

January 19, 2007

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

Oregon Public Utility Commission
550 Capitol Street NE, Ste 215
Salem, OR 97301-2551

Attention: Vikie Bailey-Goggins, Administrator
Regulatory and Technical Support

RE: **Compliance Filing – Commitment SO15d**

Please find enclosed for filing the conclusions and recommendations report provided in compliance with Commitment SO15d, pursuant to the Oregon Public Utility Commission Order No. 06-121 granting approval of the acquisition of PacifiCorp by MidAmerican Energy Holdings Company (“MEHC”), issued March 14, 2006, in the referenced proceeding.

The Commission approved the acquisition of PacifiCorp by MEHC, subject to a Consolidated List of Commitments specified in a settlement agreement supported by all parties to the proceeding. Included in this Consolidated List is MEHC’s and PacifiCorp’s commitment regarding the filing of the enclosed report. Specifically, Commitment SO15d provides that:

SO15d) Within 90 days of the close of the Transaction, MEHC and PacifiCorp will begin working with ICNU, and any other interested party, to evaluate and, if mutually agreed to be appropriate, file with the Commission service quality standards related to industrial customers, with a focus on high tech companies. MEHC, PacifiCorp and ICNU, and any other interested party, will report back to the Commission on the conclusions and recommendations reached no later than February 1, 2007. MEHC and PacifiCorp acknowledge that modifications to existing customer service guarantees and performance standards may result from this process and nothing in Commitments 1 or 45 will preclude these from being filed if mutually agreed-upon by the Parties.

By copy of this letter, other parties to the proceeding are being provided notice of this filing.

The company respectfully requests that all formal correspondence and data requests regarding this matter be addressed to:

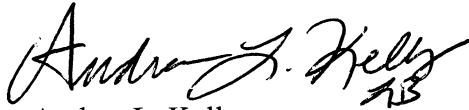
By E-mail (preferred): datarequest@pacificorp.com.

By Fax: (503) 813-6060

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Please direct informal questions with respect to this filing to Laura Beane at 503-813-5542.

Very truly yours,

A handwritten signature in cursive script that reads "Andrea L. Kelly" with a small "ALB" monogram below the name.

Andrea L. Kelly
Vice President, Regulation
Enclosures

cc: Service List UM 1209 (w/o enc.)

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of January, 2007, I caused to be served, via Email(if address available) or U.S. mail, a true and correct copy of PacifiCorp's Cover Letter to the Compliance Filing -(Commitment SO15d) in Docket UM 1209 to the following parties:

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 Peggy Ryan
 Supervisor Regulatory Administration

SO15d Transaction Commitment Report to the Oregon Public Utility Commission

SO15d commitment fulfillment background:

MidAmerican Energy Holdings Company (MEHC) adopted several regulatory commitments associated with its acquisition of PacifiCorp. One of those commitments, titled SO15d, is to evaluate and potentially update service quality standards related to industrial customers in Oregon. The SO15d commitment was to focus on "high technology" customers.

The SO15d commitment provides:

"Within 90 days of the close of the Transaction, MEHC and PacifiCorp will begin working with ICNU, and any other interested party, to evaluate and, if mutually agreed to be appropriate, file with the Commission service quality standards related to industrial customers, with a focus on high tech companies. MEHC, PacifiCorp and ICNU, and any other interested party, will report back to the Commission on the conclusions and recommendations reached no later than February 1, 2007. MEHC and PacifiCorp acknowledge that modifications to existing customer service guarantees and performance standards may result from this process and nothing in Commitments 1 or 45 will preclude these from being filed if mutually agreed-upon by the Parties."

Following closure of the MEHC-PacifiCorp transaction, Pacific Power staff met with the customer advocacy group Industrial Customers of Northwest Utilities (ICNU) to define the scope of work necessary to fulfill the SO15d commitment. Pacific Power subsequently completed the following actions which generated the outcomes noted:

1. Pacific Power surveyed more than 100 of its largest Oregon customers regarding potential interest in collaborating to explore the SO15d transaction commitment.
 - Eight industrial customers expressed interest in exploring these issues.
 - Of those eight customers, four elected to participate in meetings to discuss SO15d and potential modifications to Pacific Power's Oregon service quality standards.
2. On September 27, 2006, Pacific Power hosted a meeting with the four interested industrial customers and ICNU to explore the SO15d commitment implications. The four participating customers were Evanite, Hewlett-Packard, Oregon State University and Medallion Cabinetry.
 - During the meeting, participants complimented Pacific Power for its adherence to existing Oregon service quality measures. They expressed appreciation regarding how Pacific Power uses the electricity delivery data and benchmarking tools to improve its delivery performance.
 - However, participants also noted that Pacific Power's existing service quality measures do not explicitly address power quality issues. The participants highlighted that voltage fluctuations may cause production disruptions for industrial customers whose production entails use of sensitive microprocessors.
 - Hewlett-Packard's representative suggested the System Average RMS Variation Frequency Index (SARFI) -- which monitors and categorizes voltage fluctuations -- would be useful for power quality sensitive customers. It was recommended that use of SARFI can help such customers and Pacific Power pinpoint causes and potential solutions for voltage fluctuation issues that may impact those customers.

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- Pacific Power noted SARFI monitoring likely would not be used or useful for many large industrial customers and would therefore not be cost effective to implement as a statewide standard.
 - Pacific Power stated that voltage sags and swells can be monitored using special power quality metering but such monitoring and data compilation should be targeted to those customers whose production is power quality sensitive and for those who are served through utility infrastructure that potentially can be modified to address such voltage sensitivities.
 - ICNU indicated that it had been interested in a statewide standard. However, ICNU and the participating customers agreed customer-specific application of the SARFI or similar power quality monitoring standards appeared to be the most cost effective and productive course.
 - The group agreed to conduct a follow up meeting within one month.
3. Hewlett-Packard hosted the follow up meeting at its Corvallis campus October 17, 2006. In this follow up meeting attendees continued discussion of the System Average RMS Variation Frequency Index (SARFI) as a potential service standard. Pacific Power and the meeting participants agreed that:
- Power quality meters, in specific customer circumstances, can be useful to measure SARFI. This is dependent upon a number of network system and customer factors.
 - Implementing a SARFI standard or measurement will not be useful for all industrial customers or as a statewide standard at this time due to a variety of factors that the parties discussed in the meetings.
 - Pacific Power should formally adopt an investigation procedure that outlines the expectations for the company and the Oregon industrial customers who experience power quality (voltage sags or swells) issues that impact their production.
 - Such investigation may involve temporary or permanent power quality metering and supporting investigative procedures that may require customer participation.
 - Pacific Power should make the adopted power quality investigation procedure readily known and available to its Oregon industrial customers.
 - Pacific Power will draft a procedure which outlines the investigation process for Oregon industrial customers who experience power quality (voltage sags or swells) issues that impact their production to jointly investigate those issues.
 - In its draft procedure, Pacific Power will include a means to make this power quality investigation procedure readily known and available to Oregon industrial customers.

Recommended Procedure Fulfilling the SO15d Commitment:

In response to the SO15d Commitment discussions and recommendations from interested parties, Pacific Power proposes that it adopt the following power quality issues resolution process for Oregon industrial customers. Pacific Power also proposes that it adopt the following recommended process for communicating the availability of the power quality issues resolution process to all Oregon industrial customers. These processes will be available to all Oregon industrial customers, not only “high tech” customers.

Industrial Customer Power Quality Inquiry Process

Pacific Power has adopted the Industrial Customer Power Quality Inquiry Process ("Power Quality Inquiry Process") to: 1) formally establish a means to address and respond to customer concerns regarding service interruptions, power quality, voltage fluctuations, or other service-related issues that may impact production operations; and 2) ensure that Pacific Power's Oregon industrial customers are notified annually that the Power Quality Inquiry Process is available.

By adopting the Power Quality Inquiry Process, Pacific Power is not limiting a customer's ability to contact or communicate with Pacific Power customer account managers or other representatives. In addition, the Power Quality Inquiry Process is not intended to limit Pacific Power and customers from resolving service quality issues in a shorter timeframe, through informal discussions, or through other means. Finally, neither Pacific Power nor a customer waives any legal rights or claims by participating in the Power Quality Inquiry Process.

The Power Quality Inquiry Process may be invoked when the customer reports power quality issues such as:

- Prior total and/or partial power outage
- Prior momentary outage
- Prior voltage fluctuation
- Questions regarding harmonics, transient voltage, etc.
 - Any such circumstances underway at the time of the customer inquiry will trigger an immediate power quality issue resolution process

The Power Quality Inquiry Process will attempt to resolve issues through the following steps:

- An industrial customer contacts Pacific Power with a report of power quality incident(s) or issue(s). The customer will provide Pacific Power with basic information about the issue, including the date(s), time(s), and a description of any specific incident(s) that have occurred. The customer also will include a description of the impact of any particular incident(s) on the customer's operations. At the time the customer notifies Pacific Power regarding a power quality issue(s) or incident(s), Pacific Power will inform the customer of the opportunity to request Pacific Power to investigate the issue(s) or incident(s) and prepare a power quality inquiry report through the Power Quality Inquiry Process.
- Within five business days of a customer request for Pacific Power to investigate the issue(s) or incident(s) through the Power Quality Inquiry Process, or at any later date to which Pacific Power and the customer agree,

SO15d Transaction Commitment Report to the Oregon Public Utility Commission

Pacific Power will meet with the customer to clarify what issue(s) or incidents(s) the customer is experiencing or has experienced. Pacific Power will provide to the customer an information packet describing basic power quality issues and the types of standards that are used to measure power quality and any other information that Pacific Power deems relevant.

- Following the meeting with the customer, Pacific Power will initiate an inquiry into the power quality issue(s) or incident(s). Pacific Power's inquiry will include a detailed investigation of the causes of the power quality issue(s) or incident(s), using the necessary data and measurements to substantiate the causes.
- Within fifteen business days of the meeting with the customer, Pacific Power will provide to the customer a power quality inquiry report describing the results of the company's inquiry. The report will include, but is not limited to, the following information:
 - A detailed description of the power quality issue(s) or incident(s), including the duration and percentage of any voltage fluctuation, if known. In addition, the report will identify all customer-identified and company-known outages and network disturbances related to the issue(s) or incident(s).
 - A detailed description of Pacific Power's response at the time that any incident(s) occurred, including all actions taken to resolve the incident(s).
 - A detailed description of Pacific Power's investigation of the causes of the power quality issue(s) or incident(s), including the data and measurements used to substantiate the causes.
 - A list and detailed explanation of potential infrastructure investments, procedures, training, or other actions such as installation of power quality monitoring equipment and/or ongoing power quality monitoring that could help to prevent a similar issue(s) or incident(s) from occurring in the future. The report will identify the estimated costs to complete each potential action listed. Solutions may require either Pacific Power or customer expenditure depending upon which side of the meter the solution exists.
 - Upon request, Pacific Power will track reported voltage fluctuations at a particular site and provide to the customer a SARFI_{ITIC} calculation (i.e., the number that represents the average number of sags the customer sees per month) that will allow for tracking of power quality improvement over time.

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- Pacific Power and customer will make all reasonable efforts to jointly agree on which recommendations to pursue, taking into consideration such factors as economic feasibility, impact on other customers, risk profile and timing.

Communicating Pacific Power's Power Quality Inquiry Process

Beginning in 2007, each year, prior to June 1, Pacific Power will mail to every Oregon industrial customer a letter informing them of the availability and details of the Power Quality Inquiry Process. The letter will include a statement urging the recipient to inform the electrical supervisor at a site of the availability of the Power Quality Inquiry Process in the event that the recipient is not the electrical supervisor.