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Division of Public Utilities

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Memorandum

TO: Public Service Commission

FROM: Division of Public Utilities
Constance White, Director,
Artie Powell, Energy Manager
Charles Peterson, Utility Analyst

DATE: April 6, 2006

RE: Docket No. 06-035-40. Application of PacifiCorp for Approval of the Intercompany Administrative Services Agreement with MidAmerican Energy Holdings Company.

I. ISSUE AND DISCUSSION

Pursuant to Commitment U21 in the matter of the Acquisition of PacifiCorp by MidAmerican Energy Holdings Company, Docket No. 05-035-54, PacifiCorp (the Company) is seeking Commission approval of the Intercompany Administrative Services Agreement (IASA) with MidAmerican Holdings Company (MEHC). Based upon our participation in the numerous settlement discussions between MEHC/PacifiCorp and the intervening Parties in the PacifiCorp Acquisition, the Division believes that this present matter regarding the IASA may be of broad interest among the Parties to the Acquisition docket, and may be controversial. The Division further believes that several of the Parties to the Acquisition docket may want to intervene and comment on the IASA, which is the subject of the current docket.

II. RECOMMENDATION

The Division recommends that the Commission send notice to the Parties in the Acquisition Docket (docket number 05-035-54) of the current Docket No. 06-035-40 and set a scheduling conference for this docket.