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April 7, 2016

Gary Widerburg  
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 Mr. Widerburg:

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* (MEHC), issued January 27, 2006, as amended March 14, 2006, and June 5, 2006, Rocky Mountain Power d.b.a. PacifiCorp hereby provides notice of an affiliated interest transaction with Cottonwood Creek Consolidated Irrigation Company ("CCCIC") for a Letter Agreement allowing CCCIC to utilize some or all of PacifiCorp's CCCIC primary water allotment during the 2016 irrigation season in exchange for CCCIC's agreement to begin its irrigation season on April 10, 2016. A verified copy of the Letter Agreement ("Agreement") is included with this Notice as Attachment A.

CCCIC is a non-profit mutual irrigation company, which is a privately owned water stock company. PacifiCorp holds approximately 26% of the outstanding water stock in CCCIC. PacifiCorp pays annual assessment fees to CCCIC to help cover its operating and maintenance costs, as well as other costs pertinent to conducting its business, in exchange for receiving access to water used by PacifiCorp's Hunter generating facility. PacifiCorp also previously made capital investments in CCCIC to ensure a long-term, firm water supply for its Hunter generating facility. PacifiCorp also appoints one member to CCCIC's board of directors.

While irrigation companies typically use "ownership by shares" exclusively to allocate and grant water rights (and as such, they are not typical equity interests in the entity), this ownership interest and appointment authority could be deemed to create an affiliate interest in some PacifiCorp jurisdictions. PacifiCorp thereby submits this filing out of an abundance of caution.

Jean D. Jewell  
Notice of Affiliate Transaction  
April 7, 2016

PacifiCorp has determined that it does not need its 2016 CCCIC share water allocation. PacifiCorp wishes to lease its water share allocation back to CCCIC for the 2016 irrigation season, and CCCIC will, in turn, start its irrigation season on April 10, 2016, approximately two weeks earlier than usual. CCCIC will also pay PacifiCorp \$0.50 per acre-foot of water it receives under the Agreement. The term of the Agreement is from April 10, 2016, through October 31, 2016, with no option for renewal.

The water received through PacifiCorp's CCCIC water shares is used at PacifiCorp's Hunter generation facility. Entering into this Agreement will reduce the risk of PacifiCorp losing approximately 16,000 acre-feet of water that has been carried over in Joes Valley Reservoir. If the reservoir spills, PacifiCorp will lose its carry-over water. CCCIC's use of the water shares under the Agreement will decrease the risk of the reservoir spilling, thereby increasing the chance of PacifiCorp maintaining its 16,000 acre-foot of carry-over water required for the Hunter generation facility. Additionally, it is estimated that PacifiCorp will receive an aggregate amount of \$4,000 in exchange for the water CCCIC receives under the Agreement. Entering into the Agreement is in the public interest because PacifiCorp's effective utilization of water resources will maximize water availability at its Hunter generating facility, ensuring a long-term firm water supply that is necessary to meet its obligation to provide safe and reliable electric service.

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

Best Regards,



R. Jeff Richards  
Vice President and General Counsel  
PacifiCorp

Enclosures

cc: Chris Parker, DPU  
Michele Beck, OCS