

December 29, 2010

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

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

Attention: Julie P. Orchard
Commission Secretary

Re: Notice of Affiliate Transaction; Docket No. 05-035-54

Pursuant to Commitment U 3(2), incorporated in the Public Service Commission of Utah's *Report and Order* approving the *Acquisition of PacifiCorp by MidAmerican Energy Holdings Company*, issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, PacifiCorp, d.b.a Rocky Mountain Power, (the "Company") hereby provides notice of an affiliate transaction and includes with this letter for filing an original and five (5) copies of the Memorandum of Agreement Huntington Creek Wildlife Habitat Replacement Project ("MOA") to be executed by and between Rocky Mountain Power, the United States Bureau of Reclamation and Huntington Cleveland Irrigation Company ("HCIC"), a copy of which is included as Attachment A.

HCIC is a non-profit company that holds water rights in the Huntington Creek drainage, located in Utah. The Company currently owns approximately one-third of the shares of HCIC. Additionally, HCIC manages access to certain water supplies on behalf of Rocky Mountain Power. Therefore, Rocky Mountain Power's ownership interest in HCIC creates an affiliated interest. The Company uses the water obtained through HCIC as part of the supply to its Huntington Plant and Hunter Plant located in Emery County, Utah.

HCIC, along with Rocky Mountain Power, the Bureau of Reclamation, the Utah Department of Food and Agriculture, and the Natural Resources Conservation Service are jointly funding and constructing a federally-sponsored salinity control project in the Upper Colorado River basin. As a condition for approval of the salinity control project, the Bureau of Reclamation is requiring HCIC to replace wildlife habitat value that will be impaired by the construction of the salinity control project. Rocky Mountain Power owns significant amounts of land in the area due to requirements associated with purchasing water rights to supply the Huntington and Hunter Plants. Rocky Mountain Power typically either leases these lands to farmers or allows them to remain in their natural state.

The MOA will allow HCIC to use approximately 100 acres of Rocky Mountain Power-owned land near the location of the salinity control project to comply with the requirement to develop and replace wildlife habitat. Under the terms of the MOA, HCIC will be granted access to the land to develop the wildlife habitat, essentially managing the land. The Company will continue

Public Service Commission of Utah

December 29, 2010

Page 2

to be able to lease the land for livestock grazing, as is the current practice. Additionally, Rocky Mountain Power will be a member of the wildlife habitat team managing the property. HCIC is responsible for all costs associated with the wildlife habitat replacement project.

Rocky Mountain Power and its customers will realize benefits from this arrangement through HCIC's management of the land and installation of improvements to the land. Further, the habitat replacement will aid in the conservation of wildlife.

Inquiries regarding this matter may be addressed to Dave Taylor, manager of Utah regulatory affairs, at (801) 220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

cc: Division of Public Utilities
Office of Consumer Services

Enclosures