

January 6, 2010

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

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

Attn: Filing Center

RE: **Docket UM 1209**  
MidAmerican Energy Holding Company Transaction Commitment 34;

In Docket UM 1209, the Public Utility Commission of Oregon (“Commission”) granted approval of the acquisition of PacifiCorp by MidAmerican Energy Holdings Company (“MEHC”), subject to a Consolidated List of Commitments specified in a settlement agreement supported by all parties to the proceeding. One of the commitments in the consolidated list addresses proposed transmission investment projects. Specifically, General Commitment 34 states:

*MEHC and PacifiCorp have identified transmission projects that MEHC and PacifiCorp believe will enhance reliability, facilitate the receipt of renewable resources, or enable further system optimization. Subject to permitting and the availability of materials, equipment and rights-of-way, MEHC and PacifiCorp commit to use their best efforts to achieve the following transmission system infrastructure improvements<sup>1</sup>: ...*

*c) Walla Walla - Yakima or Mid-C (~\$88 million) – Establish a link between the “Walla Walla bubble” and the “Yakima bubble” and/or reinforce the link between the “Walla Walla bubble” and the Mid-Columbia (at Vantage). MEHC and PacifiCorp assert that either of these projects presents opportunities to enhance PacifiCorp’s ability to accept the output from wind generators and balance the system cost effectively in a regional environment. The target completion date for this project is 2010.*

In January 2008, the Company notified the Commission that it had determined the Walla Walla - Yakima/Mid C project was not economically feasible. Per the commitment’s footnote, if a project was not cost-effective or in the best interest for customers, the Company would propose an alternative to the project. The alternative projects identified were Walla Walla to McNary (“McNary Project”) and Vantage to Pomona Heights (“Vantage Project”).

In April 2009, after receiving conditional use permits for the 56-mile, 230-kV McNary Project, the Company put the project on hold in order to re-evaluate transmission needs in light of evolving regional transmission plans and potential renewable generation development in the area.

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<sup>1</sup> It is possible that upon further review a particular investment might not be cost-effective, optimal for customers or able to be completed by the target date. If that should occur, MEHC pledges to propose an alternative to the Commission with a comparable benefit.

PacifiCorp has recently received requests for transmission service, requiring that the Company proceed with the Wallula, Washington to Umatilla, Oregon portion of the McNary Project transmission line. This section of the McNary Project is approximately 30 miles in length and will be built on a 125-foot-wide right of way connecting the existing Wallula substation and the McNary substation at Umatilla. Constructing this portion of the line will provide the capacity to add new renewable energy to the system, improve service to customers and improve the reliability of the regional transmission system.

In the coming weeks, PacifiCorp will begin working with property owners to obtain rights of way for the Wallula-McNary transmission line segment by the end of 2010. Construction is expected to begin soon thereafter, with plans to bring the new line into service in late 2011. At this point, the Company has not determined when it will construct the Walla Walla to Wallula portion of the McNary Project.

In April 2009, the Company also notified the Commission that the in-service date for the Vantage Project has moved to December 2012 due to a revised permitting timeline. This project continues on task for completion by December 2012.

By copy of this letter, other parties to the proceeding are being provided notice of the status of General Commitment 34 C.

If you have any questions, please contact Joelle Steward at 503-813-5542.

Sincerely,

A handwritten signature in cursive script that reads "Andrea L. Kelly / am".

Andrea L. Kelly  
Vice President, Regulation

cc: Service List UM 1209

## CERTIFICATE OF SERVICE

I hereby certify that on this 6<sup>th</sup> of January, 2010, I caused to be served, via E-mail, if address available or U.S. Mail a true and correct copy of the MidAmerican Energy Holding Company Transaction Commitment 34 in UM-1209 to the following:

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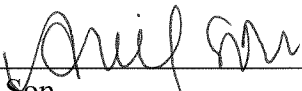
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