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March 7, 2006

**Letter to Parties in Docket No. 06-035-21 to Satisfy Stipulation Requirement**

**Re: Stipulation in Docket No. 06-035-21**

Pursuant to the terms of Paragraph 13(b) of the Stipulation on Filing Requirements, Discovery and Timing of Test Period Hearing (“Stipulation”), approved by the Utah Public Service Commission (“Commission”) in its Report and Order issued February 22, 2006, PacifiCorp provides the following information to the parties in the above-captioned proceeding: (i) a copy of the service list from Docket 04-035-42 (Attachment A to this letter); and (ii) the request for a scheduling conference and draft notice of scheduling conference which were filed with the Commission on March 6, 2006 (Attachment B to this letter). PacifiCorp also agreed to provide an explanation of the requirements and schedule for requesting a test period hearing as specified in the Stipulation. This letter provides that summary.

Pursuant to the terms of the Stipulation and Utah law, other parties to the above-referenced proceeding may challenge PacifiCorp’s selected test period and propose an alternative test period for Commission consideration within the timeframe specified in Paragraph 13 of the Stipulation and summarized herein. The Stipulation, as modified, provides two alternative timelines for requesting a test period hearing and Commission hearing and resolution of the test period issue. Specifically, in Docket 05-035-54, which is the Commission proceeding regarding the MidAmerican Energy Holdings Company acquisition of PacifiCorp, parties entered into a Stipulation previously approved by the Commission in its Report and Order issued on January 27, 2006, as amended by the Erratum Order, issued on February 9, 2006 (“Acquisition Stipulation”). Pursuant to Paragraph U-23 of the Acquisition Stipulation entered into in Docket 05-035-54, which provided certain timelines regarding the upcoming PacifiCorp general rate case (now, Docket No. 06-035-21).

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If U-23 is not eliminated, then the Stipulation provides that parties must file a non-binding request for a test period hearing with the Commission and with the parties to the service list in Docket No. 04-035-42 by March 23, 2006. If such a request is made, or if the Commission decides on its own motion to schedule a test period hearing, then the Stipulation, as modified by Commission order, provides that the parties will request a test period hearing as closely as possible to May 25, 2006. Whether or not such a request for hearing is made, the Stipulation provides that the parties will request that the Commission issue an order determining the test period to be used in the GRC as soon as practicable and, unless the Commission determines that more time is warranted and in the public interest, within 90 calendar days after the filing of the GRC.

If U-23 is eliminated, then the Stipulation provides that parties must file a non-binding request for a test period hearing with the Commission and with the parties to the service list in Docket No. 04-035-42 by March 15, 2006. If such a request is made, or if the Commission decides on its own motion to schedule a test period hearing, then the Stipulation, as modified by Commission order, provides that the parties will request a test period hearing as closely as possible to May 5, 2006. Whether or not such a request for hearing is made, the Stipulation provides that the parties will request that the Commission issue an order determining the test period to be used in the GRC as soon as practicable and, unless the Commission determines that more time is warranted and in the public interest, within 65 calendar days after the filing of the GRC.

Please contact us if you have any questions.

Sincerely,

Edward A. Hunter