

Proposed Schedule and Rationale of Future IRP Filings

Docket No. 09-2035-01

On April 27, 2009, the Public Service Commission of Utah (the “Commission”) directed PacifiCorp (the “Company”) to file its proposed schedule and rationale for the filing dates of future integrated resource plans (“IRP”). See the Commission’s Request for Comments and Scheduling Order, Docket No. 09-2035-01, dated April 27, 2009. In compliance with this request, the Company sets forth below its proposed schedule and rationale.

Proposed Schedule

The Company proposes to file its biennial IRP on March 31 of each odd-numbered year, commencing with the next IRP to be filed by March 31, 2011. The rationale behind the proposed filing date is to ensure that the IRP is aligned with the Company’s 10-year business planning process. This alignment addresses the Commission’s IRP guideline No. 4e, which states that the IRP action plan should “outlin[e] the specific resource decisions intended to implement the integrated resource plan in a manner consistent with the Company’s strategic business plan.”

Rationale

(1) IRP and Business Plan Alignment

The Company implemented an IRP and business plan alignment strategy as part of its overall IRP improvement plan for the 2008 IRP development cycle. This alignment strategy addressed Commission and Utah party concerns that the 2007 IRP (filed May 30, 2007) did not link the IRP and the business plan adequately, nor provide the quantitative analysis supporting corporate planning decisions that may have happened outside of the IRP process.

The Company described its IRP and business plan alignment strategy to participants at a 2008 IRP public input meeting held February 29, 2008. The strategy consists of an IRP work schedule coordinated with the preparation of the Company's 10-year business plan, and is centered on the adoption of a streamlined and standardized IRP modeling framework with consistent resource modeling inputs. The selection of the March 31 filing date is intended to provide sufficient time to align the final business plan - as approved by the MidAmerican Energy Holdings Company board of directors ("MEHC board") in December - with the IRP preferred portfolio and action plan.

The IRP and business plan development schedules necessarily overlap, with the Company needing at least one full year to complete the IRP due to the public process, modeling, and analytical requirements specified in the various states' IRP standards and guidelines. In accordance with the IRP and business plan alignment strategy, PacifiCorp uses the IRP models to develop resource portfolios in October and November to support resource decisions made for the final version of the business plan. The resulting resource plan is presented to the MEHC board for review in December when the business plan is approved for all MEHC platforms. The final business plan considers financeability of individual resources and the portfolio in general, and the magnitude and timing of rate impacts—all informed by an assessment of the most recent market and regulatory developments.

Following resource plan approval in December, PacifiCorp then develops the IRP action plan and prepares the IRP draft report for a 30-day public review period in January and February of the following year. The action plan outlines the specific near-term activities that PacifiCorp will conduct to acquire resources outlined in the IRP preferred portfolio. The action plan is then used to determine which Requests for Proposals are issued, and what other procurement and

analysis activities are needed, to address the IRP resource requirements. Approximately two to three weeks of additional time is needed to conduct the acquisition plan path analysis that the Commission requires in IRP guideline No. 4f.

(2) March 31 IRP Filing Justification

The March 31 filing date ensures that there is sufficient time to develop and vet the draft IRP report, IRP action plan, and acquisition path analysis consistent with the Company's 10-year business plan. Requiring the Company to file the IRP on January 1, as the Utah Division of Public Utilities proposes, would require completing the IRP in October and locking down all input assumptions in the summer. The result would be a divergence between the IRP and business plan - and one that could be sizable given the pace of government climate change and energy policy developments and highly volatile market and economic conditions. Such a divergence would result in non-compliance with the Commission's requirement to directly relate the IRP and the business plan, and associated resource decisionmaking.