

April 3, 2009

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

Mr. David Danner
Executive Director and Secretary
Washington Utilities & Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: Affiliated Interest Filing for PacifiCorp

Dear Mr. Danner,

Pursuant to the provisions of RCW 80.16.020 and WAC 480-100-245, PacifiCorp, d.b.a. Pacific Power ("Company"), files one verified copy of an executed International Swap Dealers Association Master Agreement and Amendment Number One to the International Swap Dealers Association Master Agreement ("ISDA") between PacifiCorp and Constellation Energy Commodities, Inc ("Constellation"). Constellation is an affiliate of PacifiCorp pursuant to RCW 80.16.010.

The Company is an indirect subsidiary of MidAmerican Energy Holdings Company ("MEHC"). On September 19, 2008, MEHC entered into an agreement to acquire Constellation Energy Group. Constellation Energy Commodities, Inc. is a subsidiary of the Constellation Energy Group.¹ On December 17, 2008, MEHC and Constellation Energy Group jointly terminated the acquisition agreement. As part of the termination, MEHC received approximately 20 million shares of Constellation Energy Group common stock, representing an approximate 9.99 percent interest. In January 2009, MEHC sold 2.7 million common stock shares, thereby reducing MEHC's common stock interest to approximately 8.64 percent. Prior to February 8, 2009, MEHC sold an additional 2.4 million shares, reducing MEHC's common stock interest to approximately 7.45 percent. Constellation Energy Group is a publicly-traded company with diverse operations, including, among other things, wholesale power sales and financial transactions.

The ISDA operates as a master agreement that generally allows the Company and Constellation to conduct business with each other if so chosen. The Agreement itself does not represent an exchange of cash flows, goods or services, rather, individual transactions are entered into under the umbrella of the ISDA so that both the Company and Constellation can avail themselves of certain protections afforded through use of a master agreement. The ISDA governs a wide variety of financial transactions including, among other things, swaps and

¹ This Letter will refer to Constellation Energy Group and Constellation Energy Commodities, Inc., group collectively as "Constellation".

options; it also includes transactions in physical energy pursuant to the terms of a Power Annex that was added by Amendment Number One. Before opting to transact with Constellation under the ISDA in any particular instance, the Company first seeks bids or otherwise reviews the applicable markets to determine whether the Constellation price and product is desirable. These individual transactions that are then entered into should the parties agree to transact are known as Confirmations.

The ISDA became effective December 13, 2001. Amendment Number One to the ISDA, effective July 5, 2007, replaced a Master Power Purchase and Sale Agreement trading enabling agreement that became effective September 10, 2001, all of which was prior to the existence of an affiliated relationship between the Company and Constellation. The ISDA and Confirmations govern the financial and physical transactions between the Company and Constellation. Such products include, among other things, physical and financial transactions in energy, ancillary services and capacity.

Power transactions are priced at market-based rates filed with the Federal Energy Regulatory Commission ("FERC"). The Company's market-based rate tariff is included with this notice. Constellation Energy's market-based rate tariff and supporting documentation is included with this notice. Additionally, the Company includes transactions under the ISDA in its Electric Quarterly Report filed with FERC. The amount the Company will pay annually for transactions under the ISDA varies, depending upon the terms of the Confirmations entered into under the ISDA.

The use of the ISDA as a master agreement, under which multiple transactions are entered into, represents a valuable risk management tool, both for the Company and its counterparties. By virtue of including multiple transactions under a single agreement, if Constellation were to declare bankruptcy, the bankruptcy trustee would not be able to "cherry pick" which transactions it wanted to perform and which it did not. Additionally, the ISDA represents a "safe harbor" contract subject to certain exemptions from bankruptcy provisions such as the automatic stay and the prohibition on ipso facto clauses, enabling the Company to rapidly exercise its remedies to protect the interests of its customers in the event of a default. The reciprocal availability of these remedies to the counterparty also reduces the risk to the counterparty, thus enhancing liquidity and offering the Company a valuable risk management tool.

PacifiCorp also purchases other products pursuant to pricing mechanisms other than pursuant to FERC-approved tariffs, or that do not meet any exceptions to filing requirements for affiliated interest transactions. The Company transacted with Constellation under the ISDA under various pricing mechanisms approximately 1800 times in 2008. The Company intends to seek a waiver of certain affiliated interest filing requirements under a separate petition.

Also included with this filing is a notarized verification from Natalie Hocken, Vice President and General Counsel, PacifiCorp, regarding the agreement filed herewith.

Washington Utilities & Transportation Commission
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Please direct any inquiries to Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,

A handwritten signature in black ink that reads "Andrea Kelly" followed by a stylized flourish.

Andrea L. Kelly
Vice President, Regulation

Enclosures

WASHINGTON AFFILIATED INTEREST FILING

International Swap Dealers Association Master Agreement

(Multicurrency — Cross Border)

ISDA[®]

International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of December 13, 2001

..... CONSTITUTION POWER SOURCE, INC. PACIFICORP
..... ("PARTY A") and ("PARTY B")

This entire document is
designated
CONFIDENTIAL PER WAC 480-07-160

WASHINGTON AFFILIATED INTEREST FILING

PacifiCorp Market-Based Rates Tariff

PACIFICORP
FERC ELECTRIC TARIFF
FIFTH REVISED VOLUME NO. 12

1. AVAILABILITY

PacifiCorp ("Seller") makes electric energy and capacity available under this Electric Tariff to purchasers throughout the United States.

2. APPLICABILITY

This Electric Tariff is applicable to all sales of electric energy or capacity at wholesale by PacifiCorp unless such sales are made pursuant to another rate schedule or electric tariff of PacifiCorp.

3. RATES

All sales of electric power pursuant to this Electric Tariff shall be made at rates established by agreement between the Purchaser and PacifiCorp; provided that in the event PacifiCorp uses its own open access transmission tariff to deliver power to the Purchaser, PacifiCorp shall separately identify the cost of generation service, transmission service and ancillary services associated with such deliveries. Charges for sale or assignment of transmission service hereunder shall be as stated in Section 8 of this Electric Tariff.

4. SERVICE AGREEMENT

Service under this Electric Tariff is available either pursuant to the standard form Service Agreement in the form attached as Exhibit 1, or pursuant to an individual service agreement containing different or additional terms and conditions. In the event that the standard form of Service Agreement is used, the price, type and condition of service, the start time, the end time, the amount of electric power to be delivered, the rate of delivery, and point of delivery all may be agreed to orally or may be recorded in a letter of transaction record separately from the Service Agreement.

5. FILING AND REPORTING REQUIREMENTS

PacifiCorp will comply with the current Commission policies and regulations for filing and/or reporting of Service Agreements and Transactions under this Electric Tariff.

6. OTHER TERMS AND CONDITIONS

All other terms and conditions for sales of electric power under this Electric Tariff may be established by agreement between PacifiCorp and Purchaser.

7. TRANSMISSION SERVICE FOR SALES OF ELECTRIC POWER

Issued by: John A. Apperson
Director, Trading
Issued on: August 27, 2007

Effective: September 18, 2007

For sales of electric power under this Electric Tariff, the parties shall mutually agree upon a point of delivery for each transaction. Unless otherwise mutually agreed, the Purchaser shall be responsible for arranging for third party transmission services from the point of delivery and shall bear all costs associated with third party transmission services from the point of delivery. When PacifiCorp uses its own transmission facilities to deliver power to the Purchaser pursuant to this Electric Tariff, PacifiCorp shall acquire transmission service and ancillary service pursuant to a service agreement placing PacifiCorp under PacifiCorp's open access transmission tariff. When a Purchaser uses PacifiCorp's transmission facilities to receive power from PacifiCorp pursuant to this Electric Tariff, Purchaser shall either (i) acquire such transmission service and ancillary service pursuant to a service agreement placing the Purchaser under PacifiCorp's open access transmission tariff or (ii) acquire such transmission and ancillary rights through resale or assignment pursuant to PacifiCorp's open access transmission tariff.

8. LIMITATIONS AND EXEMPTIONS REGARDING MARKET-BASED RATE AUTHORITY

In accordance with the order issued on March 17, 2006, in *MidAmerican Energy Co. et al.*, 114 FERC ¶ 61,280 (2006), Seller does not have authority under this tariff to make sales within MidAmerican Energy Company's balancing authority area (the "Mitigated Market"). Any sales by Seller within the Mitigated Market will be made in accordance with rate schedules approved by the Commission prior to Seller commencing such sales.

9. MITIGATED SALES

Sales of energy and capacity are permissible under this tariff in all balancing authority areas where the Seller has been granted market-based rate authority. Sales of energy and capacity under this tariff are also permissible at the metered boundary between the Seller's mitigated balancing authority area and a balancing authority area where the Seller has been granted market-based rate authority provided: (i) legal title of the power sold transfers at the metered boundary of the balancing authority area where the seller has market-based rate authority; and (ii) the Seller and its affiliates do not sell the same power back into the balancing authority area where the seller is mitigated. Seller must retain, for a period of five years from the date of the sale, all data and information related to the sale that demonstrates compliance with items (i) and (ii) above.

10. COMPLIANCE WITH COMMISSION REGULATIONS

Seller shall comply with the provisions of 18 CFR Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning seller's market-based rate authority, including orders in which the Commission authorizes seller to engage in affiliate sales under this tariff or otherwise restricts or limits the seller's market-based rate authority. Failure to comply with the applicable provisions of 18 CFR

Issued by: John A. Apperson
Director, Trading
Issued on: July 24, 2008

Effective: June 6, 2008

Part 35, Subpart H, and with any orders of the Commission concerning seller's market-based rate authority, will constitute a violation of this tariff.

11. SELLER CATEGORY

Seller is a Category 2 seller, as defined in 18 CFR 35.36(a).

Issued by: John A. Apperson
Director, Trading
Issued on: May 2, 2008

Effective: September 18, 2007

EXHIBIT 1
Form of Service Agreement

PacifiCorp
FERC Electric Tariff, 5th Rev. Volume No. 12
Service Agreement No. _____

Service Agreement
Under PacifiCorp's
FERC Electric Tariff Fifth Revised Volume No. 12
(Market Based Power Sales Tariff)

1. PURCHASER
2. ADDRESS OF PURCHASER
3. SERVICES

The Purchaser may request services from PacifiCorp in accordance with PacifiCorp's FERC Electric Tariff Fifth Revised Volume No. 12. Specific terms and conditions of products or services and rates (including price, quantity, term and delivery point) shall be mutually agreed to by the Parties at the time each transaction is negotiated.

4. TERM

This Service Agreement may be terminated by the Purchaser on seven (7) days' written notice to PacifiCorp.

5. EFFECTIVE DATE

This Service Agreement shall become effective on the date of execution by the parties.

The parties hereto have agreed to the foregoing terms and conditions and have executed this service agreement as of _____.

PacifiCorp (Seller)

By: _____

(PURCHASER)

By: _____

Issued by: John A. Apperson
Director, Trading
Issued on: August 27, 2007

Effective: September 18, 2007

WASHINGTON AFFILIATED INTEREST FILING

Constellation Market-Based Rates Tariff

Constellation Energy Commodities Group, Inc.
Fourth Revised Rate Schedule FERC No. 11
Supersedes Third Revised Rate Schedule FERC No. 11

Original Sheet No. 1

**CONSTELLATION ENERGY COMMODITIES GROUP, INC.
RATE SCHEDULE MR-1**

I. Availability

Constellation Energy Commodities Group, Inc. ("Constellation") makes electric capacity, energy, firm transmission rights, to the extent the Commission requires such authorization ("FTRs"), and any product markets which are not Ancillary Services within the meaning of Order Nos. 888, *et al.* available under this Rate Schedule for wholesale sales to purchasers with whom Constellation has contracted. Constellation also separately makes available for wholesale sales to purchasers with whom Constellation has contracted the following Ancillary Services:

(A) Within the Markets Administered by the Independent System Operator of New England: operable capability; ten-minute spinning reserve; automatic generation control; ten-minute non-spinning reserve; thirty minute reserve; and any other Ancillary Service that the Commission subsequently authorizes to be sold at market-based rates.

(B) Within the Markets Administered by the New York Independent System Operator: Ten-Minute Non-Synchronous Reserves; Ten Minute Spinning Reserves; Thirty Minute Operating Reserves; Ten-Minute Non-Spinning Reserves; and Regulation and Frequency Response Service; and any other Ancillary Service that the Commission subsequently authorizes to be sold at market-based rates.

(C) Within the Markets Administered by the Pennsylvania-New Jersey-Maryland Interchange Energy Market: Energy Imbalance; Operating Reserves (which includes Spinning Reserves, Ten Minute Reserves, and Thirty Minute Reserves), including bilateral sales at market-based rates of the enumerated Ancillary Services, respectively, that are used to satisfy the Ancillary Services requirements of the PJM Office of the Interconnection; and any other Ancillary Service that the Commission subsequently authorizes to be sold at market-based rates.

(D) Within the Markets Administered by the California Independent System Operator Corporation: Regulation; Spinning Reserve; Non-Spinning Reserve; Replacement Reserves; and any other Ancillary Service that the Commission subsequently authorizes to be sold at market-based rates. (These Ancillary Services do not include Reactive Supply and Scheduling services.) The specified Ancillary Services are limited to the California-ISO or to others that are self-supplying Ancillary Services to the California-ISO.

Issued by: Lisa M. Decker, Counsel
Issued on: November 23, 2004

Effective: November 1, 2004

Constellation Energy Commodities Group, Inc.
Fourth Revised Rate Schedule FERC No. 11
Supersedes Third Revised Rate Schedule FERC No. 11

Original Sheet No. 2

II. Applicability

This Rate Schedule is applicable to all wholesale sales, not otherwise subject to a particular Rate Schedule of Constellation, of electric capacity, energy and/or FTRs by Constellation. This Rate Schedule is also applicable to all wholesale sales, not otherwise subject to a particular Rate Schedule of Constellation, of the Ancillary Services in the markets specified in Paragraph I, *supra*, and such additional geographic markets as FERC may specify and authorize from time-to-time in orders that extend such authority to all sellers previously authorized to sell energy and/or capacity at market-based rates. This Rate Schedule is also applicable to all wholesale sales, not otherwise subject to a particular Rate Schedule of Constellation, of any other products which are not Ancillary Services within the meaning of Order Nos. 888, *et al.*

III. Rates

All sales shall be made at rates established by agreement between the purchaser and Constellation.

IV. Resale of Firm Transmission Rights

Constellation may resell FTRs and other comparable products that it has acquired at a price not to exceed any applicable caps imposed by the Commission in its orders authorizing the issuance of such FTRs. The terms and conditions under which the resale is made shall be the terms and conditions approved by the Commission for such FTRs. FTRs may only be sold to a customer eligible to purchase FTRs from the transmission provider. Constellation will report the names of any purchasers of FTRs under this section of the Rate Schedule in its quarterly reports.

V. Reassignment of Transmission Capacity

Constellation may reassign transmission capacity that it has reserved for its own use at a price not to exceed the highest of: (1) the original transmission rate paid by Constellation; (2) the applicable transmission provider's maximum stated firm transmission rate on file at the time of the transmission reassignment; or (3) Constellation's own opportunity costs, capped at the applicable transmission provider's cost of expansion at the time of the sale to the eligible customer. Constellation will not recover opportunity costs in connection with reassignments without making a separate filing under Section 205. Except for the price, the terms and conditions under which the reassignment is made shall be the terms and conditions governing the original grant by the transmission provider.

Constellation Energy Commodities Group, Inc.
Fourth Revised Rate Schedule FERC No. 11
Supersedes Third Revised Rate Schedule FERC No. 11

Original Sheet No. 3

Transmission capacity may only be reassigned to a customer eligible to take service under the transmission provider's open access transmission tariff or other transmission rate schedules. Constellation will report the name of the assignee in its quarterly reports.

VI. Other Terms and Conditions

All other terms and conditions of sale shall be established by agreement between the purchaser and Constellation.

VII. Effective Date

This Rate Schedule shall be effective as of the date specified by the Federal Energy Regulatory Commission.

Issued by: Lisa M. Decker, Counsel
Issued on: November 23, 2004

Effective: November 1, 2004

Constellation Energy Commodities Group, Inc.
Fourth Revised Rate Schedule FERC No. 11
Supersedes Third Revised Rate Schedule FERC No. 11

Original Sheet No. 4

**CONSTELLATION ENERGY COMMODITIES GROUP, INC.
RATE SCHEDULE MR-1**

Market Behavior Rules

As a condition of market-based rate authority, Constellation Energy Commodities Group, Inc. (hereafter, Seller) will comply with the following Market Behavior Rules:

1. **Unit Operation:** Seller will operate and schedule generating facilities, undertake maintenance, declare outages, and commit or otherwise bid supply in a manner that complies with the Commission-approved rules and regulations of the applicable power market. Compliance with this Market Behavior Rule 1 does not require Seller to bid or supply electric energy or other electricity products unless such requirement is a part of a separate Commission-approved tariff or requirement applicable to Seller.
2. **Market Manipulation:** Actions or transactions that are without a legitimate business purpose and that are intended to or foreseeably could manipulate market prices, market conditions, or market rules for electric energy or electricity products are prohibited. Actions or transactions undertaken by Seller that are explicitly contemplated in Commission-approved rules and regulations of an applicable power market (such as virtual supply or load bidding) or taken at the direction of an ISO or RTO are not in violation of this Market Behavior Rule. Prohibited actions and transactions include, but are not limited to:
 - a. pre-arranged offsetting trades of the same product among the same parties, which involve no economic risk and no net change in beneficial ownership (sometimes called "wash trades");
 - b. transactions predicated on submitting false information to transmission providers or other entities responsible for operation of the transmission grid (such as inaccurate load or generation data; or scheduling non-firm service or products sold as firm), unless Seller exercised due diligence to prevent such occurrences;
 - c. transactions in which an entity first creates artificial congestion and then purports to relieve such artificial congestion (unless Seller exercised due diligence to prevent such an occurrence; and
 - d. collusion with another party for the purpose of manipulating market prices, market conditions, or market rules for electric energy or electricity products.

Constellation Energy Commodities Group, Inc.
Fourth Revised Rate Schedule FERC No. 11
Supersedes Third Revised Rate Schedule FERC No. 11

Original Sheet No. 5

3. **Communications:** Seller will provide accurate and factual information and not submit false or misleading information, or omit material information, in any communication with the Commission, Commission-approved market monitors, Commission-approved regional transmission organizations, or Commission-approved independent system operators, or jurisdictional transmission providers, unless Seller exercised due diligence to prevent such occurrences.
4. **Reporting:** To the extent Seller engages in reporting of transactions to publishers of electricity or natural gas price indices, Seller shall provide accurate and factual information, and not knowingly submit false or misleading information or omit material information to any such publisher, by reporting its transactions in a manner consistent with the procedures set forth in the Policy Statement issued by the Commission in Docket No. PL03-3 and any clarifications thereto. Seller shall notify the Commission within 15 days of the effective date of this tariff provision of whether it engages in such reporting of its transactions and update the Commission within 15 days of any subsequent change to its transaction reporting status. In addition, Seller shall adhere to such other standards and requirements for price reporting as the Commission may order.
5. **Record Retention:** Seller shall retain, for a period of three years, all data and information upon which it billed the prices it charged for the electric energy or electric energy products it sold pursuant to this tariff or the prices it reported for use in price indices.
6. **Related Tariffs:** Seller shall not violate or collude with another party in actions that violate Seller's market-based rate code of conduct or Order No. 889 standards of conduct, as they may be revised from time to time.

Any violation of these Market Behavior Rules will constitute a tariff violation. Seller will be subject to disgorgement of unjust profits associated with the tariff violation, from the date on which the tariff violation occurred. Seller may also be subject to suspension or revocation of its authority to sell at market-based rates or other appropriate non-monetary remedies.

WASHINGTON AFFILIATED INTEREST FILING

VERIFICATION

VERIFICATION

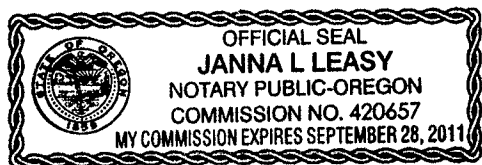
I, Natalie Hocken, am an officer of PacifiCorp and am authorized to make this verification on its behalf. Based on my personal knowledge about the attached International Swap Dealers Association Master Agreement, I verify that the International Swap Dealers Association Master Agreement is a true and accurate copy of the original.

I declare upon the penalty of perjury, that the foregoing is true and correct.

Executed on April 2, 2009 at Portland, Oregon.

Natalie Hocken
Natalie Hocken
Vice President and General Counsel

Subscribed and sworn to me on this 2 day of April, 2009.



Janna L. Leasy
Notary Public for Oregon
My Commission expires: 9/28/2011