is reporting this transaction in the event that RMP utilizes the aircraft. The Company states that it currently has no intention of utilizing the aircraft but that "circumstances may arise ... where the need to transport an emergency repair part or crew to a location that is otherwise unavailable on a timely basis by other transportation may justify the service."

Background and Discussion

RMP sent notice to the Commission pursuant to a Utah specific commitment U 3(2) that is stated below:

PacifiCorp or MEHC will notify the Commission in writing prior to implementation of plans by PacifiCorp or MEHC: (1) to form an affiliate for the purpose of transacting business with PacifiCorp's regulated operations; (2) to commence new business transactions between an existing affiliate and PacifiCorp; or (3) to dissolve an affiliate which has transacted substantial business with PacifiCorp.

Conclusions

With this notice MEHC has notified the Commission prior to implementation of plans for an affiliate transaction thus complying with this merger commitment. However, the potential cost to RMP for any service provided is not disclosed. Therefore, if the aircraft is ever utilized by RMP we would expect MEHC to immediately notify the Commission of the transaction, report the circumstances that led to the use of the aircraft, and the cost that will be charged to RMP.

cc: Dave Taylor, Rocky Mountain Power
Michele Beck, Committee of Consumer Services