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

Julie P. Orchard  
Commission Secretary  
Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, Utah 84111

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

Dear Ms. Orchard:

Pursuant to Commitment U3(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, Rocky Mountain Power hereby provides notice of an affiliate transaction and provides as Attachment A to this notice an original and five (5) copies of the Intercompany Mutual Assistance Agreement (Agreement) entered into by and between PacifiCorp, MidAmerican Energy Company (MEC), Kern River Gas Transmission Company (Kern River) and Northern Natural Gas Company (NNG) (all four entities may be referred to collectively as Parties or individually as a Party). PacifiCorp is an indirect, wholly-owned subsidiary of MidAmerican Energy Holdings Company (MEHC). MEC, Kern River and NNG are also indirect, wholly-owned subsidiaries of MEHC. Therefore, MEHC's ownership interest in PacifiCorp, MEC, Kern River and NNG may create an affiliate relationship in some jurisdictions.

The Parties are subject to regulation either by state public utility regulatory commissions or the Federal Energy Regulatory Commission. MEC provides retail electric and natural gas services in Iowa, South Dakota and Illinois. Kern River operates a natural gas pipeline extending through Wyoming, Utah, Nevada and California. NNG operates an interstate natural gas pipeline primarily delivering natural gas in the Midwest. PacifiCorp provides retail electric service in Washington, Oregon, California, Utah, Idaho and Wyoming.

The Parties occasionally experience emergency situations, such as outages due to storms or equipment failure and have plans in place to address such situations. For example, PacifiCorp may draw upon its own resources, such as personnel and inventory, to respond to emergency situations. PacifiCorp may also enlist the assistance of neighboring utilities pursuant to emergency services agreements such as the Western Regional Mutual Assistance Agreement. It was determined that the rate-regulated subsidiaries of MEHC, i.e. the Parties, may also benefit from being able to rely on each other during emergency situations. To that end, the Agreement was developed.

The Agreement is similar in structure to the Intercompany Administrative Services Agreement (IASA) used by MEHC and its subsidiaries to share administrative services<sup>1</sup> and is intended to be an additional tool for responding to emergencies. Under the Agreement, a Party needing assistance may request it of another Party or Parties. The other Parties may choose whether or not to provide the requested assistance. In working with other utilities for which mutual assistance agreements are already in place, PacifiCorp typically only provides labor or other services, and only to the extent that providing such assistance will not impair the Company's own operations. PacifiCorp may occasionally provide goods, although only if there is surplus inventory and the provision of goods will not impair the Company's own operations.

All aspects of providing assistance will be governed by the Edison Electric Institute Mutual Aid Agreement, the Western Region Mutual Assistance Agreement, or other such agreements that may be customarily used in the region where the assistance is being provided, except for the reimbursement of costs. Reimbursement of costs will be governed by Article 4 of the Agreement, which generally provides that goods will be reimbursed at the replacement cost and services will be reimbursed as a direct charge, service charge or allocation as applicable pursuant to the Intercompany Administrative Services Agreement (IASA). A copy of the Edison Electric Institute Mutual Aid Agreement is included as Attachment B. A copy of the Western Region Mutual Assistance Agreement is included as Attachment C. The Company includes Attachments B and C to provide the Commission with additional information regarding the terms and conditions of the Agreement.

The Agreement serves the public interest by adding an option for responding to emergencies when the Company needs resources from external sources. PacifiCorp intends to continue its practice of relying on utilities nearest the event triggering the need for assistance. However, there may be situations in which it would be reasonable to rely on one or more of the Parties. The Company anticipates the need to rely on the Agreement to be rare and does not have estimates on annual spending under the Agreement at this time. PacifiCorp only intends to provide assistance under the Agreement to the extent doing so will only involve surplus resources and will not impair operations.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Mark C. Moench  
Senior Vice President  
and General Counsel

Enclosures

cc: Chris Parker, DPU  
Michele Beck, CCS

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<sup>1</sup> The Commission approved the IASA as part of its approval of MEHC's acquisition of PacifiCorp. In the Matter of the Application of MidAmerican Energy Holdings Company And PacifiCorp dba Utah Power & Light Company for an Order Authorizing Proposed Transaction, Docket No. 05-035-54 Issued 01/27/2006.