

**MidAmerican Energy Holdings Company and PacifiCorp  
Annual Report of Status of Commitments  
To the Utah Public Service Commission  
For the Period April 1, 2008 through March 31, 2009**

**GENERAL COMMITMENTS**

General Commitment Number	Commitment Description	Status	Status Description
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.	COMPLETE	COMPLETE – effective 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 commission and are excluded from results of operations.
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. The Company 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. The Company complies with the FERC'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 general ledger of MEHC and the ledger of each subsidiary reflect and track all intercompany activity (both direct charges and allocations) and are supported with detail transactions (journal entry, positive time reporting, vouchers, etc.) MEHC and subsidiaries maintain support files for allocation factors supporting inter-company billings. 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 regulations regarding affiliated interest transactions, including timely filing of	Ongoing Compliance	Agreed per signed stipulation. See also General Commitments 8 and 13 and Utah-specific Commitment U3.

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	applications and reports.		
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	The Affiliated Interest Report for 2007 was filed May 30, 2008. The 2008 report will be filed in May 2009.
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	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. b) [Intentionally left blank.] 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.	Ongoing Compliance	a) Agreed per signed stipulation; action not required unless specified activities occur.  c) The PPW Holdings LLC agreement with provisions consistent with Appendix 1 was executed March 15, 2006.
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; action not required unless specified activities occur.  Written notice of the Constellation acquisition was provided to all PacifiCorp utility commissions in September 2008. Verbal notice of the cancellation of the Constellation acquisition was given to all PacifiCorp utility commissions in December 2008.
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 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	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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	filed with the Commission.		
14	<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 the provisions required by 14a-14f.
15	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&P or their successor agencies.	Ongoing Compliance	PacifiCorp continues to have corporate credit ratings as well as ratings for long-term debt and preferred stock from Moody's and S&P.
16	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.	<b>COMPLETE</b>	<b>COMPLETE</b> – effective January 30, 2007.
17	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 the Commission with unrestricted access to all written information provided by and to credit rating agencies that pertains to MEHC's subsidiaries to the extent such information may potentially impact PacifiCorp.	Ongoing Compliance	Rating agency materials are available upon request. See Utah-specific Commitment U10.
18	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	Ongoing Compliance	No distributions have been made by PacifiCorp to PPW Holdings LLC or MEHC.

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	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.		
19	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.	Ongoing Compliance	For the period April 2008 through March 2009, MEHC made equity infusions totaling \$450 million.
20	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.	Ongoing Compliance	Agreed per signed stipulation.
21	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.	Ongoing Compliance	PacifiCorp continues to calculate its cost of capital on a stand-alone basis, and has not advocated for a higher cost due to its acquisition by MEHC. This has been demonstrated in the cost of capital testimony filed in the company's general rate case filings.
22	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.	Ongoing Compliance	The revenue requirement for Utah customers is not higher than the revenue requirement would have been had the transaction not occurred. Regular filings have occurred where results have been reported to regulators and rates reviewed and reset as allowed by the commission in line with the commitment.
23	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.	Ongoing Compliance	Blue Sky promotional activities included targeted direct mail campaigns, email campaign, business reply envelopes, the company's call center challenge, bill messages as well as customer newsletters stories, community project funding announcements and direct customer outreach via customer and community managers and outreach partner. In addition, community-based challenges were launched in partnership with community and business leaders. Community members were also afforded the opportunity to learn more about the Blue Sky option via community events and greening community events. All customers continue to receive acknowledgement when they enroll including a thank you letter and a window decal. New business partners received a framed certificate or plaque depending on enrollment level as well as opportunity to promote their sustainable actions through the use of the Blue Sky business partner label and new

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			<p>Blue Sky wordmark. Participating customers at the end of the calendar year also received a thank you letter acknowledging the amount of renewable energy they individually supporting during the year and how much collectively all Blue Sky customers supported.</p> <p>In 2008, the company began communicating to customers that the program was Green-e Energy certified and complied with Green-e Energy customer disclosure and national standard requirements. Regularly participated in Green-e Energy Advisory Committee meetings to stay abreast of national certification standards and any pending changes to evaluate impact to offering. In 2008 the company made changes to the equivalent environmental benefit calculations to align with Green-e Energy and EPA suggested methodology.</p> <p>Tariff changes were filed July 10, 2008 and approved August 9, 2008 to allow more flexibility in the enrollment process. A filing was submitted in March 2, 2009 for the Quantity Savings option that allowed the company the ability to respond to customer requests for significant large, multiple year REC purchases and negotiate arrangement pursuant to a written contract, which became effective April 1, 2009.</p>
24	PacifiCorp will continue its commitment to gather outside input on environmental matters, such as through the Environmental Forum.	Ongoing Compliance	<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, California Climate Action Registry, California Dialogue Group, Edison Electric Institute, Electric Power Research Institute, Energy Trust of Oregon Renewables Advisory Council, the Idaho Climate Issues Task Force, Northwest Power &amp; Conservation Council, Oregon Global Warming Commission, Oregon Renewable Energy Working Group, Oregon Western Climate Initiative Stakeholder Group, The Climate Registry ("TCR"), Utah Energy Forum, Utah Clean Energy, Utah Renewable Energy Zones work group, Utah "Senate Bill 202" work groups, Utah Western Climate Initiative Stakeholder Group, Utah Wind working group, Washington Forestry Offsets Working Group, Washington Western Climate Initiative Stakeholders Group, WEST Associates, the Western Governors Association Western Renewable Energy Zones committee, the Western Regional Air Partnership Stationary Source Joint Forum, the Wyoming Carbon Capture and Sequestration work group, and the Wyoming Western States Energy and Environment Symposium steering committee.</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	The PacifiCorp thermal plants continue to maintain their ISO 14001 Certificate of Registration. The most recent surveillance audits were conducted during February 2009. On March 13, 2009, the Lake Side plant was added to the Certificate of Registration.
26	MEHC will maintain at least the existing level of PacifiCorp's community-	Ongoing	PacifiCorp maintained its level of support for community-related

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	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.	Compliance	contributions. Expenditures are tracked to ensure that the Company is making equitable allocations.  Community funding (contributions, sponsorships and in-kind donations) for calendar year 2008 totaled \$2,847,608.
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 May 6, 2008. The next Rocky Mountain Power Regional Advisory Board meeting is scheduled for the fourth quarter of 2009.
28	MEHC will honor PacifiCorp's existing labor contracts.	Ongoing Compliance	All agreements are being honored. No action required on the Collective Bargaining Agreements with IBEW Local 57 combustion turbine or IBEW Local 659.  IBEW Local 57 power delivery – The prior labor agreement was extended in December 2008 until January 2011.  IBEW Local 57 power supply –The prior labor agreement was extended in December 2008 until January 2011.  IBEW Local 57 Laramie –The current labor agreement expires June 25, 2009. Negotiations on a successor agreement begin May 20, 2009.  UWUA Local 127- The current agreement expires September 25, 2009. Negotiations on a successor agreement will commence in July 2009.  UWUA Local 197 – Prior labor agreement expires May 25, 2009. Negotiations commenced and continue. Presently the agreement remains in full force and effect.  IBEW Local 125 - Local 125 membership ratified a new three-year labor agreement with PacifiCorp June 17, 2008.
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.	<b>COMPLETE</b>	<b>COMPLETE</b> – effective May 23, 2007.
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 June 11, 2008, PacifiCorp filed an update to its 2007 Integrated Resource Plan in Utah, Oregon, Idaho, Washington, and Wyoming as required by the Utah and Oregon commissions. The update was provided for informational purposes only; no commission action was requested.  In March 2009, PacifiCorp requested an extension on the 2008 IRP filing date to May 29, 2009.
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	PacifiCorp issued the 2008 All Source Request for Proposal (RFP) on October 2, 2008 which was approved in Utah and Oregon. The 2008 All Source RFP was suspended on April 6, 2009 by the Utah Commission.

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	PacifiCorp.		PacifiCorp issued the 2008R-1 RFP for renewable resources on October 6, 2008 and issued the Amended 2008R-1 RFP on January 26, 2009, which is still in process. The 2008R-1 was approved in Oregon on both accounts and was noticed in Utah consistent with state laws, regulations and orders.
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	MEHC and PacifiCorp have identified transmission projects that MEHC and PacifiCorp believe will enhance reliability, facilitate the receipt of renewable resources, or enable further system optimization. Subject to permitting and the availability of materials, equipment and rights-of-way, MEHC and PacifiCorp commit to use their best efforts to achieve the following transmission system infrastructure Improvements <sup>1</sup> : <u>a) Path C Upgrade (~\$78 million)</u> – 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: <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> <u>b) Mona - Oquirrh (~\$196 million)</u> – 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: <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> </ul>	Ongoing Compliance	<p>a) Path C – Construction was initiated in early 2009 and long lead equipment is on order for the Ben Lomond to Terminal section of this project.</p> <p>Significant progress toward permitting and right of way acquisition for the Ben Lomond to Populus section of the project was made over the past year. Right of way acquisition is essentially complete and access has been granted to the construction contractor. Environmental permitting resolution is imminent.</p> <p>b) Mona – Wasatch – A draft Environmental Impact Statement was completed pursuant to BLM requirements during the year and will be issued by the agency soon for public comment.</p> <p>c) Walla Walla – McNary – Conditional use permits from all governing bodies impacted by the proposed line route were received for the project.</p> <p>PacifiCorp has reviewed the project in light of evolving regional transmission plans as well as timing of potential renewable generation development in the area. Some of these plans have not yet fully matured, meaning the most prudent action for now is to hold off on the next step; right of way acquisition. Pausing the project will delay the project's targeted completion date of year-end 2010. A new in-service</p>

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	<ul style="list-style-type: none"> <li>• enhances further system optimization since it enables the further purchase or exchange of seasonal resources from parties capable of delivering to Mona.</li> <li>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.</li> </ul> <p>_____</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>		<p>date will be established at completion of regional studies and confirmation is received that the proposed project fits appropriately with the wider regional plan.</p>
35	<p>MEHC and PacifiCorp make the following commitments to improve system reliability:</p> <ul style="list-style-type: none"> <li>a) investment in the Asset Risk Program of \$75 million over the three years, 2007-2009,</li> <li>b) investment in local transmission risk projects across all states of \$69 million over eight years after the close of the transaction,</li> <li>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</li> <li>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.</li> <li>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.</li> <li>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</li> </ul>	Ongoing Compliance	<ul style="list-style-type: none"> <li>a) <b>COMPLETE</b> – effective December 30, 2007. From the period January to December 2007, PacifiCorp spent \$94,600,070 or 126% of the \$75 million commitment.</li> <li>b) Through March 2009, PacifiCorp spent approximately \$16,031,349, or 23.2%, of the total \$69 million investment (over an 8-year period) in projects identified as transmission risk projects.</li> <li>c) Through calendar year 2008, 115.3% of the \$2.5 million 2008 budget was spent. PacifiCorp continued implementing prior-developed circuit fusing improvement projects consistent with commitments and plans. For the period January through March 2009, 43.7% of the \$2.5 million 2009 budget has been spent.</li> <li>d) Through calendar year 2008, 274.4% of the \$2 million 2008 budget was spent. For the period January through March 2009, PacifiCorp has spent \$851,578 on Saving SAIDI Improvements.</li> <li>e) <b>COMPLETE</b> – effective December 28, 2007.</li> <li>f) PacifiCorp offers partial interim service and allows scheduling modifications up to 20 minutes before the start of the hour during real time. These practices will continue.</li> </ul>



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	proposes changes to these two elements of its OATT.		
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>PacifiCorp is moving forward with its Energy Gateway Transmission Expansion Project to build approximately 2,000 miles of new high-voltage transmission lines primarily in Wyoming, Utah, Idaho, Oregon and the desert Southwest. The plan, with an estimated cost exceeding \$6.1 billion, includes projects that will address customer load growth, improve system reliability and deliver energy for new wind-powered and other renewable generation resources throughout PacifiCorp's six-state service area and the Western United States.</p> <p>PacifiCorp has recognized that upsizing the project would provide additional regional benefits and has taken several steps to make that happen since the project was originally announced in May 2007, including seeking queue customers and equity partners, proposing federal legislation for financing for the incremental capacity, requesting incentive rate treatment from the Federal Energy Regulatory Commission, and other solicitation efforts. To date, significant barriers still exist that prevent PacifiCorp and other parties from making a commitment to the upsized build. PacifiCorp is moving forward with design, siting and permitting of the project and may include additional alternatives to preserve flexibility for future upsizing capabilities if future commitments are received.</p> <p>PacifiCorp is actively participating in the Western Electricity Coordinating Council's path ratings process and regional, sub-regional and local planning activities.</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>The long-term debt issuances of August 2006, March 2007, October 2007, July 2008, and January 2009, were analyzed to confirm that the related cost of debt was at least 10 basis points below the company's similarly-rated peers.</p> <p>Testimony supporting commitment compliance will be filed for the July 2008 and January 2009 debt issuances in the next Utah 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>Corporate charges from MEHC and MEC for 2008 were \$9 million.</p>

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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>Consistent with the IRP action plan, and PacifiCorp commitment to submit as part of any Commission-approved request for proposal (RFP) for resources with a dependable life greater than 10 years and greater than 100 MW, PacifiCorp issued the approved 2008 All Source FRP on October 2, 2008 to the market for up to 2000 megawatts. However, the request for proposal was suspended on April 6, 2009 due to the high cost of the proposals and decrease in loads. The costs and loads will be reviewed in the next six months. The Utah Commission approved the suspension and the Oregon Commission was notified.</p> <p>PacifiCorp issued the 2008R-1 RFP for renewable resources on October 6, 2008 and issued the Amended 2008R-1RFP on January 26, 2009. The acknowledgement of the Final Shortlist has been filed in Oregon and the evaluation to determine if any proposals are viable is currently underway.</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>100 MW – <b>COMPLETE</b> – effective July 21, 2006.</p> <p>400 MW – <b>COMPLETE</b> – effective December 31, 2007.</p> <p>PacifiCorp's latest IRP contains the latest forecast on new renewable resource development, reaffirming PacifiCorp's commitment to acquire 1400 MW of new cost-effective renewable resources.</p> <p>PacifiCorp has actively participated in two efforts to identify transmission improvements that will support the development of renewable resources. The first is the Utah Renewable Energy Zones work group and the second is the Western Governors Association's Western Renewable Energy Zones subcommittee. Finally, PacifiCorp's work on the Energy Gateway transmission projects will facilitate the delivery of cost effective renewable energy in PacifiCorp's service territory.</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>Since the end of 2007 the company suspended further development of coal-based resources pending clarification on potential carbon dioxide legislation. The company continues to monitor potential carbon capture technology and sequestration development that may be applicable to coal-based generation.</p>
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</p>	Ongoing Compliance	<p>a) The annual letter report was sent to the U.S. Environmental Protection Agency March 31, 2009. For 2008, PacifiCorp reported SF<sub>6</sub> emissions of 25,077 pounds, equating to a 10.9% emission rate compared to 2007 SF<sub>6</sub> emissions of 24,746 pounds, equating to a 10.7% emission rate. Although the 2008 emissions reflect a 1.28% increase over 2007, because of the large reduction in 2007, the average reduction since 2005 is 5.10%.</p>

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	<p>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>		<p>b) PacifiCorp's proposed action plan is currently with MEHC for review and approval.</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 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>	Ongoing Compliance	<p>A plan for emissions compliance has been developed for each BART eligible coal fired unit in the PacifiCorp generation fleet. The plan addresses reduction of criteria pollutants which are oxides of nitrogen (NO<sub>x</sub>), sulfur dioxide (SO<sub>2</sub>) and particulate matter (PM). As part of that plan, in 2008, the Jim Bridger 4 scrubber upgrade and low NO<sub>x</sub> burner installation was completed. Dave Johnston 3 &amp; 4 low NO<sub>x</sub> burner projects are in construction. The cost for PacifiCorp's Comprehensive Air Initiative is \$1.8 billion.</p>
44	<p><u>Energy Efficiency and DSM Management:</u></p> <p>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</p>	Ongoing Compliance	<p>a) <b>COMPLETE</b> – effective July 13, 2007. On April 1, 2009 the Utah Public Service Commission in Report and Order, Docket No. 08-035-56 returned their decision that PacifiCorp had fulfilled commitment 44a with the submission of the DSM Potential Report completed in July 2007 and filed with the Commission on September 15, 2008.</p>

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	<p>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.</p> <p>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.</p> <p>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>		<p>b) Through calendar year 2008 (the fourth year of the five year resource commitment) PacifiCorp had achieved eighty-two percent of the five year targeted resources and was on schedule to exceed the overall target by five percent.</p> <p>c) MEC and PacifiCorp continue to work together communicating on a monthly basis on both program direction and the joint development of the TrakSmart2 demand side management tracking and reporting system project. On April 6, 2009 PacifiCorp provided MEC copies of the commercial curtailment proposals received through PacifiCorp's 2008 demand side management resource request for proposals. The proposals were provided to allow MEC to comment on their interest in the program structure as a possible replacement for MEC's current curtailment program and vendor. The sharing of program proposals also compliments the procurement opportunities project both companies are currently engaged in seeking to compliment program sets, reduce costs, and reduce administrative time invested in procurement work.</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 be eliminated or modified without Commission approval.</p>	Ongoing Compliance	The customer guarantee and performance standards programs continue. On June 4, 2008, Rocky Mountain Power submitted a proposal to modify three network performance standards. The filing remains under review.
46	<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.</p> <p>Economic development grants were given to several Pacific Power and Rocky Mountain Power communities throughout the year. Community managers participate in regional economic development summits, including state and federal elected officials and regional economic development leaders. 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	Appropriate staffing levels for PacifiCorp have been reviewed and continue to be part of the business planning process.
48	PacifiCorp will provide public notice and an invitation to encourage	Ongoing	PacifiCorp's Integrated Resource Planning group maintained an IRP

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	<p>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>	Compliance	<p>participant list that includes over 160 contacts. The participant correspondence included meeting schedule and announcements, presentation materials, meeting handouts, IRP documents and preliminary analysis results. This information was discussed at meetings or through direct contact with the IRP Manager. Various forms of communication technologies were used including email, phone, internet webpage, and video conferencing equipment.</p> <p>PacifiCorp held the following Public Meetings:</p> <ul style="list-style-type: none"> <li>• May 22, 2008 – 2008 IRP modeling plan, case definitions, price curves and resource characterization</li> <li>• May 23, 2008 – New Oregon guidelines, CO2 costs, IPM model, and EPRI study on CO2 policy impacts in the west</li> <li>• June 26, 2008 – Overview and methodology of the load forecast</li> <li>• December 18, 2008 – Portfolio development results, load and resource balance and an update to the load forecast.</li> <li>• January 7, 2009 – Repeat of December 18, 2008 general meeting for Washington, Wyoming and Idaho participants.</li> <li>• February 2, 2009 – Portfolio stochastic production cost modeling results, portfolio performance evaluation, and the preferred portfolio.</li> </ul> <p>PacifiCorp held teleconference meetings on various topics that required only 2 or less hours, easing travel burdens:</p> <ul style="list-style-type: none"> <li>• November 12, 2008 – IRP/Business plan alignment, IRP development status and schedule, and the load forecast</li> <li>• March 11, 2009 – IRP schedule</li> <li>• March 19, 2009 – IRP filing extension</li> </ul> <p>For the 2008 IRP, Individual State Focus Meetings were held on the following dates, a variety of topics were discussed including state-specific topics.</p> <ul style="list-style-type: none"> <li>• April 9, 2008 – Utah</li> <li>• April 10, 2008 – Wyoming</li> <li>• April 21, 2008 – Oregon / California</li> <li>• April 22, 2008 – Washington</li> <li>• April 23, 2008 – Idaho</li> <li>• May 14, 2008 – Utah</li> </ul> <p>These meetings were held within the state either at PacifiCorp offices or Commission buildings. A teleconference was provided for those who could not make the meeting and for the IRP team to provide support. These State Focus Meetings were announced only to those stakeholders who maintain an interest in those particular state-specific IRP topics.</p>
49	<p>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</p>	Ongoing Compliance	<p>PacifiCorp is currently meeting all commitments as addressed in this report.</p>

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	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.		
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.	<b>COMPLETE</b>	<b>COMPLETE</b> – effective March 21, 2008.
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.	<b>COMPLETE</b>	<b>COMPLETE</b> - effective 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>	<b>COMPLETE</b> – effective August 23, 2006.

**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 January through June 2008 was submitted on July 28, 2008. Call handling results report for the period July through December 2008 was submitted on January 30, 2009.

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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. No notices of affiliate transaction were made during the reporting period.
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.	<b>COMPLETE</b>	<b>COMPLETE</b> – Action not required unless specified activities occur.
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 to ensure sufficient staffing to complete the required operations, maintenance, and construction work load:  (1) Increasing the number of craft apprenticeships and trainee positions in preparation for the increased turn over expected to result from retirements and attrition; (2) Actively recruiting qualified external candidates from outside the Rocky Mountain Power service area for technical craft position vacancies: journeyman lineman, estimator, substation, relay, electronic, meterman, and distribution dispatch; (3) Working with line service agreement contract vendors to plan and package work to allow additional labor resource to be recruited to the Rocky Mountain Power service territory; (4) Recruitment of talented candidates continues for key positions and crafts in the organization. The filling of pre-apprentice positions will be temporarily delayed due to the slowing economy. The final group of existing pre-apprentice employees will transition into apprenticeships in July 2009.
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	<b>COMPLETE</b>	<b>COMPLETE</b> – effective August 31, 2007.

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	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.		
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.	<b>COMPLETE</b>	<b>COMPLETE</b> – effective August 31, 2007.
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	In Greg Abel's absence, Rich Walje met with the Utah Commission on December 15, 2008.  On January 7, 2009, Greg Abel and Rich Walje met with the Chairman of the Utah Commission due to his absence at the December 15, 2008 meeting.
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 through June 2008 were submitted on July 31, 2008. Service standard reports covering the period July through December 2008 were submitted on February 27, 2009.
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 have been provided per the requirement.
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	No debt has been issued by PPW Holdings, LLC.
U12	PacifiCorp commits to apply to the Commission for approval of security	<b>COMPLETE</b>	<b>COMPLETE</b> – effective May 10, 2007.



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	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.		
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	No action was required through March 31, 2009, as no common dividends have been paid by PacifiCorp. Preferred dividends continue to be paid as required.
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	<p>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 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>	<b>COMPLETE</b>	<b>COMPLETE</b> – effective March 27, 2008.
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</p>	<b>COMPLETE</b>	<b>COMPLETE</b> – effective March 27, 2008.

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	<p>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>		
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>	<b>COMPLETE</b>	<b>COMPLETE</b> – effective May 30, 2007.
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. PacifiCorp will meet annually with interested parties to discuss state-specific program opportunities while maintaining attractive prices to customers.</p>	Ongoing Compliance	<p>Utah Specific RFP for Blue Sky Programs -- <b>COMPLETE</b> - effective November 14, 2006.</p> <p>Meeting with interested parties -- The Blue Sky team attended the Technical Conference on May 29, 2008 to present the process for reviewing and ranking the community project applications for this year and to provide explanations on the annual report</p> <p>The Blue Sky Annual Report was provided to the Utah Public Service Commission on March 31, 2009. The report provides a revenue and spending recap by month and year for Utah as well as the program as a whole.</p>
U19	<p>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</p>	Ongoing Compliance	<p>Upon request of a stipulating party, PacifiCorp has and will continue to provide appropriate responses and/or access to financial books and records, including relevant documents, data and records of transactions between PacifiCorp and its affiliated interests.</p>

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For the Period April 1, 2008 through March 31, 2009**

State-Specific Commitment Number	Commitment Description	Status	Status Description
	to issues in the docket.		
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>	<b>COMPLETE</b> – effective 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	No amendments were made to the IASA 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 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).	<b>COMPLETE</b>	<b>COMPLETE</b> – effective April 5, 2006. An ECAM filing was made March 16, 2009, three months in advance of an anticipated general rate case filing in mid to late June 2009.

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	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.		
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>	<b>COMPLETE</b> – effective 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	Contributions totaling \$400,000 were received by The American Red Cross, the agency that administers Lend-A-Hand for the program year ending June 30, 2008. Of that total, PacifiCorp’s share was \$274,233 and the balance of donations came from all other contributors.  The company has worked on generating additional contributions, and to this end has added a June distribution of donation envelopes in billings to the regular November and February distribution months. The company is promoting the program on the ePay website and has added the program to its Employee Giving Campaign.
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 PacifiCorp in conjunction with the relevant regulatory and governmental agencies, low-income advocates and other interested parties in each state that is interested in participating. The goals of the project will include reducing service terminations, reducing referral of delinquent customers to third party collection agencies, reducing collection litigation and reducing arrearages and increasing voluntary customer payments of arrearages. The costs of this study will be at least \$66,000 on a total company basis paid for by shareholders. If less than six states participate, the amount of the shareholder funds will be reduced proportionally.	<b>COMPLETE</b>	<b>COMPLETE</b> – effective March 20, 2007.
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	Ongoing Compliance	Agreed per signed stipulation.

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	Commitments, U 1 through U 27 and U 29 through U 46.		
U29	<p>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:</p> <p>a) Notify the Commission of this inability to obtain a non-consolidation opinion.</p> <p>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.</p> <p>c) Obtain a non-consolidation opinion.</p>	<b>COMPLETE</b>	<b>COMPLETE</b> – effective 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 evaluating acquisition of renewable energy, all other things being equal, MEHC and PacifiCorp will not prefer ownership of facilities.	<b>COMPLETE</b>	<b>COMPLETE</b> – effective December 31, 2007.
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	Agreed per signed stipulation.
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	Ongoing Compliance	Since January 1, 2009 the company has received 15 requests for Utah PURPA projects totaling 165MW comprised of wind, hydro, biomass, and solar. Of these requests, six projects totaling 22 MW are actively being managed. The company is also working with Salt Lake County on multiple solar projects that are being developed as PURPA projects. The company is also discussing with a developer the feasibility of expanding the municipal solid waste burn facility at Hill Air Force Base in Layton, Utah.

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	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).		
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 contemplating changes to system operations that would adversely affect community renewable energy projects.	Ongoing Compliance	Agreed upon per stipulation. No consultations necessary.
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>	<b>COMPLETE</b> – effective 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	Written list of changes – <b>COMPLETE</b> – effective April 19, 2006. Notice to Commission – No actions were taken during this time period.
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>	<b>COMPLETE</b> – effective October 4, 2006
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	Ongoing	Agreed per stipulation; action not required unless specified activities

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	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.	Compliance	occur.
U43	<p>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 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>	Ongoing Compliance	Agreed per signed stipulation.
U44	MEHC and PacifiCorp support making wind generation in Utah an important part of 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.	Ongoing Compliance	Since January 1, 2009 the company has received 4 requests for wind projects seeking PURPA contracts. The four projects total 160 MW. Projects are in early stages of development and are actively being managed.
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>	<b>COMPLETE</b> – effective August 23, 2006.
U46	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,	<b>COMPLETE</b>	<b>COMPLETE</b> – effective December 11, 2006.

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	<p>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> <p>b) This commitment is offsetable, 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>		

**STIPULATION PARAGRAPHS**

Stipulation Paragraph Number	Commitment Description	Status	Status Description
15a	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.	Ongoing Compliance	During the reporting period, legislation to clarify existing regulatory law was introduced at PacifiCorp's request. Stakeholders were briefed, draft language provided, and negotiations occurred, prior to introduction of the legislation.
15b	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.	Ongoing Compliance	Agreed per signed stipulation.
15c	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 this process and nothing in Commitments 1 or 45 will preclude these from	<b>COMPLETE</b>	<b>COMPLETE</b> – effective February 1, 2007.



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	being filed if mutually agreed-upon by the Parties.		
15d	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	Company executives continue to meet with all signatories as requested.
15e	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.
17	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.	Ongoing Compliance	Agreed per signed stipulation; action not required unless specified activities occur.
21	To help in finalizing the documentation for this case, the Applicants shall file with the Commission, at the time of the closing of the transaction, a narrative and an organizational chart showing the relationship among PacifiCorp, MEHC, Berkshire Hathaway and their subsidiary and affiliated business entities. This documentation should clearly show the owners of PacifiCorp and the percentages held, up to the level of the ultimate parent, Berkshire Hathaway.	<b>COMPLETE</b>	<b>COMPLETE</b> - effective 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>	<b>COMPLETE</b> - effective 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>	<b>COMPLETE</b> - effective April 12, 2006.