



Daniel E. Solander
Senior Counsel
201 South Main, Suite 2300
Salt Lake City, Utah 84111
(801)220-4014

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***VIA ELECTRONIC FILING
AND U.S. MAIL***

Julie P. Orchard
Commission Secretary
Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

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 Utah Public Service Commission's Report and Order, issued January 27, 2006, approving the acquisition of PacifiCorp (the "Company") 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. While this may not be an affiliate transaction, as defined by state law, in all of the states in which PacifiCorp does business, in the interests of uniformity notice of the transactions is being provided in all six PacifiCorp states. The transactions were negotiated at arms-length, and are supported by the agreements described below.

Kern River Gas Transportation Company Agreements

PacifiCorp and Kern River Gas Transportation Company ("Kern River") are both wholly-owned, indirect subsidiaries of MidAmerican Energy Holdings Company ("MEHC"). Kern River is a natural gas transportation pipeline company that owns and operates the Kern River pipeline system, which is a vital artery transporting natural gas to California, Nevada and Utah. Kern River is in the process of conducting certain testing to determine whether it can increase its pipeline pressure along portions of its pipeline route deemed "areas of consequence." Portions of Kern River's pipeline in Salt Lake City, Utah, on which testing will be conducted are located adjacent to the Company's Terminal to Camp Williams transmission corridor property. The Company and Kern River are entering into the Agreement to allow Kern River to enter the Company's property in four places to access Kern River's pipelines for the proposed testing.

Kern River will pay PacifiCorp approximately \$14,000 for the right of entry, which is based upon the estimated market value of the underlying property.

Nalco Company Agreement

PacifiCorp is a wholly-owned subsidiary of MidAmerican Energy Holdings Company (“MEHC”). MEHC is a wholly-owned subsidiary of Berkshire Hathaway, Inc. Nalco is a financial subsidiary of Nalco Holding Company, a publicly-traded company. During the fourth quarter of 2008, Berkshire Hathaway, Inc., purchased 8,739,100 shares of Nalco Holding Company, creating an approximate six percent ownership interest.

Nalco provides the Company with certain water treatment facilities, chemicals and expertise and has been doing so for more than thirty years. Nalco provides generation plant engineering assistance and supplies certain water treatment and dust suppression chemicals. Additionally, Nalco may provide no-cost consulting services and technical assistance for water treatment programs for new generation plant development. The Company uses water as a major component of operating its generation facilities. The Company procures water treatment services for effective, efficient and safe operation of its generation facilities. These services benefit the public by ensuring the Company’s generation facilities operate and provide customers with cost-effective energy. The current agreement with Nalco became effective January 1, 2007, well before Berkshire Hathaway Inc.’s ownership interest began, and terminates December 31, 2009.

Constellation Energy Commodities, Inc. Agreement

On December 17, 2008, MEHC and Constellation Energy Group jointly terminated an acquisition agreement. As part of the termination, MEHC now holds an approximate 7.45 percent common stock interest.

Prior to entering into the above transaction, MEHC and Constellation Energy Group entered into two agreements, the International Swap Dealers Association Master Agreement, and Amendment Number One to the International Swap Dealers Association Master Agreement (“ISDA”) that generally allow the Company and Constellation to conduct business with each other if they so choose, effective December 13, 2001. Amendment Number One to the ISDA, effective July 5, 2007, replaced a Master Power Purchase and Sale Agreement that became effective September 10, 2001, all of which was prior to the existence of an affiliate relationship between the Company and Constellation.

As provided in Commitment U 14 in the above referenced docket, a copy of this letter is being provided to the Division of Public Utilities and the Committee of Consumer Service.

Please call me at the above number or Dave Taylor at (801)220-2923 if you have any questions regarding this filing.

Very Truly,

Daniel E. Solander
Senior Counsel
Rocky Mountain Power

cc: Division of Public Utilities
Office of Consumer Services