

Exhibit No. ___ (KLE-3)
Docket No. UE-051090
Witness: Kenneth L. Elgin

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

IN THE MATTER OF THE JOINT
APPLICATION OF MIDAMERICAN
ENERGY HOLDING COMPANY AND
PACIFICORP DBA PACIFIC POWER
& LIGHT COMPANY FOR AN
ORDER AUTHORIZING PROPOSED
TRANSACTION

DOCKET NO. UE-051090

EXHIBIT TO
TESTIMONY OF

Kenneth L. Elgin

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

*MidAmerica Energy Holdings Company and Subsidiaries
Consolidated Balance Sheets*

November 18, 2005

MIDAMERICAN ENERGY HOLDINGS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)

	As of	
	March 31, 2005 (Unaudited)	December 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 712,146	\$ 960,903
Restricted cash and short-term investments	125,922	129,316
Accounts receivable, net	728,804	695,761
Amounts held in trust	158,059	111,708
Inventories	68,908	125,079
Other current assets	<u>196,622</u>	<u>166,511</u>
Total current assets	<u>1,990,461</u>	<u>2,189,278</u>
Properties, plants and equipment, net	11,679,031	11,607,264
Goodwill	4,285,132	4,306,751
Regulatory assets	413,754	451,830
Other investments	242,079	236,258
Equity investments	212,115	210,430
Deferred charges and other assets	<u>899,394</u>	<u>901,751</u>
Total assets	<u>\$19,721,966</u>	<u>\$ 19,903,562</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 400,883	\$ 410,319
Accrued interest	187,278	197,813
Accrued property and other taxes	157,358	166,639
Amounts held in trust	158,059	111,708
Other liabilities	451,476	420,452
Short-term debt	9,355	9,090
Current portion of long-term debt	638,964	1,145,598
Current portion of parent company subordinated debt	<u>188,543</u>	<u>188,543</u>
Total current liabilities	<u>2,191,916</u>	<u>2,650,162</u>
Other long-term accrued liabilities	2,233,417	2,171,616
Parent company senior debt	2,773,090	2,771,957
Parent company subordinated debt	1,586,370	1,585,810
Subsidiary and project debt	6,358,792	6,304,923
Deferred income taxes	<u>1,320,243</u>	<u>1,281,833</u>
Total liabilities	<u>16,463,828</u>	<u>16,766,301</u>
Deferred income	60,592	62,443
Minority interest	14,623	14,119
Preferred securities of subsidiaries	89,246	89,540
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Zero-coupon convertible preferred stock – authorized 50,000 shares, no par value, 41,263 shares issued and outstanding	-	-
Common stock – authorized 60,000 shares, no par value, 9,081 shares issued and outstanding	-	-
Additional paid-in capital	1,950,663	1,950,663
Retained earnings	1,309,257	1,156,843
Accumulated other comprehensive loss, net	<u>(166,243)</u>	<u>(136,347)</u>
Total stockholders' equity	<u>3,093,677</u>	<u>2,971,159</u>
Total liabilities and stockholders' equity	<u>\$19,721,966</u>	<u>\$ 19,903,562</u>

The accompanying notes are an integral part of these financial statements.

MidAmerican Energy Holdings Company
 Consolidated Statements of Operations
 (Amounts in thousands, unaudited)

	Year ended December 31, 2004	Less: Three Months' Ended March 31, 2004	Plus: Three Months' Ended March 31, 2005	TOTAL: Twelve Months' Ended March 31, 2005
Operating revenue	\$ 6,553,388	\$ 1,762,582	\$ 1,804,233	\$ 6,595,039
Costs and expenses:				
Cost of sales	\$ 2,751,856	\$ 748,692	\$ 812,152	\$ 2,815,376
Operating expense	\$ 1,637,922	\$ 375,553	\$ 407,343	\$ 1,668,702
Depreciation and amortization	\$ 838,209	\$ 189,787	\$ 159,618	\$ 628,040
Total costs and expenses	\$ 5,027,987	\$ 1,293,982	\$ 1,379,113	\$ 5,113,118
Operating income	\$ 1,525,401	\$ 468,600	\$ 425,120	\$ 1,481,921
Operating Income (expense):				
Interest expense	\$ (903,217)	\$ (225,792)	\$ (231,595)	\$ (909,020)
Capitalized interest	\$ 20,040	\$ 3,608	\$ 3,615	\$ 20,047
Interest and dividend income	\$ 38,889	\$ 7,168	\$ 8,414	\$ 40,135
Other income	\$ 128,205	\$ 8,367	\$ 20,983	\$ 140,821
Other expense	\$ (10,125)	\$ (2,960)	\$ (3,886)	\$ (11,951)
Total other income (expense)	\$ (726,208)	\$ (209,609)	\$ (202,469)	\$ (719,068)
Income from continuing operations before income tax expense, minority interest and preferred dividends of subsidiaries and equity income	\$ 789,193	\$ 258,991	\$ 222,651	\$ 762,853
Income tax expense	\$ 264,986	\$ 98,457	\$ 73,851	\$ 240,580
Minority interest and preferred dividends of subsidiaries	\$ 13,301	\$ 2,753	\$ 2,651	\$ 13,399
Income from continuing operations before equity income	\$ 520,906	\$ 157,881	\$ 145,849	\$ 508,874
Equity income	\$ 16,861	\$ 3,468	\$ 4,891	\$ 18,284
Income from continuing operations	\$ 537,767	\$ 161,349	\$ 150,740	\$ 527,158
Income (loss) from discontinued operations, net of tax	\$ (387,561)	\$ (14,159)	\$ 1,574	\$ (351,728)
Net income available to common and preferred stockholders	\$ 170,206	\$ 147,190	\$ 152,414	\$ 175,430