

**MidAmerican Energy Holdings Company and PacifiCorp  
Annual Report of Status of Commitments  
To the Utah Public Service Commission  
For the Period March 21, 2006 through March 31, 2007**

**GENERAL COMMITMENTS**

<b>General Commitment Number</b>	<b>Commitment Description</b>	<b>Status</b>	<b>Status Description</b>
1	MEHC and PacifiCorp affirm the continuation (through March 31, 2008) of the existing customer service guarantees and performance standards in each jurisdiction. MEHC and PacifiCorp will not propose modifications to the guarantees and standards prior to March 31, 2008. Refer to Commitment 45 for the extension of this commitment through 2011.	Ongoing compliance	No change will be made to the customer guarantees and performance standards prior to March 31, 2008.
2	Penalties for noncompliance with performance standards and customer guarantees shall be paid as designated by the Commission and shall be excluded from results of operations. PacifiCorp will abide by the Commission's decision regarding payments.	Ongoing compliance	Customer guarantee failure payments are made directly to customers as agreed by commissions and are excluded from results of operation.
3	PacifiCorp will maintain its own accounting system, separate from MEHC's accounting system. All PacifiCorp financial books and records will be kept in Portland, Oregon. PacifiCorp's financial books and records and state and federal utility regulatory filings and documents will continue to be available to the Commission, upon request, at PacifiCorp's offices in Portland, Oregon, Salt Lake City, Utah, and elsewhere in accordance with current practice.	Ongoing compliance	No additional steps required at the PacifiCorp level. Company currently maintains its own SAP accounting system, which is separate from MEHC's systems.
4	MEHC and PacifiCorp will provide the Commission access to all books of account, as well as all documents, data, and records of their affiliated interests, which pertain to transactions between PacifiCorp and its affiliated interests or which are otherwise relevant to the business of PacifiCorp. This commitment is also applicable to the books and records of Berkshire Hathaway, which shall retain its books and records relevant to the business of PacifiCorp consistent with the manner and time periods of the Federal Energy Regulatory Commission's record retention requirements that are applicable to PacifiCorp's books and records.	Ongoing compliance	No additional steps required at the PacifiCorp level. Company currently applies the Federal Energy Regulatory Commission's record retention requirement.
5	MEHC, PacifiCorp and all affiliates will make their employees, officers, directors, and agents available to testify before the Commission to provide information relevant to matters within the jurisdiction of the Commission.	Ongoing compliance	Agreed per signed stipulation.
6	The Commission or its agents may audit the accounting records of MEHC and its subsidiaries that are the bases for charges to PacifiCorp, to determine the reasonableness of the costs and allocation factors used by MEHC to assign costs to PacifiCorp and amounts subject to allocation or direct charges. MEHC agrees to cooperate fully with such Commission audits.	Ongoing compliance	The MEHC general ledger and the general ledger of each subsidiary reflect and track all inter-company activity (both direct charges and allocations) and are supported with detail transactions (journal entry, positive time reporting, vouchers, etc.) MEHC and subsidiaries are maintaining support files for allocation factors supporting inter-company billings. The MEHC and subsidiaries general ledgers reflect all inter-company transactions as required by the IASA.
7	MEHC and PacifiCorp will comply with all applicable Commission statutes and	Ongoing compliance	Agreed per signed stipulation. See also status of General Commitments

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	regulations regarding affiliated interest transactions, including timely filing of applications and reports.		8 and 13 and Utah-specific Commitment U3.
8	PacifiCorp will file on an annual basis an affiliated interest report including an organization chart, narrative description of each affiliate, revenue for each affiliate and transactions with each affiliate.	Ongoing compliance	Affiliated interest report was filed on August 25, 2006. The next report will be filed by May 30, 2007.
9	PacifiCorp and MEHC will not cross-subsidize between the regulated and non-regulated businesses or between any regulated businesses, and shall comply with the Commission's applicable orders and rules with respect to such matters.	Ongoing compliance	IASA acknowledging this commitment was executed on March 30, 2006; filed on March 31, 2006; approved on October 6, 2006.
10	Due to PUHCA repeal, neither Berkshire Hathaway nor MEHC will be registered public utility holding companies under PUHCA. Thus, no waiver by Berkshire Hathaway or MEHC of any defenses to which they may be entitled under <i>Ohio Power Co. v. FERC</i> , 954 F.2d 779 (D.C. Cir.), cert. denied sub nom. <i>Arcadia v. Ohio Power Co.</i> , 506 U.S. 981 (1992) (" <i>Ohio Power</i> "), is necessary to maintain the Commission's regulation of MEHC and PacifiCorp. However, while PUHCA is in effect, Berkshire Hathaway and MEHC waive such defenses.	Ongoing compliance	Agreed per signed stipulation.
11	<p>a) Any diversified holdings and investments (e.g., non-utility business or foreign utilities) of MEHC following approval of the transaction will not be held by PacifiCorp or a subsidiary of PacifiCorp. Ring-fencing provisions (i.e., measures providing for separate financial and accounting treatment) will be provided for PacifiCorp and its subsidiaries including, but not limited to, provisions protecting PacifiCorp and its subsidiaries from the liabilities or financial distress of MEHC and its affiliates. This condition will not prohibit MEHC or its affiliates other than PacifiCorp from holding diversified businesses.</p> <p>b) [Intentionally left blank.]</p> <p>c) PacifiCorp will notify the Commission of any changes in the ring-fencing provisions within 30 days. Such notice shall include verification that (i) the change has been approved by the independent director of PacifiCorp's parent company, and (ii) the rating agencies have confirmed that there will be no credit downgrade from the changed ring-fencing protections.</p>	Ongoing compliance	<p>a) Agreed per signed stipulation; action not required unless specified activities occur.</p> <p>c) The PPW Holdings LLC agreement with provisions consistent with Appendix 1 was executed on March 15, 2006.</p>
12	PacifiCorp or MEHC will notify the Commission in writing subsequent to MEHC's board approval and as soon as practicable following any public announcement of: (1) any acquisition of a regulated or unregulated business representing 5 percent or more of the capitalization of MEHC; or (2) the change in effective control or acquisition of any material part or all of PacifiCorp by any other firm, whether by merger, combination, transfer of stock or assets.	Ongoing compliance	Agreed per signed stipulation. No such notifications needed to date.
13	The Intercompany Administrative Services Agreement (IASA) will include the corporate and affiliate cost allocation methodologies. The IASA will be filed with the Commission as soon as practicable after the closing of the transaction. Approval of the IASA will be requested if required by law or	Ongoing compliance	IASA acknowledging this commitment was executed on March 30, 2006; filed on March 31, 2006; approved on October 6, 2006.

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14	<p>rule, but approval for ratemaking purposes will not be requested in such filing. Refer to Commitment 14 (f). Amendments to the IASA will also be filed with the Commission.</p> <p>Any proposed cost allocation methodology for the allocation of corporate and affiliate investments, expenses, and overheads, required by law or rule to be submitted to the Commission for approval, will comply with the following principles:</p> <p>a) For services rendered to PacifiCorp or each cost category subject to allocation to PacifiCorp by MEHC or any of its affiliates, MEHC must be able to demonstrate that such service or cost category is necessary to PacifiCorp for the performance of its regulated operations, is not duplicative of services already being performed within PacifiCorp, and is reasonable and prudent.</p> <p>b) Cost allocations to PacifiCorp and its subsidiaries will be based on generally accepted accounting standards; that is, in general, direct costs will be charged to specific subsidiaries whenever possible and shared or indirect costs will be allocated based upon the primary cost-driving factors.</p> <p>c) MEHC and its subsidiaries will have in place positive time reporting systems adequate to support the allocation and assignment of costs of executives and other relevant personnel to PacifiCorp.</p> <p>d) An audit trail will be maintained such that all costs subject to allocation can be specifically identified, particularly with respect to their origin. In addition, the audit trail must be adequately supported. Failure to adequately support any allocated cost may result in denial of its recovery in rates.</p> <p>e) Costs which would have been denied recovery in rates had they been incurred by PacifiCorp regulated operations will likewise be denied recovery whether they are allocated directly or indirectly through subsidiaries in the MEHC group.</p> <p>f) Any corporate cost allocation methodology used for rate setting, and subsequent changes thereto, will be submitted to the Commission for approval if required by law or rule.</p>	Ongoing compliance	IASA filed in 13 above contained provisions required by 14a-14f.
15	<p>MEHC and PacifiCorp commit that PacifiCorp will maintain separate debt and preferred stock, if any. PacifiCorp will maintain its own corporate credit rating, as well as ratings for long-term debt and preferred stock, from Moody's and S&amp;P or their successor agencies.</p>	Ongoing compliance	PacifiCorp continues to have ratings for long-term debt and preferred stock from Moody's and S&P.
16	<p>MEHC and PacifiCorp will exclude all costs of the transaction from PacifiCorp's utility accounts. Within 90 days following completion of the transaction, MEHC will provide a preliminary accounting of these costs. Further, MEHC will provide the Commission with a final accounting of these costs within 30 days of the accounting close.</p>	<b>COMPLETE</b>	The preliminary report of transaction costs was filed in Utah on June 15, 2006. The final accounting of the transaction costs was filed on January 30, 2007--30 days from the year-end accounting close.
17	<p>MEHC and PacifiCorp will provide the Commission with unrestricted access to all written information provided by and to credit rating agencies that pertains to PacifiCorp or MEHC. Berkshire Hathaway and MEHC will also provide by Commission with unrestricted access to all written information provided by and to credit rating agencies that pertains to MEHC's subsidiaries to the</p>	Ongoing compliance	Rating agency materials are available upon request. See also state-specific commitment U10.

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18	<p>extent such information may potentially impact PacifiCorp.</p> <p>PacifiCorp will not make any distribution to PPW Holdings LLC or MEHC that will reduce PacifiCorp's common equity capital below 40 percent of its total capital without Commission approval. PacifiCorp will notify the Commission if for any reason its common equity capital is reduced to below 44 percent of its total capital for a period longer than three consecutive months. PacifiCorp's total capital is defined as common equity, preferred equity and long-term debt. Long-term debt is defined as debt with a term of one year or more. The Commission and PacifiCorp may reexamine these minimum common equity percentages as financial conditions or accounting standards change, and PacifiCorp may request adjustments.</p>	Ongoing compliance	<p>PacifiCorp Dividend Policy has been implemented to ensure proper procedures are followed with each dividend including verification that the common equity capital requirement is met.</p> <p>Accounting calculates PacifiCorp common equity capital to total capital on a monthly basis and reports to Treasury. No distributions have been made by PacifiCorp to PPW Holdings LLC or MEHC.</p>
19	<p>The capital requirements of PacifiCorp, as determined to be necessary to meet its obligation to serve the public, will be given a high priority by the Board of Directors of MEHC and PacifiCorp.</p>	Ongoing compliance	<p>For 2006, MEHC has made equity infusions totaling \$215 million. Projections for equity infusions for 2007 are to make \$100m capital contributions in June and December.</p>
20	<p>Neither PacifiCorp nor its subsidiaries will, without the approval of the Commission, make loans or transfer funds (other than dividends and payments pursuant to the Intercompany Administrative Services Agreement) to MEHC or its affiliates, or assume any obligation or liability as guarantor, endorser, surety or otherwise for MEHC or its affiliates; provided that this condition will not prevent PacifiCorp from assuming any obligation or liability on behalf of a subsidiary of PacifiCorp. MEHC will not pledge any of the assets of the business of PacifiCorp as backing for any securities which MEHC or its affiliates (but excluding PacifiCorp and its subsidiaries) may issue.</p>	Ongoing compliance	<p>Agreed per signed stipulation.</p>
21	<p>MEHC and PacifiCorp, in future Commission proceedings, will not seek a higher cost of capital than that which PacifiCorp would have sought if the transaction had not occurred. Specifically, no capital financing costs should increase by virtue of the fact that PacifiCorp was acquired by MEHC.</p>	Ongoing compliance	<p>Will continue to calculate PacifiCorp costs on a stand alone basis with no higher costs due to acquisition by MidAmerican Energy Holdings Company. This will be demonstrated in future rate filings.</p>
22	<p>MEHC and PacifiCorp guarantee that the customers of PacifiCorp will be held harmless if the transaction between MEHC and PacifiCorp results in a higher revenue requirement for PacifiCorp than if the transaction had not occurred; provided, however, that MEHC and PacifiCorp do not intend that this commitment be interpreted to prevent PacifiCorp from recovering prudently incurred costs approved for inclusion in revenue requirement by the Commission.</p>	Ongoing compliance	<p>Results of operations have been shown in testimony in Docket No. 06-035-21, and in the semi-annual report filed on July 23, 2006. The next semi-annual report will be filed by April 30, 2007. The revenue requirement for Utah customers is not expected to be higher than the revenue requirement had the transaction not occurred.</p>
23	<p>PacifiCorp will continue a Blue Sky tariff offering in all states. PacifiCorp will continue to support this offering through innovative marketing, by modifying the tariff to reflect the developing green power market and by monitoring national certification standards.</p>	Ongoing compliance	<p>PacifiCorp continues to offer and promote its Blue Sky program. Promotions have been done through twice yearly business reply envelopes for all customers, mailings to new construction customers, targeted mailings, direct contact by regional personnel, community partnerships, press releases, print ads, radio spots, and annual thank you letters to existing participants. Several colleges have launched challenges to encourage faculty and students to sign up for Blue Sky. Customer participants receive an acknowledgement/ recognition in the form of enrollment letters, window decals, and educational materials for</p>

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24	PacifiCorp will continue its commitment to gather outside input on environmental matters, such as through the Environmental Forum.	Ongoing compliance	<p>residential participants; non-residential participants received recognition plaques, certificates and window decals. Eleven community-based projects were approved with seven of the projects located in Utah. In March 2007, the company affirmed its commitment to the program by filing revised tariffs recognizing the developing green power market by expanding the definition of Renewable Energy based on continual monitoring of national certification standards.</p> <p>On an on-going basis, PacifiCorp is an active participant in the following which provide opportunities for PacifiCorp to gather outside input on specific environmental matters:</p> <p>Big Sky Carbon Sequestration Partnership (BSCSP), California Climate Action Registry (CCAR), Center for Energy Efficiency and Renewable Technologies (CEERT), Northwest Power &amp; Conservation Council, Oregon Carbon Allocation Task Force (CATF), Oregon Renewable Energy Working Group (REWG), Utah Energy Forum, Utah Clean Energy, Utah Wind working group, Western Regional Air Partnership Stationary Source Joint Forum (WRAP), and the Western Renewable Energy Generation Information System (WREGIS) working group.</p> <p>PacifiCorp leads opportunities that include the Integrated Resource Plan (IRP) public input meetings, the Integrated Gasification Combined-Cycle (IGCC) working group, and the Global Climate Change (GCC) working group.</p> <p>Participants in the Environmental Forum are being notified of PacifiCorp's decision to disband the official Environmental Forum.</p>
25	PacifiCorp will continue to have environmental management systems in place that are self-certified to ISO 14001 standards at all PacifiCorp operated thermal generation plants.	Ongoing compliance	<p>PacifiCorp Energy's Headquarters (North Temple), Carbon plant, Dave Johnston plant, Gadsby plant, Hunter plant, Huntington plant, Jim Bridger plant, Naughton plant and Wyodak plant received ISO 14001 registration on August 8, 2006. On February 15, 2007, ISO 14001 registration was continued for a six-month period. At that time the West Valley Plant was added to the plants included in the registered fleet. External audits are to be conducted every 6 months.</p> <p>PacifiCorp maintains its level of support for community-related contributions. Expenditures are tracked throughout the year to ensure that the Company is making equitable allocations.</p> <p>Contributions at the end of the 12-month period April 1, 2005 through March 31, 2006 were \$1,506,926.</p> <p>Contributions for the nine-month period April 1, 2006 through December 31, 2006, were \$1,815,856.</p> <p>From January 1 through March 31, 2007, the contributions have totaled</p>
26	MEHC will maintain at least the existing level of PacifiCorp's community-related contributions, both in terms of monetary and in-kind contributions. The distribution of PacifiCorp's community-related contributions among the states will be done in a manner that is fair and equitable to each state.	Ongoing compliance	<p>PacifiCorp maintains its level of support for community-related contributions. Expenditures are tracked throughout the year to ensure that the Company is making equitable allocations.</p> <p>Contributions at the end of the 12-month period April 1, 2005 through March 31, 2006 were \$1,506,926.</p> <p>Contributions for the nine-month period April 1, 2006 through December 31, 2006, were \$1,815,856.</p> <p>From January 1 through March 31, 2007, the contributions have totaled</p>

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			\$522,889.
27	MEHC will continue to consult with regional advisory boards to ensure local perspectives are heard regarding community issues.	Ongoing compliance	The Rocky Mountain Power regional advisory board met on March 7, 2007.
28	MEHC will honor PacifiCorp's existing labor contracts.	Ongoing compliance	<p>Labor relations personnel met with the presidents of Pacific Power, Rocky Mountain Power, and PacifiCorp Energy and reviewed the existing labor agreements. All agreements are being honored.</p> <p>The following Collective Bargaining Agreements were in existence on 3/21/2006 with PacifiCorp:</p> <p>IBEW local 57 power supply (expired 5/25/06). Ratified new collective bargaining agreement November 1, 2006, expires May 25, 2009. COMPLETE</p> <p>IBEW local 57 combustion turbine (expires 5/25/07) - currently in good faith negotiations.</p> <p>IBEW Local 57 power delivery agreement expires 1/26/09.</p> <p>IBEW Local 57 Laramie agreement expires 6/26/09.</p> <p>IBEW Local 125, effective 1/26/2006, expires 1/25/08 with a wage re-opener on 1/26/2007. Voted in favor, wage re-opener implemented. New wages have been implemented COMPLETE</p> <p>IBEW Local 659, effective 4/26/2004, expires 4/25/07. Negotiations commenced 3/5/2007 and continue. Presently the agreement remains in full force and effect.</p> <p>UWUA Local 197, effective 3/26/2007, expires 5/25/2009 due to two year contract extension reached prior to 3/21/2006.</p>
29	After the closing of the transaction, MEHC and PacifiCorp will make no unilateral changes to employee benefit plans prior to May 23, 2007 that would result in the reduction of employee benefits.	Ongoing compliance	Since the close of the transaction, there have been no unilateral changes to the employee benefit plans. Non-represented employees were notified in December of benefit plan changes which will become effective June 1, 2007. The changes are being made in order for the company to be in line with the marketplace as well as to be aligned with other MidAmerican Energy Holdings Company business platforms.
30	PacifiCorp will continue to produce Integrated Resource Plans according to the then current schedule and the then current Commission rules and orders.	Ongoing compliance	On January 27, 2007, Rocky Mountain Power filed a Request for Extension of Time to File PacifiCorp's 2006 Integrated Resource Plan (IRP). The IRP will be filed with the Commission by May 30, 2007.
31	When acquiring new generation resources in excess of 100 MW and with a dependable life of 10 or more years, PacifiCorp and MEHC will issue Requests for Proposals (RFPs) or otherwise comply with state laws, regulations and orders that pertain to procurement of new generation resources for	Ongoing compliance	Refer to General Commitment 39.

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	PacifiCorp.		
32	Nothing in these acquisition commitments shall be interpreted as a waiver of PacifiCorp's or MEHC's rights to request confidential treatment for information that is the subject of any commitments.	Ongoing compliance	Agreed per signed stipulation; action not required unless specified activities occur.
33	Unless another process is provided by statute, Commission regulations or approved PacifiCorp tariff, MEHC and PacifiCorp encourage the Commission to use the following process for administering the commitments. The Commission should give MEHC and PacifiCorp written notification of any violation by either company of the commitments made in this application. If such failure is corrected within ten (10) business days for failure to file reports, or five (5) business days for other violations, the Commission should take no action. The Commission shall have the authority to determine if the corrective action has satisfied or corrected the violation. MEHC or PacifiCorp may request, for cause, an extension of these time periods. If MEHC or PacifiCorp fails to correct such violations within the specified time frames, as modified by any Commission-approved extensions, the Commission may seek to assess penalties for violation of a Commission order, against either MEHC or PacifiCorp, as allowed under state laws and regulations.	Ongoing compliance	Agreed per signed stipulation; action not required unless specified activities occur.
34	<p>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:</p> <p>a) Path C Upgrade (~\$78 million) - Increase Path C capacity by 300 MW (from S.E. Idaho to Northern Utah). The target completion date for this project is 2010. MEHC and PacifiCorp assert that this project:</p> <ul style="list-style-type: none"> <li>• enhances reliability because it increases transfer capability between the east and west control areas,</li> <li>• facilitates the delivery of power from wind projects in Idaho, and</li> <li>• provides PacifiCorp with greater flexibility and the opportunity to consider additional options regarding planned generation capacity additions.</li> </ul> <p>b) Mona - Oquirrh (~\$196 million) - Increase the import capability from Mona into the Wasatch Front (from Wasatch Front South to Wasatch Front North). This project would enhance the ability to import power from new resources delivered at or to Mona, and to import from Southern California by "wheeling" over the Adelanto DC tie. The target completion date for this project is 2011. MEHC and PacifiCorp assert that this project:</p> <ul style="list-style-type: none"> <li>• enhances reliability by enabling the import of power from Southern California entities during emergency situations,</li> <li>• facilitates the acceptance of renewable resources, and</li> <li>• enhances further system optimization since it enables the further purchase or exchange of seasonal resources from parties capable of</li> </ul>	Ongoing compliance	<p>a) In March 2007 a facility study was completed evaluating both a 138 kV and 345 kV project. PacifiCorp has decided to pursue the 345. A request will be submitted for management review to evaluate and select a preferred transmission line route and develop a project estimate for a double-circuit 345-kilovolt line from a future International Substation in Utah to the future Populus substation that will be located near Downey, Idaho. Rights-of-way acquisition activities have been started in the densely populated southern portion of the project.</p> <p>b) Mona - Oquirrh. The West Jordan staff continues to review the Conditional Use Permit application for the Oquirrh substation. PacifiCorp is executing a Memorandum of Understanding with the Bureau of Land Management for the preparation and review of the Environmental Impact Study required for the transmission line. The Bureau of Land Management selected Environmental Planning Group, Inc. as the third party consultant to write the Environmental Impact Study.</p> <p>c) Walla Walla - Yakima or Mid-C. The facility study is scheduled for completion in April 2007. This study will contain a scope of work, a cost estimate and a schedule to complete the project. Once the report is completed it will be presented to PacifiCorp's merchant group. PacifiCorp will proceed to apply for the necessary right-of-way applications with the impacted County departments in Washington with a filing target during May 2007.</p>

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	<p>delivering to Mona.</p> <p>c) <u>Walla Walla - Yakima or Mid-C (~\$88 million)</u> – 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.</p> <p><sup>1</sup> While MEHC has immersed itself in the details of PacifiCorp’s business activities in the short time since the announcement of the transaction, 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. The Commission may investigate the reasonableness of any determination by MEHC/PacifiCorp that one or more of the identified transmission investments is not cost-effective or optimal for customers.</p>		
35	<p>MEHC and PacifiCorp make the following commitments to improve system reliability:</p> <p>a) investment in the Asset Risk Program of \$75 million over the three years, 2007-2009,</p> <p>b) investment in local transmission risk projects across all states of \$69 million over eight years after the close of the transaction,</p> <p>c) O &amp; M expense for the Accelerated Distribution Circuit Fusing Program across all states will be increased by \$1.5 million per year for five years after the close of the transaction, and</p> <p>d) extension of the O&amp;M investment across all states for the Saving SAIDI Initiative for three additional years at an estimated cost of \$2 million per year.</p> <p>e) MEHC and PacifiCorp will support the Bonneville Power Administration in its development of short-term products such as conditional firm. No less than three months following the close of the transaction, PacifiCorp will initiate a process to collaboratively design similar short-term transmission products and will include stakeholders in this process. PacifiCorp will make every reasonable effort to complete a product by the end of 2008.</p> <p>f) PacifiCorp will continue to offer its Partial Interim Service product, and will make commercially reasonable efforts to offer transmission customers as much firm service as the Company’s transmission studies show is available, including weeks within a month. PacifiCorp will also continue its OATT tariff provision that allows transmission customers to alter pre-scheduled transactions up to 20 minutes before the hour as long as such provision is consistent with established scheduling practices and does not jeopardize system reliability. PacifiCorp will notify parties to this proceeding if it proposes changes to these two elements of its OATT.</p>	Ongoing compliance	<p>a) High-priority replacement equipment has been identified and incorporated in the Asset Risk Register and budget plans. For the period January through March 2007, \$15,216,552 of the \$75M commitment has been spent.</p> <p>b) Initial work on high priority N-1 projects has begun. For the period April 2006 through March 2007, \$605,948 of the \$69M commitment has been spent.</p> <p>c) For Fusing Improvement Projects for April through December 2006, actual funds spent were \$1,826,336. For the period January through March 2007, \$380,279 has been spent to date.</p> <p>d) For Saving SAIDI projects for April through December 2006, actual funds spent were \$2,437,125. For the period January through March 2007, \$2,083,357 has been spent to date.</p> <p>e) On June 16, 2006, PacifiCorp provided notice via email and posting on its OASIS describing the process that PacifiCorp intends to utilize to assess customer requirements and its ability to develop and offer a conditional firm product.</p> <p>Stakeholder meetings were subsequently held in Portland October 6, 2006, and in Salt Lake City October 23, 2006. State government representation as well as potential interveners, major customers and transmission dependent utilities participated. In addition to discussing PacifiCorp’s system and historical usage on several transmission paths, an overview of the differences between Bonneville Power Administration’s system and PacifiCorp’s system was discussed.</p> <p>On February 26, 2007, FERC issued Order 890 which requires PacifiCorp</p>



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36	<p><u>Regional Transmission:</u> MEHC recognizes that it can and should have a role in addressing the critical importance of transmission infrastructure to the states in which PacifiCorp serves. MEHC also recognizes that some transmission projects, while highly desirable, may not be appropriate investments for PacifiCorp and its regulated customers. Therefore, MEHC shareholders commit their resources and leadership to assist PacifiCorp states in the development of transmission projects upon which the states can agree. Examples of such projects would be RMATS and the proposed Frontier transmission line.</p>	Ongoing compliance	<p>to study conditional firm options for customers who request transmission service. The product is mandated by the order. The Company is assessing the specifics around study requirements and operating requirements to insure PacifiCorp has the processes and systems in place to study and manage the required product.</p> <p>f) PacifiCorp continues to offer its Partial Interim Service product.</p>
37	<p><u>Reduced Cost of Debt:</u> MEHC believes that PacifiCorp's incremental cost of long-term debt will be reduced as a result of the proposed transaction, due to the association with Berkshire Hathaway. Historically, MEHC's utility subsidiaries have been able to issue long-term debt at levels below their peers with similar credit ratings. MEHC commits that over the next five years it will demonstrate that PacifiCorp's incremental long-term debt issuances will be at least a spread of ten basis points below its similarly rated peers. MEHC's demonstration will include information from a third party industry expert supporting its calculation and conclusion. If MEHC is unable to demonstrate to the Commission's satisfaction that PacifiCorp has achieved at least a ten-basis point reduction, PacifiCorp will accept up to a ten (10) basis point reduction to the yield it actually incurred on any incremental long-term debt issuances for any revenue requirement calculation effective for the five-year period subsequent to the approval of the proposed acquisition. It is projected that this benefit will yield a value roughly equal to \$6.3 million over the post-acquisition five-year period.</p>	Ongoing compliance	<p>MidAmerican Energy Holdings Company (MEHC) acknowledges and has demonstrated its commitment to the importance of the transmission infrastructure within PacifiCorp states. MEHC as part of a coalition of investor-owned utilities known as the Western Regional Transmission Expansion Partnership, in April 2006, signed a letter agreement with representatives of the governors of California, Wyoming, Utah and Nevada known as the Coordinating Commitment, to develop a feasibility report for the Frontier Line project. MEHC and PacifiCorp have remained active participants in the project, participating in numerous committee meetings, chairing subcommittee meetings, and developing and hosting the Partnership's website.</p> <p>Peer group analysis was submitted on September 15, 2006 for the debt issued in August 2006. On March 6, 2007, PacifiCorp Treasurer met with Utah commission, staff and CCS representatives. Analysis will be submitted as exhibits in upcoming general rate case.</p> <p>Long-term debt issuance on March 9, 2007 is being analyzed to determine if cost of the debt is 10 basis points below peers. Analysis will be submitted as exhibits in upcoming general rate case.</p>
38	<p><u>Corporate Overhead Charges:</u> MEHC commits that the corporate charges to PacifiCorp from MEHC and MEC will not exceed \$9 million annually for a period of five years after the closing on the proposed transaction. (In FY2006, ScottishPower's net cross-charges to PacifiCorp are projected to be \$15 million.)</p>	Ongoing compliance	<p>Transfer pricing and management fee agreements between MEHC and PacifiCorp were completed in April 2006. Allowable corporate allocations costs to an annual limit of \$9.0 million are accumulated in OMAG GL account 545261 (FERC 930.2). Non-allowable corporate allocations costs and any allowable allocations costs that exceed \$9.0 million annually are accumulated in OMAG GL account 545266 (FERC 426.5).</p> <p>The annual limit of \$9.0 million prorated for the nine-month fiscal year ending December 31, 2006 was \$6.75 million, and was reached in October 2006. For November and December 2006, 'information only'</p>

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			<p>cross-charge statements were prepared by MEHC for PacifiCorp since the prorated annual cap of \$6.75 million was reached in October.</p> <p>For 2007, the cap of \$9.0m is being monitored each month.</p>
39	<p><u>Future Generation Options:</u> In Commitment 31, MEHC and PacifiCorp adopt a commitment to source future PacifiCorp generation resources consistent with the then current rules and regulations of each state. In addition to that commitment, for the next ten years, MEHC and PacifiCorp commit that they will submit as part of any commission approved RFPs for resources with a dependable life greater than 10 years and greater than 100 MW –including renewable energy RFPs --a 100 MW or more utility “own/operate” alternative for the particular resource. It is not the intent or objective that such alternatives be favored over other options. Rather, the option for PacifiCorp to own and operate the resource which is the subject of the RFP will enable comparison and evaluation of that option against other viable alternatives. In addition to providing regulators and interested parties with an additional viable option for assessment, it can be expected that this commitment will enhance PacifiCorp’s ability to increase the proportion of cost-effective renewable energy in its generation portfolio, based upon the actual experience of MEC and the “Renewable Energy” commitment offered below.</p>	Ongoing compliance	<p>The company filed the draft Request for Proposal on July 11, 2006. On February 28, PacifiCorp filed a Final Draft – 2012 RFP and on March 22, 2007, PacifiCorp filed a modified Final Draft - 2012 RFP in Utah for up to 1,700 MW in additional resources from 2012 through 2014.</p>
40	<p><u>Renewable Energy:</u> MEHC reaffirms PacifiCorp’s commitment to acquire 1400 MW of new cost-effective renewable resources, representing approximately 7% of PacifiCorp’s load. MEHC and PacifiCorp commit to work with developers and bidders to bring at least 100 MW of cost-effective wind resources in service within one year of the close of the transaction.</p> <p>MEHC and PacifiCorp expect that the commitment to build the Walla-Walla and Path C transmission lines will facilitate up to 400 MW of renewable resource projects with an expected in-service date of 2008 -2010. MEHC and PacifiCorp commit to actively work with developers to identify other transmission improvements that can facilitate the delivery of cost-effective wind energy in PacifiCorp’s service area.</p> <p>In addition, MEHC and PacifiCorp commit to work constructively with states to implement renewable energy action plans so as to enable PacifiCorp to achieve at least 1400 MW of cost-effective renewable energy resources by 2015. Such renewable energy resources are not limited to wind energy resources.</p>	Ongoing compliance	<p>With the acquisition of the 100.5 MW Leaning Juniper wind plant, MEHC and PacifiCorp have met the commitment to bring 100 MW of cost-effective wind resource in service within one year of close.</p> <p>MEHC and PacifiCorp continue to study the route alternatives for new transmission lines associated with Path C and the Walla Walla line. Right-of-way applications will be filed and route permitting is expected to begin by summer.</p> <p>In September 2006, PacifiCorp filed a Preliminary Renewable Energy Action Plan to achieve the commitment to reach 1400 MW of cost-effective renewable energy resources by 2015. An updated plan will be filed concurrent with PacifiCorp’s 2006 Integrated Resource Plan scheduled to be filed by May 30, 2007.</p>
41	<p><u>Coal Technology:</u> MEHC supports and affirms PacifiCorp’s commitment to consider utilization of advanced coal-fuel technology such as super-critical or IGCC technology when adding coal-fueled generation.</p>	Ongoing compliance	<p>Completed current feasibility and initial engineering studies for possible IGCC and SCPC resources additions at the Hunter and Jim Bridger sites. WorleyParsons final report was issued during week of June 19, 2006.</p> <p>A summary of the economic evaluation of IGCC and SCPC resource additions at Hunter and Jim Bridger plant sites was provided at the 'Request of Proposal Technical conference: Utah Docket No. 05-035-47'</p>

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42	<p>a) MEHC and PacifiCorp commit to participate in the Environmental Protection Agency's SF<sub>6</sub> Emission Reduction Partnership for Electric Power Systems. Sulfur hexafluoride (SF<sub>6</sub>) is a highly potent greenhouse gas used in the electric industry for insulation and current interruption in electric transmission and distribution equipment. MEHC and PacifiCorp represent that over a 100-year period, SF<sub>6</sub> is 23,900 times more effective at trapping infrared radiation than an equivalent amount of CO<sub>2</sub>, making it the most highly potent, known greenhouse gas. SF<sub>6</sub> is also a very stable chemical, with an atmospheric lifetime of 3,200 years. As the gas is emitted, it accumulates in the atmosphere in an essentially un-degraded state for many centuries. Thus, a relatively small amount of SF<sub>6</sub> can have a significant impact on global climate change. Through its participation in the SF<sub>6</sub> partnership, PacifiCorp will commit to an appropriate SF<sub>6</sub> emissions reduction goal and annually report its estimated SF<sub>6</sub> emissions. MEHC and PacifiCorp represent that this not only reduces greenhouse gas emissions, it saves money and improves grid reliability. Since 1999, EPA's SF<sub>6</sub> partner companies have saved \$2.5 million from the avoided gas loss alone. Use of improved SF<sub>6</sub> equipment and management practices helps protect system reliability and efficiency.</p> <p>b) Within six months after close of the transaction, MEHC and PacifiCorp commit that PacifiCorp will establish a global warming working group composed of representative of the regulatory, consumer, educational and environmental communities in the six states that PacifiCorp serves, as well as representatives of PacifiCorp and MEHC. PacifiCorp will work with the global warming working group to identify cost-effective measures to reduce PacifiCorp's greenhouse emissions. PacifiCorp will develop and file with the Commission its strategy, which MEHC supports, for reducing its greenhouse gas emissions.</p>	Ongoing compliance	<p>held on April 3, 2006 and the 'Request of Proposal Technical Conference: Oregon Meeting (Following Utah Docket 05-035-47' held on April 10, 2006.) This information was included in a compliance filing made on October 4, 2006.</p> <p>During 2006, six meeting of the IGCC working group were held. Meeting agendas, presentations, and summaries are posted on the IGCC Working Group webpage (<a href="http://www.pacifiCorp.com/Article/Article666610">http://www.pacifiCorp.com/Article/Article666610</a>) or are available upon request.</p> <p>See also U15 and U16.</p> <p>a) Agreed to use 2004 as base reporting year for EPA purposes. Agreed to 5% annual SF<sub>6</sub> reduction. Memorandums of Understanding were executed between Rocky Mountain Power and EPA on July 13, 2006, and between Pacific Power and EPA on July 13, 2006. The Company's annual report of estimated SF<sub>6</sub> emissions was submitted to the Environmental Protection Agency on March 23, 2007.</p> <p>Factory tours of circuit breaker manufacturers were performed and SF<sub>6</sub> leakage standards were discussed. A new circuit breaker blanket will be bid later this year with SF<sub>6</sub> emission requirements incorporated into the specifications.</p> <p>The SF<sub>6</sub> Handling Policy has been revised as well as equipment specifications.</p> <p>b) A letter announcing the formation of the Global Climate Change Working Group was released on August 4, 2006. On October 12, 2006, the kick-off meeting was held, followed by a second meeting in November 2006. On March 15, 2007, PacifiCorp laid out a proposed schedule for drafting and submitting its preliminary Global Climate change Action Plan.</p>
43	<p>Working with the affected generation plant joint owners and with regulators to obtain required approvals, MEHC and PacifiCorp commit to install, to the extent cost-effective, the equipment likely to be necessary under future emissions control scenarios at a cost of approximately \$812 million. Concurrent with any application for an air permit, MEHC and PacifiCorp will</p>	Ongoing compliance	<p>Emissions control equipment requirements are continually being assessed. Emission control installations have been aligned with major unit overhaul schedules to minimize outages and costs. Recent assessments have resulted in the addition of scrubber installations on Naughton Units 1 and 2. Current emission control installation costs are</p>

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	<p>discuss its plans regarding this commitment with interested parties and solicit input. While additional expenditures may ultimately be required as future emission reduction requirements become better defined, MEHC believes these investments in emission control equipment are reasonable and environmentally beneficial. The execution of an emissions reduction plan for the existing PacifiCorp coal-fueled facilities, combined with the use of reduced-emissions coal technology for new coal-fueled generation, is expected to result in a significant decrease in the emissions rate of PacifiCorp's coal-fueled generation fleet. MEHC represents that the investments to which MEHC is committing are expected to result in a decrease in the SO<sub>2</sub> emissions rates of more than 50%, a decrease in the NO<sub>x</sub> emissions rates of more than 40%, a reduction in the mercury emissions rates of almost 40%, and no increase expected in the CO<sub>2</sub> emissions rate.</p>		<p>estimated at \$1.3b, including AFUDC. Huntington 2 emissions project achieved operational status in November and passed performance tests in March 2007. Low NO<sub>x</sub> burner projects are scheduled for completion in 2007 at Hunter 3 and Jim Bridger 3. Additionally project activities began in the first quarter of 2007 on the Dave Johnston Unit 3 and Unit 4 scrubbers as well as scrubber upgrades at Jim Bridger, Hunter, and Huntington.</p>
44	<p><u>Energy Efficiency and DSM Management:</u>  a) MEHC and PacifiCorp commit to conducting a company-defined third-party market potential study of additional DSM and energy efficiency opportunities within PacifiCorp's service areas. The objective of the study will be to identify opportunities not yet identified by the company and, if and where possible, to recommend programs or actions to pursue those opportunities found to be cost-effective. The study will focus on opportunities for deliverable DSM and energy efficiency resources rather than technical potentials that may not be attainable through DSM and energy efficiency efforts. On-site solar and combined heat and power programs may be considered in the study. During the three-month period following the close of the transaction, MEHC and PacifiCorp will consult with DSM advisory groups and other interested parties to define the proper scope of the study. The findings of the study will be reported back to DSM advisory groups, commission staffs, and other interested stakeholders and will be used by the Company in helping to direct ongoing DSM and energy efficiency efforts. The study will be completed within fifteen months after the closing on the transaction, and MEHC shareholders will absorb the first \$1 million of the costs of the study.  b) PacifiCorp further commits to meeting its portion of the NWPPC's energy efficiency targets for Oregon, Washington and Idaho, as long as the targets can be achieved in a manner deemed cost-effective by the affected states.  c) In addition, MEHC and PacifiCorp commit that PacifiCorp and MEC will annually collaborate to identify any incremental programs that might be cost-effective for PacifiCorp customers. The Commission will be notified of any additional cost-effective programs that are identified.</p>	Ongoing compliance	<p>a) Between May 25, 2006 and June 19, 2006, PacifiCorp worked with key stakeholders across the Company's six-state service area and identified in related state-specific acquisition commitments C-6, I8, U40 and O23 to finalize the study's scope of work. A request for proposal process to select the study vendor began following the completion of the scoping effort and a vendor was selected in September 2006. Work on the study began on October 12, 2006, following the signing of the study agreement with Quantec, the vendor who was competitively selected to conduct the study. Through March of 2007, \$597,864 had been paid to Quantec towards the completion of the system-wide demand-side resource potential costs. This represents 67% of the project study costs all of which are being borne by the shareholders of MidAmerican Energy Holdings Company. The study is expected to be completed by the specified completion date.  b) PacifiCorp's performance towards meeting commitment 44b is documented within the Northwest Power Planning Council's 2005 and 2006 status reports where the Council characterized the Company as meeting or exceeding the Company's share of the region's identified conservation resources.  c) Dialogue with MidAmerican Energy Company on programs and systems has occurred on numerous occasions beginning in June 2006. PacifiCorp has identified certain curtailment programs of MidAmerican Energy's, however, is awaiting results of the potential study from 44a to make final determinations. PacifiCorp and MidAmerican Energy are working jointly on procuring a replacement for their existing demand-side management and reporting tracking systems.</p>
45	<p><u>Customer Service Standards:</u> MEHC and PacifiCorp commit to continue customer service guarantees and performance standards as established in each jurisdiction, provided that MEHC and PacifiCorp reserve the right to request modifications of the guarantees and standards after March 31, 2008, and the right to request termination (as well as modification) of one or more guarantees or standards after 2011. The guarantees and standards will not</p>	Ongoing compliance	<p>No change will be made to the customer guarantees and performance standards prior to March 31, 2008. Changes may be made to the customer guarantees and performance standards during the period March 31, 2008 through 2011. Semi-annual reports to all commissions will be issued on July 27, 2007.</p>

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46	<p>be eliminated or modified without Commission approval.</p> <p><u>Community Involvement and Economic Development:</u> MEHC has significant experience in assisting its communities with economic development efforts. MEHC plans to continue PacifiCorp's existing economic development practices and use MEHC's experience to maximize the effectiveness of these efforts.</p>	Ongoing compliance	<p>PacifiCorp continues to support economic development through active participation in the local community economic development organizations. An information exchange occurred with MidAmerican Energy Company to compare materials and mutual roles. Economic development grants were given to several Pacific Power and Rocky Mountain Power communities throughout the year. Regional community manager participated in regional economic development summit, including state and federal elected officials and regional economic development leaders. Regional community managers serve on boards of economic development agencies and lead and provide support to recruitment and retention initiatives.</p>
47	<p><u>Corporate Presence (All States):</u> MEHC understands that having adequate staffing and representation in each state is not optional. We understand its importance to customers, to regulators and to states. MEHC and PacifiCorp commit to maintaining adequate staffing and presence in each state, consistent with the provision of safe and reliable service and cost-effective operations.</p>	Ongoing compliance	<p>Appropriate staffing levels for PacifiCorp have been reviewed and are part of the business planning process.</p>
48	<p>PacifiCorp will provide public notice and an invitation to encourage stakeholders to participate in the Integrated Resource Plan (IRP) process. The IRP process will be used to consider Commitments 34, 39, 40, 41, 44, 52 and 53. PacifiCorp will hold IRP meetings at locations or using communications technologies that encourage broad participation.</p>	Ongoing compliance	<p>Public Notice was sent out to stakeholders on July 18, 2006 and August 14, 2006 for the August 23, 2006 public input meeting. The meeting had video conference locations in Salt Lake City, Portland, and Cheyenne, as well as dial-in line for those unable to attend in person.</p> <p>Public Notice was sent out to stakeholders on October 4, 2006 for the public input meeting held on October 31, 2006. The meeting had video conference locations in Salt Lake City, Portland, and Cheyenne, as well as dial-in line for those unable to attend in person. At the meeting, the company reviewed the study results for nine candidate resource portfolios that had various assumptions for planning reserve margin, and the quantity of wind, front office transactions, coal and Integrated Gasification Combined Cycle technology resources.</p> <p>Public Notice was sent out to stakeholders on January 18, 2007 for the February 1, 2007 public input meeting. The meeting had video conference locations in Salt Lake City, Portland, and Cheyenne, as well as dial-in line for those unable to attend in person.</p> <p>Provided public notice to stakeholders on March 6, 2007, indicating that the Company would hold a public input meeting on April 18, 2007, to discuss the Company's preferred portfolio for the 2007 integrated resource plan. The meeting will have video conference location in Salt Lake City and Portland, as well as dial-in line for those unable to attend in person.</p> <p>A table will be included in the 2007 IRP which reflects the consideration</p>

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			of each of the commitments set forth within this commitment.
49	Reporting on Status of Commitments: By June 1, 2007 and each June 1 thereafter through June 1, 2011, PacifiCorp will file a report with the Commission regarding the implementation of the Commitments. The report will, at a minimum, provide a description of the performance of each of the commitments that have quantifiable results. If any of the commitments is not being met, relative to the specific terms of the commitment, the report shall provide proposed corrective measures and target dates for completion of such measures. PacifiCorp will make publicly-available at the Commission non-confidential portions of the report.	Ongoing compliance	PacifiCorp is currently meeting all commitments as addressed in this report.
50	Pension Funding policy: PacifiCorp will maintain its current pension funding policy, as described in the 2005 Actuarial Report, for a period of two years following the close of the transaction.	Ongoing compliance	Pension contributions in 2006, 2007, to be consistent with pre-acquisition funding policy as described in Hewitt Actuarial Report for 2005. \$76M was contributed in 2006; \$75.8M to be contributed in 2007.
51	[Intentionally Left Blank.]	Intentionally left blank	This commitment number has been intentionally left blank.
52	Upon closing, MEHC and PacifiCorp commit to immediately evaluate increasing the generation capacity of the Blundell geothermal facility by the amount determined to be cost-effective. Such evaluation shall be summarized in a report and filed with the Commission concurrent with the filing of PacifiCorp's next IRP. This incremental amount is expected to be at least 11 MW and may be as much as 100 MW. All cost effective increases in Blundell capacity, completed before January 1, 2015, should be counted toward satisfaction of PacifiCorp's 1400 MW renewable energy goal, in an amount equal to the capacity of geothermal energy actually added at the plant.	Ongoing compliance	A report regarding the feasibility of increasing the generation capacity of the Blundell geothermal facility was filed on March 16, 2007.
53	MEHC or PacifiCorp commit to commence as soon as practical after close of the transaction a system impact study to examine the feasibility of constructing transmission facilities from the Jim Bridger generating facilities to Miners Substation in Wyoming. Upon receipt of the results of the system impact study, MEHC or PacifiCorp will review and discuss with stakeholders the desirability and economic feasibility of performing a subsequent facilities study for the Bridger to Miners transmission project.	<b>COMPLETE</b>	Studies were completed and a video conference stakeholder meeting was held on August 23, 2006, to discuss results of studies.

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**STATE - SPECIFIC COMMITMENTS**

State-Specific Commitment Number	Commitment Description	Status	Status Description
U1	PacifiCorp will report call-handling results during wide-scale outages against average answer speeds, hold times and busy indications.	Ongoing compliance	Call handling results report for the period July 1, 2006 through December 31, 2006 was submitted to the Commission on January 25, 2007.
U2	MEHC and PacifiCorp will provide notification of and file for Commission approval of the divestiture, spin-off, or sale of any integral PacifiCorp function. This condition does not limit any jurisdiction the Commission may have.	Ongoing compliance	Agreed per stipulation; action not required unless specified activities occur.
U3	PacifiCorp or MEHC will notify the Commission in writing prior to implementation of plans by PacifiCorp or MEHC: (1) to form an affiliate for the purpose of transacting business with PacifiCorp's regulated operations; (2) to commence new business transactions between an existing affiliate and PacifiCorp; or (3) to dissolve an affiliate which has transacted substantial business with PacifiCorp.	Ongoing compliance	Agreed per signed stipulation. Firm Transportation Service Agreement between PacifiCorp and Kern River Gas Transmission filed on November 2, 2006. Relocation services contract between PacifiCorp and HomeServices Relocation LLC filed on April 5, 2007.
U4	The premium paid by MEHC for PacifiCorp (Acquisition Premium) will be excluded from the utility accounts of PacifiCorp. Further, MEHC and PacifiCorp commit that they will not propose to recover the Acquisition Premium in PacifiCorp's results of operations, unless this commitment is modified by the Commission, pursuant to a filing under Utah Code Ann. § 54-7-13, to allow for the recovery of the Acquisition Premium. MEHC and PacifiCorp will not request or support a motion to modify this commitment to allow recovery of the Acquisition Premium unless a party in a proceeding before the Commission proposes an adjustment to PacifiCorp's revenue requirement that MEHC and PacifiCorp assert violates the regulatory theory of the matching principle. If PacifiCorp seeks recovery of the Acquisition Premium, then other Parties are free to oppose such recovery, including the validity of the matching principle.	Ongoing compliance	All acquisition costs and fair value adjustments related to MidAmerican Energy Holdings Company's purchase of PacifiCorp will be reflected separately in PPW Holdings LLC (in general ledger company code 1500) outside the reporting of utility accounts of PacifiCorp.
U5	PacifiCorp and MEHC commit to maintaining sufficient operations and front line staffing to provide safe, adequate and reliable service in recognition of the level of load and customer growth in Utah.	Ongoing compliance	Rocky Mountain Power is continuing a number of initiatives ensure sufficient staffing to complete the required operations, maintenance, and construction work load: (1) increase the number of craft apprenticeships and trainee positions in preparation for the increase turn over expected to result from retirements and attrition; (2) actively recruit qualified external candidates from outside the Rocky Mountain Power service area for our technical craft position vacancies: journeyman lineman, estimator, substation, relay, electronic, meterman, and distribution dispatch; and (3) working with line service agreement contract vendors to plan and package work to allow

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			additional labor resource to be recruited to the Rocky Mountain Power service territory; and (4) working with our line service agreement vendors to build a joint apprentice training center and to maximize the number of apprentices utilized on contract crews.
U6	PacifiCorp and MEHC commit to increasing the number of corporate and senior management positions in Utah to better reflect the relative size of Utah's retail load compared to the retail loads of the other states. Positions to be examined will include, but not be limited to, engineering, purchasing, information technology, land rights, legal, commercial transactions and asset management. By September 1, 2007, MEHC and PacifiCorp will file a plan with the Commission that explicitly sets forth: (1) senior management positions (and associated corporate personnel positions identified by those senior managers) that have been identified for location in Utah; (2) the timeframe for implementing different stages of the plan; and (3) an economic analysis supporting the cost effectiveness of the plan. MEHC will promptly implement the plan pursuant to the timeframe.	Ongoing compliance	Assessment conducted using data as of 12/31/06 to determine employee placement since the sale close. Report will be re-run in June 2007 and a formal plan will be developed for submission in September 2007.
U7	PacifiCorp and MEHC will authorize senior management personnel located in Utah to make decisions on behalf of PacifiCorp pertaining to (1) local Utah retail customer service issues related to tariff interpretation, line extensions, service additions, DSM program implementation and (2) customer service matters related to adequate investment in and maintenance of the Utah sub-transmission and distribution network and outage response. For resource transactions in Utah related to special retail contracts and QF contracts, PacifiCorp and MEHC will authorize Utah-based personnel to negotiate contract terms consistent with system-wide prudent practices. Such decisions will be subject to normal and prompt corporate approval procedures, senior executive approval and board approval, as appropriate. MEHC and PacifiCorp will include a description of the implementation of this commitment in the filing required in Commitment U 6.	Ongoing compliance	PacifiCorp split its power delivery business into two operating units, Rocky Mountain Power and Pacific Power. Rocky Mountain Power has responsibility for transmission and distribution operations and for all aspects of customer service in the states of Idaho, Utah and Wyoming. Senior management personnel for Rocky Mountain Power were named and are located in Salt Lake City, Utah. That management group includes a president, sr. vice president and general counsel, vice president of operations, vice president of customer service, vice president of division services, vice president of regulation, managing director of network reliability, managing director of finance, director of safety, and manager of government affairs.  Governance and delegation of authority has been adopted for Rocky Mountain Power covers the areas of responsibility listed in the commitment. These delegations will be kept up-to-date with some minor adjustments expected.
U8	The Chairman of the Board of PacifiCorp and the President of PacifiCorp will meet at least annually with the Utah Public Service Commission to discuss (1) corporate presence status, plans and commitments, and (2) customer service issues. Senior executives of MEHC and PacifiCorp will also meet regularly with the Division of Public Utilities and the Committee of Consumer Services to discuss regulatory and customer service issues, including the issues discussed at the meetings among the Chairman of the Board of PacifiCorp, the President of PacifiCorp and the Commission.	Ongoing compliance	On September 25, 2006 meetings were held separately with the Commissioners and Division with Greg Abel and Rich Walje. The Director of the Division of Public Utilities provided a list of issues she recommended the Company and Division continue to work on. An action plan has been developed for each issue and action items are being tracked.
U9	PacifiCorp will provide semi annual reports to the Commission and members of the Service Quality Review Group describing PacifiCorp's performance in meeting service standard commitments, including both performance standards and customer guarantees.	Ongoing compliance	Service standard reports covering the period January 1, 2006 through December 31, 2006 were submitted to on February 23, 2007. The next semi-annual report will be provided by July 31, 2007.



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U10	PacifiCorp will provide to the Division of Public Utilities and the Committee of Consumer Services, on an informational basis, credit rating agency news releases and final reports regarding PacifiCorp when such reports are known to PacifiCorp and are available to the public.	Ongoing compliance	Reports were submitted on April 4, 2006, August 21, 2006, September 15, 2006, January 5, 2007 and March 22, 2007.
U11	MEHC commits that immediately following the closing of the transaction, the acquiring company (PPW Holdings LLC) will have no debt in its capital structure. MEHC and PacifiCorp commit to provide the Commission 30 days prior notice if PPW Holdings LLC ever intends to issue debt. MEHC and PacifiCorp acknowledge that if PPW Holdings LLC does issue debt, the Commission has the authority to consider whether additional ring-fencing provisions may be appropriate.	Ongoing compliance	a) Accounting calculates PPW Holdings, LLC common equity capital and ratios on a monthly basis and reports to Treasury. b) No debt has been issued by PPW Holdings, LLC.
U12	PacifiCorp commits to apply to the Commission for approval of security issuances pursuant to Utah Code Annotated 54-4-31 and to not seek exemption from this requirement for twelve months following the closing of this transaction.	Ongoing compliance	PacifiCorp filed a request for authority to issue short-term debt and an order has been received.  PacifiCorp filed a request for authority for the Umbrella Loan Agreement and an order has been received.  PacifiCorp filed a request for authority to issue Long-Term Debt and an order has been received.  An application dated May 26, 2006, for authority to issue common stock to MEHC/PPW Holdings LLC was submitted and an order received July 10, 2006.  An application requesting exemption was filed with the Utah Public Service Commission on March 21, 2007.
U13	PacifiCorp commits to provide written notice to the Commission pursuant Utah Code Annotated 54-4-27 before any dividends are paid by PacifiCorp.	Ongoing compliance	PacifiCorp Dividend Policy has been developed, approved and implemented to ensure proper procedures are followed with each dividend, including verification of this notice requirement being met.  No action was required through March 31, 2007 as no dividends have been paid by PacifiCorp.
U14	PacifiCorp commits to continue to provide the Division of Public Utilities and the Committee of Consumer Services at the same time as the Commission with the filings, data and documents made with or provided to the Commission pursuant to Commitments 3, 4, 8, 11(c), 13, 18, 49, U 2, U 3, U 9, U 11, U 12, U 13, U 20 and U 21 at the same time as filed with the Commission. PacifiCorp will make publicly-available at the Commission non-confidential portions of the report.	Ongoing compliance	All relevant filings made with the commission have also been provided to the DPU and CCS.
U15	MEHC and PacifiCorp commit to form within 60 days of close of the transaction an IGCC Working Group, sponsored by PacifiCorp to discuss various policy and technology issues associated with IGCC, carbon capture, and sequestration. Working Group members would include representatives	Ongoing compliance	The initial meeting was held on May 19, 2006, fulfilling the commitment to form the working group within 60 days. Approximately 25 individuals attended in Portland, Salt Lake, or on the phone,

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	<p>from major stakeholder and regulatory groups, PacifiCorp and MEHC officials, and others as appropriate. Some issues and challenges to development that would be considered by the Working Group would include:</p> <ul style="list-style-type: none"> <li>• the status of development of carbon sequestration policy and methods, including requirements for monitoring and verifying sequestration options;</li> <li>• information sharing, so that, to the extent possible, all parties develop a shared understanding of expected IGCC technology benefits, expected capital and O&amp;M costs, and potential risks;</li> <li>• information sharing to understand such terms and associated requirements with concepts such as "carbon capture ready" and "permanent sequestration";</li> <li>• issues related to technology of and permitting for IGCC air emissions, waste disposal, water use and site usage;</li> <li>• commercial terms and conditions associated with IGCC plant development, construction, and maintenance; and</li> <li>• implications of SB 26 on development of IGCC plants given the implications of long development lead times, development costs, project risk, and cost uncertainty.</li> </ul> <p>The IGCC Working Group would meet periodically to discuss the above issues and identify possible solutions, and to stay abreast of the evolving technology and commercial environment.</p>		<p>The second meeting was held on July 6 and well attended. All of the parties on the original invitation list were invited. PacifiCorp employees as well as outside experts discussed the costs and challenges associated with carbon sequestration.</p> <p>The third meeting was held on August 3, 2006. Discussion topics included an update on European CO2 capture projects and a presentation from the Big Sky Regional Sequestration Partnership.</p> <p>The fourth integrated gasification working group meeting was held on September 14, 2006. Presentations were made by public service commissioners and/or commission staffs from Oregon, Idaho, Wyoming, Utah, and Washington on their respective states' energy policies and positions regarding CO2 and Integrated gasification combined cycle technology. Summaries of vendor guarantees and warranties were made. Technical presentations were made on operating and maintenance costs and water consumption needs for both supercritical pulverized coal and integrated gasification combined cycle generation technologies.</p> <p>The fifth integrated gasification combined cycle working group meeting was held on October 25, 2006. Presentations were made by Kinder Morgan and Blue Source on carbon dioxide transport and delivery contracts. Alstom made a presentation on clean coal technologies involving supercritical boiler technology, and their five megawatt chilled ammonia demonstration project for carbon dioxide capture at WE Energy's Pleasant Prairie Station which is a conventional coal-fired plant.</p> <p>The sixth meeting of the integrated gasification combined cycle working group was held in a combined meeting with the climate change working group on November 28, 2006. Presentations were made on PacifiCorp's 2005 carbon dioxide emissions inventory, California Climate Change Action Registry protocols for reporting carbon dioxide emissions, and PacifiCorp's carbon dioxide profiles of its integrated resource plan portfolios. Babcock &amp; Wilcox made a presentation on oxy-fuel combustion; Saskpower recently announced its intentions to evaluate construction of a 300 megawatt plant with carbon dioxide capture capability that will use Babcock &amp; Wilcox's oxy-fuel combustion technology.</p> <p>The seventh meeting was held on January 25, 2007. Neville Holt with EPRI gave a detailed IGCC presentation that reinforced many of the presentations given over the life of the working group.</p> <p>All topics outlined in the commitment have been discussed in at least</p>

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U16	<p>MEHC and PacifiCorp commit to the following,:</p> <p>a) MEHC and PacifiCorp commit to study the economics and viability of an IGCC option and will present the results of this study as a resource alternative to inform the resource selection and RFP process under consideration in Docket 05-035-47. PacifiCorp will also file the results of this study and the draft RFP with the Commission pursuant to the provisions of SB 26. PacifiCorp will suggest procedural schedules that will facilitate this commitment. As soon as practical, but not later than three months after the closing of the transaction, PacifiCorp will provide to the parties estimated cost and timeline ranges for completion of an IGCC project, as well as potential resource alternatives if an IGCC design is not reasonably achievable in time to economically meet the resource need presently identified in 2012 from a customer and shareholder perspective.</p> <p>b) PacifiCorp will perform initial conceptual and siting studies, general feasibility studies, and, where appropriate, other more detailed studies and engineering work, for an IGCC plant for the 2014 resource need identified in the October 2005 IRP Update. The studies will include an evaluation of the expected cost and performance impacts of constructing a plant to be carbon capture ready. These studies will be performed in parallel with similar studies to evaluate other generation technologies. Such studies will be completed within the next IRP cycle.</p> <p>c) PacifiCorp will include a utility self-build option of an IGCC unit in any RFPs for the 2014 and later non-renewable resource needs, whether or not the IGCC option is found to be PacifiCorp's preferred cost-based alternative, and present PacifiCorp's evaluation of the IGCC option against another self-build alternative(s) as part of the Utah SB 26 process. This will include an evaluation of the cost and performance impacts of the IGCC resource being constructed to be carbon capture ready.</p>	Ongoing compliance	<p>one of the seven meetings described above. The working group agreed to meet quarterly or as new developments arise in the future and will continue to address relevant issues.</p> <p>See also General Commitment 41.</p> <p>An estimated cost and schedule for an IGCC option was sent via email to parties on June 15, 2006. In addition, PacifiCorp presented the estimated costs and a strawman schedule for development of an IGCC project at the 'Request of Proposal Technical Conference: Utah Docket 05-035-47' held on April 3, 2006 and the 'Request of Proposal Technical Conference: Oregon Meeting (Following Utah Docket No. 05-035-47' held on April 10, 2006.</p> <p>Completed feasibility and initial engineering studies for possible IGCC and SCPC resources additions at the Hunter and Jim Bridger sites. WorleyParsons final report was issued during week of June 19, 2006. These studies were used to define the cost based alternatives for the IRP and RFP.</p> <p>The company has proposed to submit an IGCC benchmark for 2014 at the Jim Bridger Plant as part of the 2012 RFP process.</p>
U17	<p>PacifiCorp agrees to include the following items in the 2006 IRP:</p> <p>a) a wind penetration study to reappraise wind integration costs and cost-effective renewable energy levels; and</p> <p>b) an assessment of transmission options for PacifiCorp's system identified in the RMATS scenario 1 related to facilitating additional generation at Jim Bridger and, on equal footing, new cost-effective wind resources.</p>	Ongoing compliance	<p>a) Wind supply curves were developed and used to select wind on a comparable basis with other resource in the Capacity Expansion Module. Appendix J of the IRP will address the Company's wind resource methodology used in this plan.</p> <p>b) The Company included transmission options in southwest and southeast Wyoming as potential upgrades in its modeling in order to facilitate wind development in Wyoming</p>
U18	<p>PacifiCorp will issue a Utah-specific RFP for the Blue Sky programs. The purpose of the RFP will be to better geographically balance Blue Sky block product demand and supply. Subject to any necessary counterparty confidentiality releases, PacifiCorp will provide information on the identity, vintage and location of generation associated with its annual procurement for Blue Sky to the Commission and other interested parties, upon request.</p>	Ongoing compliance	<p>The RFP was issued on May 23, 2006. Bids were received on June 26, 2006 from two separate wind facilities in Utah. The two bids were evaluated for completeness against the RFP. A decision was made to go forward with Wasatch Wind to purchase wind tags associated with Wasatch Wind's Spanish Fork facility in Utah. A green tag purchase agreement was executed by both parties on November 14, 2006.</p>

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	PacifiCorp will meet annually with interested parties to discuss state-specific program opportunities while maintaining attractive prices to customers.		Meetings were held with stakeholders in fall 2006 and April 2007 discussing the community-based projects and tariffs changes  An advice filing consistent with General Commitment 23 was filed on March 27, 2007. There was no change in price requested in this filing.  See also General Commitment 23.
U19	For the purpose of rate cases and formal regulatory proceedings, PacifiCorp will provide parties to the stipulation filed in the acquisition docket who are intervenors in the rate case or formal regulatory proceeding with access, subject to Commitment 32 and the discovery rules of the Commission, to its financial books and records, including documents, data, and records of transactions between PacifiCorp and its affiliated interests which are relevant to issues in the docket.	Ongoing compliance	Upon request of a stipulating party, PacifiCorp will provide appropriate responses and/or access to financial books and records, including relevant documents, data and records of transactions between PacifiCorp and its affiliated interest.
U20	At the time of the closing of the transaction, MEHC will file with the Commission a letter from Berkshire Hathaway committing to be bound by Commitments 4 and 5 and any other commitments applicable to affiliates of MEHC.	<b>COMPLETE</b>	Filed with Commission on March 21, 2006.
U21	MEHC and PacifiCorp will request Commission approval, for cost allocation and affiliate transaction purposes, of the IASA and any amendments filed pursuant to Commitment 13.	Ongoing compliance	IASA signed March 30, 2006; filed on March 31, 2006; approved on October 6, 2006.
U22	Applicants acknowledge that the Commitments are being made by MEHC and PacifiCorp and are binding only upon them (and their affiliates where noted). Applicants are not requesting in this proceeding a determination of the prudence, just and reasonable character, rate or ratemaking treatment, or public interest of the investments, expenditures or actions referenced in the Commitments, and the Parties in appropriate proceedings may take such positions regarding the prudence, just and reasonable character, rate or ratemaking treatment, or public interest of the investments, expenditures or actions as they deem appropriate.	Ongoing compliance	Agreed per signed stipulation.
U23	PacifiCorp intends to file its next Utah general rate case, including its direct revenue requirement testimony, by March 1, 2006. PacifiCorp will file its class cost of service, rate spread and rate design studies and supporting direct testimony (together referred to as "Cost of Service Filing") by March 15, 2006. For purposes of that rate case proceeding only, PacifiCorp's March 1, 2006 filing will constitute the date when "the utility's schedules are filed" that starts the 240 day time limit ("Rate Effective Date") wherein the Commission must issue its order granting or revising a revenue increase under Utah Code section 54-7-12(3)(b)(i). That March 1, 2006 testimony will include PacifiCorp's best estimates of the revenue requirement impact of the transaction, including revenue requirement adjustments that incorporate Commitments 37 and 38 to the extent that those commitments are	<b>COMPLETE</b>	Utah PCAM was filed on November 23, 2006 (Docket No. 05-035-21); Utah General Rate Case Revenue Requirement and Cost of Service was filed on March 7, 2006 (Docket No. 06-035-21); PCAM Schedule combined with General Rate Case on April 4, 2006; Supplemental MEHC Testimony filed on April 5, 2006.

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	<p>applicable to the rate case test period. PacifiCorp will request that the Commission hold a test period hearing within 90 days after the March 1, 2006 filing. In addition, within fifteen days after closing, PacifiCorp will file supplemental testimony by an MEHC witness to discuss and update PacifiCorp's revenue requirement in that case and to incorporate any additional adjustments that are appropriate as a result of the transaction. In order to provide parties with time to address any additional information provided in the MEHC testimony, PacifiCorp will extend the Rate Effective Date to December 11, 2006. If the transaction closes after April 30, 2006, or PacifiCorp fails to file supplemental testimony within fifteen days of closing, PacifiCorp acknowledges that the Rate Effective Date may be further extended by a reasonable period of time, as determined by agreement of the parties or by the Commission. PacifiCorp hereby waives any claim or argument that an additional extension of the Rate Effective Date would violate the provisions of Utah Code section 54-7-12 (3)(b)(i).</p> <p>PacifiCorp also commits that any request for Commission approval of a PCAM mechanism (or any net power cost adjustment mechanism) will be filed at least three months in advance of a general rate case filing and that intervenor testimony deadlines will be the same as those established in the general rate case.</p>		
U24	PacifiCorp commits to work with the Utah DSM Advisory Group to propose a tariff amendment to maximize the cost-effective electricity savings of Utah ratepayer contributions to federally funded weatherization programs. As part of this analysis, PacifiCorp agrees to re-examine its current Company policy of matching federal contributions at 50%.	<b>COMPLETE</b>	Commitment was discussed at May 24, 2006 Utah DSM Advisory Group meeting. In September proposed revisions were distributed to the group to begin the process of review and comment. Program revisions were filed on February 20, 2007.
U25	MEHC and PacifiCorp commit up to a total contribution level for Utah low - income bill payment assistance in the amount of \$400,000 annually, for a five- year period beginning July 1, 2006. The contributions may be comprised of contributions from corporate, employee, other sources, and customer donations. The corporate contribution will be recorded in non-utility accounts. Before the end of the five-year period, MEHC and PacifiCorp commit to work with low income advocates and customer groups to evaluate additional contributions.	Ongoing compliance	Agency agreements were executed prior to July 1, 2006. Corporate, employee, other sources, and customer donations are tracked on a monthly basis. For the period July 1, 2006 through March 31, 2007, donations have been \$261,979.67.
U26	MEHC commits to provide shareholder funding to hire a consultant to study and design for possible implementation of an arrearage management project for low-income customers that could be made applicable to Utah and other states that PacifiCorp serves. PacifiCorp will provide a resource for facilitation of a working group to oversee the project. The study shall commence no later than 180 days after close of the transaction and be completed, through the issuance of a formal report to the Commission, no later than 365 days after close of the transaction. MEHC recognizes that such a program may have to be tailored to best fit the unique low-income environment of each individual state. The project will be developed by	<b>COMPLETE</b>	Quantec, a quantitative economic consulting firm was awarded the contract to conduct the study. The contract was executed on August 23, 2006. The study has been completed and a report was filed on March 20, 2007. The costs of \$79,700 for the study were paid for by shareholders.

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U27	[Intentionally Left Blank.]	Intentionally left blank	This commitment number has been intentionally left blank.
U28	MEHC and PacifiCorp will supplement the report filed with the Commission, the Division and the Committee, pursuant to Commitment 49, by including information regarding the implementation of each of the Utah-Specific Commitments, U 1 through U 27 and U 29 through U 46.	Ongoing compliance	Agreed per signed stipulation.
U29	Within three months of closing of the transaction, MEHC commits to obtain a non-consolidation opinion that demonstrates that the ring fencing around PPW Holdings LLC is sufficient to prevent PPW Holdings LLC and PacifiCorp from being pulled into an MEHC bankruptcy. MEHC commits to promptly file such opinion with the Commission. If the ring-fencing provisions of this agreement are insufficient to obtain a non-consolidation opinion, MEHC agrees to promptly undertake the following actions: a) Notify the Commission of this inability to obtain a non-consolidation opinion. b) Propose and implement, upon Commission approval, such ring-fencing provisions that are sufficient to prevent PPW Holdings LLC from being pulled into an MEHC bankruptcy. c) Obtain a non-consolidation opinion.	<b>COMPLETE</b>	The non-consolidation opinion was filed in Utah on June 9, 2006.
U30	MEHC and PacifiCorp commit that PacifiCorp will not make any dividends to PPW Holdings LLC or MEHC if PacifiCorp's unsecured debt rating is BBB- or lower by S & P or Fitch (or Baa3 or lower by Moody's), as indicated by two of the three rating agencies.	Ongoing compliance	The rating requirement has been added to the list of tests to be performed prior to PacifiCorp declaring dividends on common stock.
U31	To the extent available, MEHC and PacifiCorp commit to have 400 MW of cost effective new renewable resources in PacifiCorp's generation portfolio by December 31, 2007. The 400 MW will include Wolverine Creek (64.5 MW) and Cove Fort (42 MW). MEHC and PacifiCorp will analyze the projects consistent with applicable regulatory rules and orders in effect at the time and as informed by the IRP. Resource identification shall be performed using an RFP procedure. If PacifiCorp fails to meet this 400 MW target it will disclose to signatories (excluding any bidders and affiliates of bidders) the cost-effectiveness analysis it used when rejecting the lowest cost projects. PacifiCorp shall file a report, on the status of meeting this target, with the Commission no later than six months after close of the transaction. In	Ongoing compliance	Filed status report with the Commission on September 21, 2006. Progress toward new renewable resources prior to December 31, 2007 are: 64.5 MW Wolverine Creek wind 100.5 MW Leaning Juniper 1 wind 11.0 MW Upgrade 1 geothermal 140.4 MW Marengo wind 20.0 MW PPA 1 biomass 10.0 MW Evergreen (Freres Lumber) biomass 94.0 MW Goodnoe Hills wind

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	evaluating acquisition of renewable energy, all other things being equal, MEHC and PacifiCorp will not prefer ownership of facilities.		<p>Total 440.4 MW Total Contracts for 2008 online date resources that have been executed however have not been constructed are: 18.9 MW Spanish Fork Wind Part 2 - wind 70.0 MW Pioneer Ridge wind Leaning Juniper 1 - wind 60.0 MW Mountain Wind Power - wind 80.0 MW Mountain Wind Power II - wind</p> <p>Other small QF projects with executed PPAs and are operational with the exception of Evergreen which is under construction are: 1.2 MW DeRuyter - Biogas 6.25 MW Douglas County Forest Products 3.2 MW Oregon Environmental Industries - Biogas .025 MW Siskiyou Opportunity Center - Biomass</p> <p>Agreed per signed stipulation.</p>
U32	MEHC and PacifiCorp commit that they will interpret Utah Code Annotated Section 54-4-28 to require Commission approval of any transaction which results in a merger of PacifiCorp with another public utility, without regard to whether that public utility provides service in Utah.	Ongoing compliance	
U33	MEHC and PacifiCorp will support cost effective and safe community renewable energy projects in Utah using PURPA contracts implemented under avoided cost tariffs approved by the Commission. If PURPA is no longer in effect in Utah before an alternate market for community renewable energy is developed, PacifiCorp will work with Utah stakeholders and the Commission to develop replacement procedures for new contracts. For the purpose of this Commitment, community renewable energy projects are defined as: Locally owned renewable energy projects. Normally 1-10 MW standard contract PURPA projects and industrial co-gen type projects between 10 MW and 99 MW that use negotiated PURPA contracts. Projects can be: 1. Private ownership (example - several farmers in a wind project); 2. Municipal ownership (irrigation district small-hydro or local school; wind turbine); or 3. Combined municipal/private ownership projects (local community partnered with landowners).	Ongoing compliance	<p>The Company continues to support renewable energy projects using PURPA contracts.</p> <p>This year the Company has executed the following community renewable projects under Qualified Facility Agreements. The following community renewable projects have executed QF PPAs and are operational: Douglas Forest Products QF PPA (OR) - 6.25 MW Siskiyou Energy Group QF PPA (CA) - 0.025 MW DeRuyter Dairy QF PPA (WA) - 1.2 MW Middle Fork Irrigation District QF PPA (OR) - 3.3 MW.</p> <p>The following community renewable projects have been executed under Qualified Facility Agreements however, have not yet reached commercial operation: Rickreall Dairy QF PPA (OR) - 0.9 MW Schwendiman Farms LLC QF PPA (ID) - 20 MW Evergreen BioPower QF PPA (OR) - 10 MW</p> <p>Additionally, there are approximately 15-20 projects in active discussions and negotiations regarding their renewable projects representing over 100 MW.</p> <p>Agreed upon per stipulation. No consultations necessary.</p>
U34	To the extent consistent with the interests of PacifiCorp's retail customers, MEHC and PacifiCorp will support through action and policy the emerging community renewable energy market in Utah. PacifiCorp will also consult with community renewable energy representatives if PacifiCorp is	Ongoing compliance	

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	contemplating changes to system operations that would adversely affect community renewable energy projects.		
U35	Water Rights agreements will be abided by MEHC and PacifiCorp.	Ongoing compliance	Agreed per signed stipulation.
U36	MEHC and PacifiCorp will provide the Commission access to corporate minutes, including Board of Director's minutes and all committee minutes, along with any related source documents that are relevant to the business and risk analysis of PacifiCorp. PacifiCorp and the Division of Public Utilities will establish an agreeable procedure to review these confidential documents in Portland, Oregon or Salt Lake City, Utah.	Ongoing compliance	Agreed per signed stipulation; action not required unless specified activities occur.
U37	MEHC and PacifiCorp will provide the Commission access to operational, internal and risk audit reports and documentation. PacifiCorp and the Division of Public Utilities will establish an agreeable procedure to review these confidential documents and the timeline to provide an annual listing of such audits.	Ongoing compliance	Agreed per signed stipulation; action not required unless specified activities occur.
U38	A near-final draft agreement for PPW Holdings LLC that contains the ring-fencing provisions of Commitment 11 was sent to the Division of Public Utilities before January 15, 2006. The final signed agreement will be filed with the Commission within 30 days after the close of the transaction.	<b>COMPLETE</b>	This commitment was adopted in Utah after the February 1, 2006, date for providing the near-final draft agreement. On March 16, 2006, the near-final draft agreement was provided to the DPU. The final agreement was filed on April 18, 2006.
U39	Within 30 days of the close of the transaction, PacifiCorp will provide the Commission with a written list of changes that were made to employee benefit plans between the announcement of the transaction and the close of the transaction. PacifiCorp and MEHC will provide 30 days' notice to the Commission prior to merging PacifiCorp's pension with the pension plan of another MEHC business.	Ongoing compliance	List of plan changes submitted on April 19, 2006.
U40	As part of the DSM study in Commitment 44, PacifiCorp will also consider the market potential associated with irrigation and load curtailment programs in Utah. The study will compare the cost effectiveness of DSM resources with comparable supply side resources.	<b>COMPLETE</b>	The scope of work for the DSM study included for consideration the market potential associated with irrigation and load curtailment programs in Utah as well as the identification of new program opportunities.
U41	MEHC and PacifiCorp commit that PacifiCorp will not directly own equity shares of either Berkshire Hathaway or MEHC, if MEHC were ever to become publicly traded.	Ongoing compliance	Agreed per signed stipulation.
U42	MEHC commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between PPW Holdings LLC and MEHC. MEHC further states that it has no current intention to create such a corporate entity.	Ongoing compliance	Agreed per signed stipulation; action not required unless specified activities occur.
U43	With respect to any proceeding, including but not limited to any rate case, tariff filing, pass-through application, show cause, complaint or other proceeding, wherein PacifiCorp's Utah retail rates are based, in whole or in part, upon PacifiCorp's wholesale power transactions, PacifiCorp and MEHC acknowledge that the Commission has jurisdiction to determine the prudence	Ongoing compliance	Agreed per signed stipulation.



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	<p>of PacifiCorp's wholesale power transactions and whether PacifiCorp's retail rates are just and reasonable. To the extent PacifiCorp contends the Commission is required to include the costs of the wholesale power transactions in Utah retail rates, PacifiCorp and MEHC commit that PacifiCorp will raise and litigate such issues before the Commission. To the extent decisions regarding such issues are within the areas reserved to the exclusive jurisdiction of the Commission, PacifiCorp and MEHC agree that any challenge to the Commission order will be in the form of an appeal of that order.</p> <p>In the event PacifiCorp anticipates a court challenge to a Commission order that would trigger the provisions of Commitment U 43, PacifiCorp will (1) seek a rehearing of such Commission order; and (2) identify in writing in its petition for rehearing those contested issues which it believes are and are not within the areas reserved to the exclusive jurisdiction of the Commission.</p>		
U44	<p>MEHC and PacifiCorp support making wind generation in Utah an important part of PacifiCorp's PacifiCorp's renewable resource portfolio to the extent that it is cost-effective to do so. MEHC and PacifiCorp will give appropriate consideration to Utah wind generation in performing Commitments 40, 53, U 17 and U 31.</p>	Ongoing compliance	Refer to PacifiCorp's 2007 Integrated Resource Plan which will be filed with the Commission on May 30, 2007, for a description of PacifiCorp's resource portfolio.
U45	<p>a) MEHC and PacifiCorp commit to complete as soon as practical after close of the transaction, a system impact study and commence a facilities study to examine the feasibility of construction of transmission facilities from the Jim Bridger generating facilities to Ben Lomond.</p> <p>b) In addition to analyzing the system impacts of the Jim Bridger to Ben Lomond transmission facilities, MEHC and PacifiCorp will request that a system impact study also analyze the system impacts of combining the Bridger to Ben Lomond project with the Jim Bridger to Miners substation project addressed in Commitment 53.</p> <p>c) Upon receipt of the results of the system impact studies provided for in Commitment 53 and this Commitment U 45, MEHC or PacifiCorp will review and discuss with stakeholders the desirability and economic feasibility of performing a subsequent facilities study for the Bridger to Miners transmission project.</p>	<b>COMPLETE</b>	Studies were completed and a stakeholder meeting was held on August 23, 2006 to discuss results of the studies. The meeting was held via video conference in Salt Lake City, Portland, Oregon and Cheyenne, Wyoming. At that meeting, the Company indicated that they would likely move forward with the facilities study. The facilities study was completed and it was determined that point-to-point service was not the appropriate option. A system impact study for a network resource was requested on September 5, 2006. The system impact study was received on November 30, 2006, and the final facilities study is expected to be received in April 2007.
U46	<p>a) MEHC and PacifiCorp commit to reduce the annual non-fuel costs to PacifiCorp customers of the West Valley lease by \$0.417 million per month (total company) or an expected \$3.7 million in 2006 (assuming a March 31, 2006 transaction closing), \$5 million in 2007 and \$2.1 million in 2008 (the lease terminates May 31, 2008), which shall be the amounts of the total company rate credit. Beginning with the first month after the close of the transaction to purchase PacifiCorp, Utah's share of the monthly rate credit will be deferred for the benefit of customers and accrue interest at PacifiCorp's authorized rate of return.</p>	<b>COMPLETE</b>	a) The West Valley plant contract was amended consistent with the commitment. Regulatory liability accounts (288130 to 288135) were created to track the amount of credit received that is refundable to the rate payers. b.i.) An application for approval to defer the savings was filed in Utah on April 12, 2006 and approval to defer the savings was granted in Utah on June 23, 2006 in Rider 06-035-41. The Utah deferral was stopped and the amortization started with the implementation of the rate case on December 11, 2006, which incorporates this rate reduction.

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	<p>b) This commitment is offsettable, on a prospective basis, to the extent PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case, that such West Valley non-fuel cost savings:</p> <p>i) are reflected in PacifiCorp's rates; and, ii) there are no offsetting actions or agreements by MEHC or PacifiCorp for which value is obtained by PPM or an affiliated company, which, directly or indirectly, increases the costs PacifiCorp would otherwise incur.</p>		<p>b.ii) Agreed per signed stipulation.</p>

**STIPULATION PARAGRAPHS**

Stipulation Paragraph Number	Commitment Description	Status	Status Description
15a	<p>Through December 31, 2011, MEHC and PacifiCorp will both confer with the signatories and provide drafts in a timely manner prior to introducing legislation in the Utah Legislature that would impact Utah utility regulation, including Utah city franchise authority.</p>	Ongoing compliance	<p>Signatories and Stakeholders are identified and documented. Further action not required unless specified activities occur with respect to proposed legislation.</p> <p>Participated with signatories at Utah Regulatory Quarterly Meeting - December 4, 2006.</p> <p>Prior to legislative enactment of SB235 (General resource procurement protocol amendments), signatories were notified and briefed on the proposed legislation.</p>
15b	<p>MEHC has no current intention to acquire other electrical corporations as defined by Utah Code Annotated § 54-2-1 (7), or gas corporations, as defined by Utah Code Annotated § 54-2-1 (9). If that intention should ever change, MEHC will confer with the Signatories before public announcement of such an acquisition, subject to agreements regarding confidentiality.</p>	Ongoing compliance	<p>Agreed per signed stipulation.</p>
15c	<p>Within 90 days of the close of the Transaction, MEHC and PacifiCorp will begin working with the Division of Public Utilities and other interested parties, 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, the Division of Public Utilities 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</p>	<b>COMPLETE</b>	<p>Report was filed with the Commission on February 1, 2007.</p>

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Stipulation Paragraph Number	Commitment Description	Status	Status Description
15d	this process and nothing in Commitments 1 or 45 will preclude these from being filed if mutually agreed-upon by the Parties.	Ongoing compliance	Company executives continue to meet with all signatories as requested.
15e	Senior executives of MEHC and PacifiCorp will make themselves available upon request to the Signatories to discuss regulatory, customer service, and energy policy issues.	Ongoing compliance	Agreed per signed stipulation.
17	MEHC and PacifiCorp agree that the provisions of this paragraph are subject to Commitment 33, regarding enforcement and dispute resolution.	Ongoing compliance	Agreed per signed stipulation; action not required unless specified activities occur.
21	Commitment 10 addresses waiver of certain defenses under <i>Ohio Power Co. v. FERC</i> by MEHC and Berkshire Hathaway until PUHCA repeal is effective on February 8, 2006. Since no case law has yet developed regarding the same subject matter after the repeal of PUHCA, the parties have not addressed the issue beyond February 8, 2006. The parties acknowledge that the Commission should monitor federal developments on this subject matter and may need to address the same in the future.	<b>COMPLETE</b>	Completed March 21, 2006.

**ORDERING PARAGRAPHS**

Ordering Paragraph Number	Commitment Description	Status	Status Description
2	Within 30 days after the date of this Order, the Applicants will file as an exhibit in this docket, a summary of the terms of the stipulated agreement, amended stipulated agreement, consolidated commitments, and amended commitments from most favored states process, approved in this matter.	<b>COMPLETE</b>	Completed on April 20, 2006.
4	Within 30 days after the transaction closes PacifiCorp is required to file a petition for an accounting order to establish its authority to create deferral accounts, as necessary to make effective the terms of commitment number U 46.	<b>COMPLETE</b>	Filed petition on April 12, 2006.