

PacifiCorp

**Affiliated Interest Report**

For the year ended December 31, 2008

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## I. ORGANIZATION

PacifiCorp, which includes PacifiCorp and its subsidiaries, is a United States regulated electric company serving 1.7 million retail customers, including residential, commercial, industrial and other customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. PacifiCorp owns, or has interests in, 74 thermal, hydroelectric, wind-powered and geothermal generating facilities, with a net owned capacity of 10,188 megawatts. PacifiCorp also owns, or has interests in, electric transmission and distribution assets, and transmits electricity through approximately 15,800 miles of transmission lines. PacifiCorp also buys and sells electricity on the wholesale market with public and private utilities, energy marketing companies and incorporated municipalities as a result of excess electricity generation or other system balancing activities. PacifiCorp is subject to comprehensive state and federal regulation.

PacifiCorp's subsidiaries support its electric utility operations by providing coal-mining facilities and services and environmental remediation services. PacifiCorp delivers electricity to customers in Utah, Wyoming and Idaho under the trade name Rocky Mountain Power and to customers in Oregon, Washington and California under the trade name Pacific Power. PacifiCorp's electric generation, commercial and energy trading, and coal-mining functions are operated under the trade name PacifiCorp Energy.

PacifiCorp is a consolidated subsidiary of MidAmerican Energy Holdings Company ("MEHC"), a holding company based in Des Moines, Iowa, owning subsidiaries that are principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway"). MEHC controls substantially all of PacifiCorp's voting securities, which include both common and preferred stock.

The following pages provide organization charts of PacifiCorp's and MEHC's subsidiaries. See section I.C. Affiliate Descriptions for discussion of affiliates with which PacifiCorp did business during the year ended December 31, 2008, including Berkshire Hathaway affiliates.

## Subsidiaries of PacifiCorp as of December 31, 2008

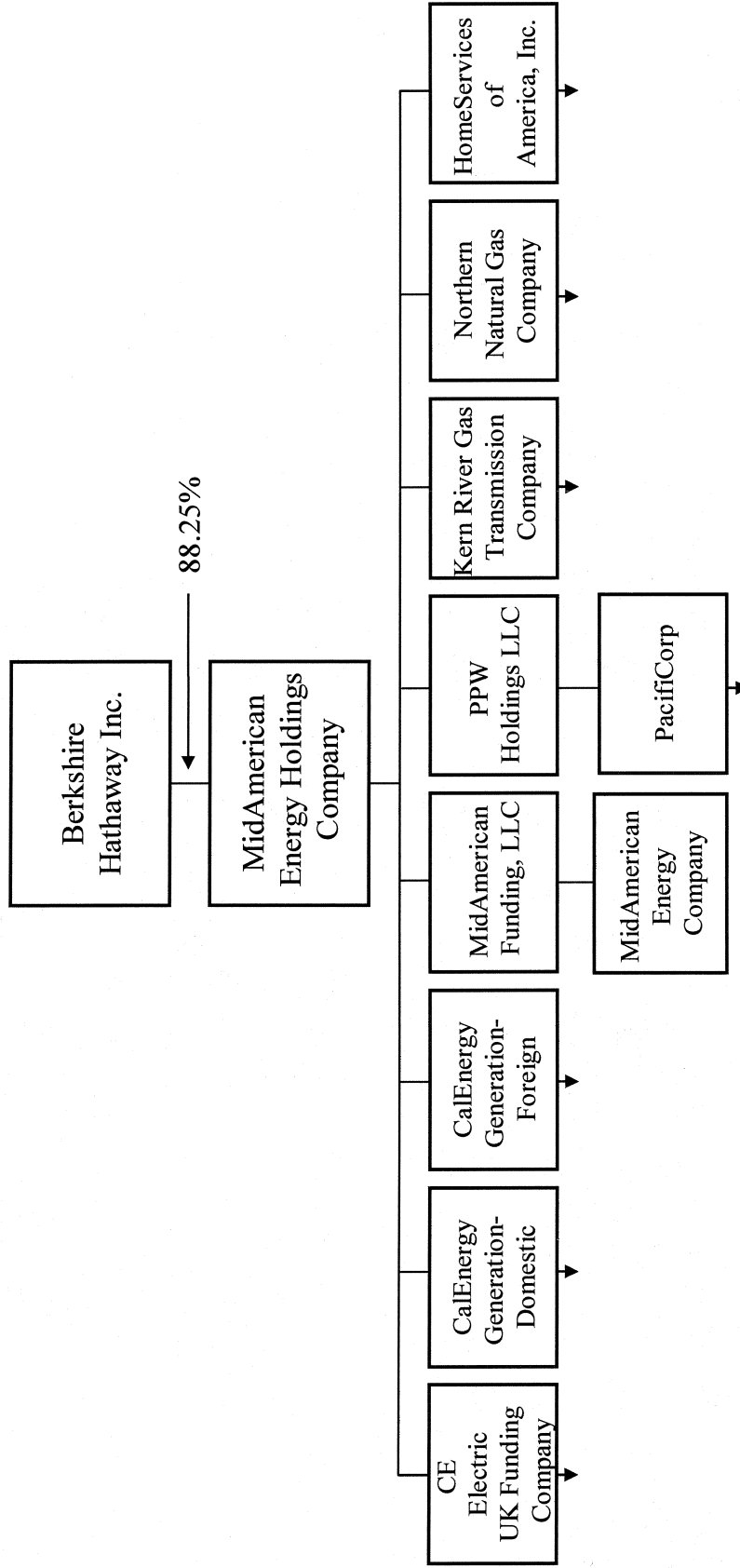
Name of Subsidiary	Approximate Percentage of Voting Securities Owned	State of Jurisdiction of Incorporation or Organization
Centralia Mining Company	100%	Washington
Energy West Mining Company	100%	Utah
Glenrock Coal Company	100%	Wyoming
Interwest Mining Company	100%	Oregon
Pacific Minerals, Inc.	100%	Wyoming
- Bridger Coal Co., a joint venture	66.67%	Wyoming
Trapper Mining, Inc.	21.40%	Colorado
PacifiCorp Environmental Remediation Company	100%	Oregon
PacifiCorp Future Generations, Inc. (a)	100%	Oregon
- Canopy Botanicals, Inc. (a)	77.85%	Delaware
- Canopy Botanicals, SRL (a)	(a)	-
PacifiCorp Investment Management, Inc.	100%	Oregon

(a) PacifiCorp Future Generations, Inc. owns an interest in Canopy Botanicals, Inc., which held an interest in Canopy Botanicals, SRL relating to rain forest carbon emission credits. Effective July 28, 2008, Canopy Botanicals, SRL was dissolved.

# MidAmerican Energy Holdings Company\*

Organization Chart

As of December 31, 2008



\*This chart does not include all subsidiaries of affiliates or PacifiCorp.

## **I. A. Officers and Directors**

**Information regarding directors and officers common to the regulated utility and affiliated interest are described in these categories:**

- 1. PacifiCorp directors and committees of the board of directors during the year ended December 31, 2008**
- 2. PacifiCorp officers during the year ended December 31, 2008**
- 3. Regional Advisory Boards**
- 4. PacifiCorp officers and directors with affiliated positions as of December 31, 2008**

The positions listed for the directors and officers in each of these sections are those positions that were held as of or during the year ended December 31, 2008. Changes that occurred subsequent to December 31, 2008 (if any) are annotated.

**1. PacifiCorp Directors and Committees of the Board of Directors During the Year Ended December 31, 2008**

<b>Director</b>	<b>Address</b>	<b>From</b>	<b>To</b>	<b>Director at 12/31/2008</b>	<b>Elected During the Year Ended 12/31/2008</b>	<b>Resigned During the Year Ended 12/31/2008</b>
Gregory E. Abel (a)	666 Grand Avenue Suite DM29 Des Moines, Iowa 50309	3/21/2006		Yes	No	No
Douglas L. Anderson	302 South 36 <sup>th</sup> Street Omaha, Nebraska 68131	3/21/2006		Yes	No	No
Brent E. Gale	825 NE Multnomah Suite 2000 Portland, Oregon 97232	3/21/2006		Yes	No	No
Patrick J. Goodman	666 Grand Avenue Suite DM29 Des Moines, Iowa 50309	3/21/2006		Yes	No	No
Natalie L. Hocken	825 NE Multnomah Suite 2000 Portland, Oregon 97232	8/30/2007		Yes	No	No
A. Robert Lasich	1407 West North Temple Suite 320 Salt Lake City, Utah 84116	3/21/2006		Yes	No	No
David J. Mendez	825 NE Multnomah Suite 1900 Portland, Oregon 97232	8/30/2007	2/29/2008	No	No	Yes
Mark C. Moench	201 South Main Suite 2400 Salt Lake City, Utah 84140	3/21/2006		Yes	No	No
R. Patrick Reiten	825 NE Multnomah Suite 2000 Portland, Oregon 97232	9/15/2006		Yes	No	No
A. Richard Walje	201 South Main Suite 2300 Salt Lake City, Utah 84140	7/2/2001		Yes	No	No

(a) **Committees of the Board of Directors:** The Compensation Committee is the only PacifiCorp board committee. Gregory E. Abel, PacifiCorp's Chairman of the Board of Directors and Chief Executive Officer, is the sole member of the Compensation Committee. All other board committees are at the MidAmerican Energy Holdings Company level.

**2. PacifiCorp Officers During the Year Ended December 31, 2008**

Title	Officer	Address	From	To	Officer at 12/31/2008	Elected During the Year Ended 12/31/2008	Resigned During the Year Ended 12/31/2008
Chairman of the Board of Directors and Chief Executive Officer	Gregory E. Abel (a)	666 Grand Avenue Suite DM29 Des Moines, Iowa 50309	3/21/2006		Yes	No	No
President, PacifiCorp Energy	A. Robert Lasich	1407 West North Temple Suite 320 Salt Lake City, Utah 84116	8/30/2007		Yes	No	No
President, Rocky Mountain Power	A. Richard Wajje	201 South Main Suite 2300 Salt Lake City, Utah 84140	3/21/2006		Yes	No	No
President, Pacific Power	R. Patrick Reiten	825 NE Multnomah Suite 2000 Portland, Oregon 97232	9/15/2006		Yes	No	No
Senior Vice President and Chief Financial Officer	David J. Mendez	825 NE Multnomah Suite 1900 Portland, Oregon 97232	8/22/2006	2/29/2008	No	No	Yes
Senior Vice President and Chief Financial Officer	Douglas K. Stuver	825 NE Multnomah Suite 1900 Portland, Oregon 97232	3/1/2008		Yes	Yes	No



### **3. Regional Advisory Boards - Members as of December 31, 2008**

#### **Pacific Power Advisory Board**

Angela Boothroyd

Don Skundrick

Bill O'Bryan

Dr. Steven L. VanAusdle

#### **Rocky Mountain Power Advisory Board**

Stan Lockhart

Vickie McCall

Henry Hewitt

Golden Lindford

Bob Jensen

#### 4. PacifiCorp Officers and Directors with Affiliated Positions as of December 31, 2008

**Abel, Gregory E.**

MidAmerican Energy Holdings Company

President, Chief Executive Officer and Director

**Anderson, Douglas L.**

MidAmerican Energy Holdings Company

Senior Vice President, General Counsel and  
Corporate Secretary

**Gale, Brent E.**

PacifiCorp Future Generations, Inc.

MidAmerican Energy Holdings Company

President and Director

Senior Vice President of Regulation and Legislation

**Goodman, Patrick J.**

MidAmerican Energy Holdings Company

MEHC Insurance Services Ltd.

Senior Vice President and Chief Financial Officer

President, Treasurer & Director

**Lasich, A. Robert**

Centralia Mining Company

Energy West Mining Company

Glenrock Coal Company

Interwest Mining Company

Pacific Minerals, Inc.

President and Director

President and Director

President and Director

President and Director

President and Director

**Moench, Mark C.**

PacifiCorp Foundation

Corporate Secretary

**Reiten, R. Patrick**

PacifiCorp Foundation

Director

**Walje, A. Richard**

PacifiCorp Foundation

Chairman of the Board of Directors

## **I. B. Changes in Ownership**

**Changes in successive ownership between the regulated utility and affiliated interest.**

**Changes in Affiliated Interests Ownership Report  
For the Year Ended December 31, 2008**

Parent Entity	Affiliate	Domestic Foreign	State of Incorporation	Action	Date of Action	Date of Incorporation
Canopy Botanicals, Inc.	Canopy Botanicals, SRL	Foreign	Bolivia	Canopy Botanicals, SRL, an indirect subsidiary of PacifiCorp Future Generations, was dissolved.	July 28, 2008	May 1, 1999
MEHC	Constellation Energy Group, Inc.	Domestic	Maryland	MEHC and Constellation Energy agreed to terminate a merger agreement that was entered into in September 2008. As a result of the termination, among other things, MEHC received 19.9 million shares of Constellation Energy common stock, representing 9.99% of outstanding shares.	December 17, 2008	1906

Refer to Exhibit 21 of the Berkshire Hathaway Form 10-K for a list of subsidiaries of MEHC's parent company, Berkshire Hathaway, as of December 31, 2008.

## **I. C. Affiliate Descriptions**

**A narrative of each affiliated entity with whom the regulated utility does business. State the factor(s) giving rise to the affiliation.**

## Narrative Descriptions for Each Affiliated Entity

Affiliated interests of PacifiCorp are defined by ORS 757.015, RCW 80.16.010 and California Public Utilities Commission Decision 97-12-088, as amended by Decision 98-08-035, as having two or more officers or directors in common with PacifiCorp, or by meeting the ownership requirements of 5% direct or indirect ownership.

In the ordinary course of business, PacifiCorp engaged in various transactions with several of its affiliated companies during the year ended December 31, 2008. Services provided by PacifiCorp and charged to affiliates related primarily to administrative services, financial statement preparation and direct-assigned employees, as well as wholesale energy sales. Services provided by affiliates and charged to PacifiCorp related primarily to the transportation of natural gas and coal, wholesale energy purchases, captive insurance services, relocation services, and administrative services provided under the Intercompany Administrative Services Agreement among MEHC and its affiliates. Refer to Section V for a discussion of the tax allocation agreement between PacifiCorp and its affiliates.

PacifiCorp provides electricity to certain affiliates within its service territory at tariff rates. Such transactions are excluded from this report. Due to the volume and breadth of the Berkshire Hathaway family of companies, it is possible that employees of PacifiCorp have made purchases from certain Berkshire Hathaway affiliates not listed here, and have been reimbursed by PacifiCorp for those purchases as a valid business expense. PacifiCorp does not believe those transactions would be material individually or in aggregate.

**Burlington Northern Santa Fe (“BNSF”)** – Berkshire Hathaway held a 20% ownership interest in BNSF at December 31, 2008. PacifiCorp has long-term coal transportation contracts with BNSF, including indirect payables related to a generation plant that is jointly owned by PacifiCorp and another utility.

**Marmon Group** – On March 18, 2008 Berkshire Hathaway completed the acquisition of a 60% ownership interest in Marmon Group (“Marmon”). Marmon is an international association of numerous manufacturing and service businesses in energy-related and other markets. Certain Marmon affiliates provide goods and services to PacifiCorp in the normal course of business.

**Constellation Energy Group, Inc. (“Constellation”)** – On December 17, 2008, MEHC and Constellation Energy agreed to terminate a merger agreement which was entered into in September 2008. As a result of the termination, among other things, MEHC received 19.9 million shares of Constellation Energy common stock, representing 9.99% of outstanding shares. As a result, Constellation Energy became a PacifiCorp affiliate on December 17, 2008. Accordingly, this report reflects transactions between PacifiCorp and Constellation Energy between December 17 and December 31, 2008. During this time period, Constellation Energy Commodities Group, Inc., a subsidiary of Constellation, purchased wholesale energy and transmission services from PacifiCorp, and sold wholesale energy to PacifiCorp.

**MEHC** – a holding company owning subsidiaries that are principally engaged in energy businesses. MEHC is a consolidated subsidiary of Berkshire Hathaway. As of January 31, 2009, Berkshire Hathaway owned approximately 88.25% of MEHC's common stock (87.4% on a diluted basis). The remainder of MEHC's common stock is owned by a private investor group that includes Gregory E. Abel, PacifiCorp's Chairman of the Board of Directors and Chief Executive Officer. MEHC provides labor services to PacifiCorp.

**HomeServices of America, Inc.** – a majority-owned subsidiary of MEHC. HomeServices of America, Inc. is a full-service residential real estate brokerage firm that provides relocation services and traditional residential real estate brokerage services to employees of PacifiCorp and its affiliate companies.

**Kern River Gas Transmission Company** – an indirect wholly owned subsidiary of MEHC, owns an interstate natural gas transportation pipeline system consisting of approximately 1,700 miles of pipeline, extending from supply areas in the Rocky Mountains to consuming markets in Utah, Nevada and California. Kern River's transportation operations are subject to a regulated tariff that is on file with the

Federal Energy Regulatory Commission (the “FERC”). Kern River provides services for the transportation of natural gas to certain of PacifiCorp’s generating facilities in Utah.

**MEHC Insurance Services Ltd. (“MISL”)** – a wholly owned subsidiary of MEHC that provides a captive insurance program to PacifiCorp. MISL covers all or significant portions of the property damage and liability insurance deductibles for many of PacifiCorp’s current policies, as well as overhead distribution and transmission line property damage. PacifiCorp has no equity interest in MISL and has no obligation to contribute equity or loan funds to MISL. Premium amounts are established based on a combination of actuarial assessments and market rates to cover loss claims, administrative expenses and appropriate reserves, but as a result of regulatory commitments are capped through December 31, 2010. Certain costs associated with the program are prepaid and amortized over the policy coverage period expiring March 20, 2009.

**MidAmerican Energy Company (“MEC”)** – a wholly owned subsidiary of MEHC. MEC is principally engaged in the business of generating, transmitting, distributing and selling electricity and in distributing, selling and transporting natural gas. Additionally, MEC transports natural gas through its distribution system for a number of end-use customers who have independently secured their supply of natural gas. In addition to retail sales and natural gas transportation, MEC sells electricity and natural gas to other utilities, marketers and municipalities. MEC provides labor services to PacifiCorp.

**PPW Holdings LLC** – the holding company for PacifiCorp and direct subsidiary of MEHC. PPW Holdings is the tax paying entity for PacifiCorp.

**Energy West Mining Company** – a wholly owned subsidiary of PacifiCorp engaged in coal-mining related services at the company-owned mines in Emery County, Utah.

**Interwest Mining Company** – a wholly owned subsidiary of PacifiCorp providing technical, management and administrative services to Energy West Mining Company and Pacific Minerals, Inc.

**PacifiCorp Environmental Remediation Company** – a wholly owned subsidiary of PacifiCorp that evaluates, manages and resolves certain environmental remediation activities.

**PacifiCorp Foundation** – an independent non-profit foundation created by PacifiCorp in 1988. PacifiCorp Foundation supports the growth and vitality of the communities where PacifiCorp and its affiliates have operations, employees or interests. PacifiCorp Foundation operates as the Rocky Mountain Power Foundation and the Pacific Power Foundation.

**Pacific Minerals, Inc. (“PMI”)** – a wholly owned subsidiary of PacifiCorp that owns 66.67% of Bridger Coal Co., the coal mining joint venture with Idaho Energy Resources Company (“IERC”), a subsidiary of Idaho Power Company.

**Bridger Coal Co.** – Coal mining joint venture with PMI and IERC. PMI owns 66.67% and IERC owns 33.33% of Bridger Coal Co.

**Trapper Mining, Inc.** – PacifiCorp owns a 21.40% interest in Trapper Mining, Inc., which operates a coal mine at the Craig “mine-mouth” operation (generating station located next to mine) outside Craig, Colorado. The remaining ownership in Trapper Mining, Inc. is as follows: Salt River Project Agricultural Improvement and Power District (32.10%), Tri-State Generation and Transmission Association, Inc. (26.57%), and Platte River Power Authority (19.93%).

## **I. D. Financial Statements**

**Financial statements or trial balances for the year ended December 31, 2008 are included in Section II. Transactions for each affiliate.**

## **II. Transactions**

**The following summary of services rendered by the regulated utility to the affiliate and vice versa includes:**

- 1. A description of the nature of services in reasonable detail.**
- 2. The annual charges by type of service (exclude all joint/common costs reported in Section VII).**
- 3. The basis used to determine pricing.**
- 4. In total, for each affiliated entity whether receiving or providing services:**
  - A. Total charges or billings.**
  - B. The cost of providing service, including applicable taxes.**
  - C. The margin of charges over costs.**
  - D. Assets allocable to the services.**
  - E. The achieved rate of return on assets.**
  - F. The accounts charged.**



**Affiliated Interest Transactions Summary <sup>(a)</sup>**  
**For the Year Ended December 31, 2008**

Requirements	Burlington Northern Santa Fe	Marmon Group	Constellation Energy Group, Inc.
A. A description of the nature of services in reasonable detail:	Long-term coal transportation contracts and right-of-way fees	Certain Marmon Group affiliates provide equipment parts and repairs to PacifiCorp	Wholesale energy purchases and sales and transmission services
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	\$31,986,097.63	\$36,614.32	\$3,095,989.23
PacifiCorp Provided Services	None	None	\$2,270,925.97
C. The basis used to determine pricing:			
PacifiCorp Received Services	(b)	(c)	(d)
PacifiCorp Provided Services	None	None	(d)
D. In total for each affiliated entity whether receiving or providing services, show:			
Receiving Services:			
1. Total charges or billings	\$31,986,097.63	\$36,614.32	\$3,095,989.23
2. Cost of providing service, incl. tax	(b)	(c)	(d)
3. The margin of charges over costs	(b)	(c)	(d)
4. Assets allocable to the services	(b)	(c)	(d)
5. Achieved rate of return on assets	(b)	(c)	(d)
6. Account charged	Refer to detail under separate tab	Refer to detail under separate tab	Refer to detail under separate tab
Providing Services:			
1. Total charges or billings	N/A	N/A	\$2,270,925.97
2. Cost of providing service, incl. tax	N/A	N/A	(d)
3. The margin of charges over costs	N/A	N/A	(d)
4. Assets allocable to the services	N/A	N/A	(d)
5. Achieved rate of return on assets	N/A	N/A	(d)
6. Account charged	N/A	N/A	Refer to detail under separate tab
Allocation	Refer to detail under separate tab	Refer to detail under separate tab	Refer to detail under separate tab

- (a) Detailed financial information for each affiliated company is included following this summary.
- (b) Coal transportation services are priced at Surface Transportation Board-approved tariff rates under long-term contracts. Right-of-way fees are based on factors such as square footage.
- (c) Certain Marmon Group affiliates provide small amounts of goods and services to PacifiCorp in the normal course of business, at standard pricing.
- (d) Wholesale energy purchases and sales and transmission services are priced at FERC-approved market rates.

**Affiliated Interest Transactions Summary <sup>(a)</sup>  
For the Year Ended December 31, 2008**

Requirements	MidAmerican Energy Holdings Company	HomeServices of America, Inc.	Kern River Gas Transmission Company
A. A description of the nature of services in reasonable detail:	Labor services	Residential real estate brokerage and relocation services to PacifiCorp employees	Natural gas transportation services
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	\$9,008,190.90 (b)	\$2,252,639.75	\$3,260,185.81
PacifiCorp Provided Services	\$1,779,787.90 (b)	None	None
C. The basis used to determine pricing:			
PacifiCorp Received Services	(b)	(c)	(d)
PacifiCorp Provided Services	(b)	None	None
D. In total for each affiliated entity whether receiving or providing services, show:			
Receiving Services:			
1. Total charges or billings	\$9,008,190.90 (b)	\$2,252,639.75 (c)	\$3,260,185.81
2. Cost of providing service, incl. tax	\$9,008,190.90 (b)	(c)	(d)
3. The margin of charges over costs	None	(c)	(d)
4. Assets allocable to the services	None	(c)	(d)
5. Achieved rate of return on assets	None	(c)	(d)
6. Account charged	Refer to detail under separate tab	Refer to detail under separate tab	Refer to detail under separate tab
Providing Services:			
1. Total charges or billings	\$1,779,787.90 (b)	N/A	N/A
2. Cost of providing service, incl. tax	\$1,779,787.90 (b)	N/A	N/A
3. The margin of charges over costs	None	N/A	N/A
4. Assets allocable to the services	None	N/A	N/A
5. Achieved rate of return on assets	None	N/A	N/A
6. Account charged	Refer to detail under separate tab	N/A	N/A
Allocation	Refer to detail under separate tab	Refer to detail under separate tab	Refer to detail under separate tab

- (a) Detailed financial information for each affiliated company is included following this summary.
- (b) Refer to Section VII for further discussion of transactions between PacifiCorp and MEHC and between PacifiCorp and MEC, pursuant to the Intercompany Administrative Services Agreement.
- (c) As discussed in the application requesting approval of the relocation services contract with HomeServices of America, Inc. filed with the Oregon Public Utility Commission (the "OPUC") on April 3, 2007, Docket No. UI 264, HomeServices of America, Inc. charges PacifiCorp a flat fee per relocation for its services, plus the actual costs of services procured from its vendors and service providers. The OPUC approved this application on June 11, 2007, Order No. 07-269.
- (d) Gas transportation services are priced at tariffs established by the FERC.

**Affiliated Interest Transactions Summary <sup>(a)</sup>  
For the Year Ended December 31, 2008**

Requirements	MEHC Insurance Services Ltd.	MidAmerican Energy Company	PPW Holdings LLC
A. A description of the nature of services in reasonable detail:	Captive insurance covering significant portions of property damage and liability insurance deductibles for PacifiCorp	Labor services, including storm damage assistance	Holding company and tax paying entity for PacifiCorp
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	\$7,161,476.70 (b)	None	None (d)
PacifiCorp Provided Services	None	\$254,786.12 (c)	None (d)
C. The basis used to determine pricing:			
PacifiCorp Received Services	Premium amounts are established based on a combination of actuarial assessments and market rates to cover loss claims, administrative expenses and appropriate reserves.	None	None (d)
PacifiCorp Provided Services	None	(c)	None (d)
D. In total for each affiliated entity whether receiving or providing services, show:			
Receiving Services:			
1. Total charges or billings	\$7,161,476.70 (b)	N/A	None (d)
2. Cost of providing service, incl. tax	Refer to financial statements	N/A	None (d)
3. The margin of charges over costs	Refer to financial statements	N/A	N/A
4. Assets allocable to the services	None	N/A	N/A
5. Achieved rate of return on assets	None	N/A	N/A
6. Account charged	Refer to detail under separate tab	N/A	N/A
Providing Services:			
1. Total charges or billings	N/A	\$254,786.12 (c)	None (d)
2. Cost of providing service, incl. tax	N/A	\$254,786.12 (c)	None (d)
3. The margin of charges over costs	N/A	None	N/A
4. Assets allocable to the services	N/A	None	N/A
5. Achieved rate of return on assets	N/A	None	N/A
6. Account charged	N/A	Refer to detail under separate tab	N/A
Allocation	Refer to detail under separate tab	Refer to detail under separate tab	Refer to detail under separate tab

(a) Detailed financial information for each affiliated company is included following this summary.

(b) At December 31, 2008, PacifiCorp had prepaid \$1,195,867.00 and \$340,310.98 for captive property and captive liability insurance, respectively. The \$7,161,476.70 in services received represents prepaid amounts amortized to expense during the year ended December 31, 2008. PacifiCorp had \$6,503,058.45 in claims receivable at year end.

(c) Refer to Section VII for further discussion of transactions between PacifiCorp and MEHC and between PacifiCorp and MEC, pursuant to the Intercompany Administrative Services Agreement.

(d) Refer to Section V for a discussion of income-tax related transactions between PacifiCorp and PPW Holdings LLC.

**Affiliated Interest Transactions Summary <sup>(a)</sup>  
For the Year Ended December 31, 2008**

Requirements	Energy West Mining Company	Interwest Mining Company	PacifiCorp Environmental Remediation Company
A. A description of the nature of services in reasonable detail:	Energy West Mining Company provides coal from company-owned mines in Emery County, Utah to the Huntington, Hunter and Carbon power plants. PacifiCorp provides labor services to Energy West Mining Company.	Interwest Mining Company provides Pacific Minerals, Inc., Glenrock Coal Company and Energy West Mining Company with technical, management and administrative services. PacifiCorp provides labor services to Interwest Mining Company.	Labor services
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	\$100,605,081.73	\$68,446.00	None
PacifiCorp Provided Services	\$230,083.86	\$322,462.47	\$252,315.00
C. The basis used to determine pricing:			
PacifiCorp Received Services	Charges are based on actual and reasonable costs incurred by Energy West Mining Company in mining. No profit is allowed.	Interwest Mining Company charges are based on labor, benefits and operational cost. No profit is allowed.	None
PacifiCorp Provided Services	Costs incurred by PacifiCorp on behalf of subsidiaries are charged at direct cost. Labor is charged at PacifiCorp's fully loaded cost plus administrative and general expense.	Costs incurred by PacifiCorp on behalf of subsidiaries are charged at direct cost. Labor is charged at PacifiCorp's fully loaded cost plus administrative and general expense.	Costs incurred by PacifiCorp on behalf of subsidiaries are charged at direct cost. Labor is charged at PacifiCorp's fully loaded cost plus administrative and general expense.
D. In total for each affiliated entity whether receiving or providing services, show:			
Receiving Services:			
1. Total charges or billings	\$100,605,081.73	\$68,446.00	N/A
2. Cost of providing service, incl. tax	\$100,605,081.73	\$68,446.00	N/A
3. The margin of charges over costs	None	None	N/A
4. Assets allocable to the services	None	None	N/A
5. Achieved rate of return on assets	None	None	N/A
6. Account charged	Refer to detail under separate tab	Refer to detail under separate tab	N/A
Providing Services:			
1. Total charges or billings	\$230,083.86	\$322,462.47	\$252,315.00
2. Cost of providing service, incl. tax	\$230,083.86	\$322,462.47	\$252,315.00
3. The margin of charges over costs	None	None	None
4. Assets allocable to the services	None	None	None
5. Achieved rate of return on assets	None	None	None
6. Account charged	Refer to detail under separate tab	Refer to detail under separate tab	Refer to detail under separate tab
Allocation	Refer to detail under separate tab	Refer to detail under separate tab	Refer to detail under separate tab

(a) Detailed financial information for each affiliated company is included following this summary.

**Affiliated Interest Transactions Summary <sup>(a)</sup>**  
**For the Year Ended December 31, 2008**

Requirements	PacifiCorp Foundation	Pacific Minerals, Inc. / Bridger Coal Co.	Trapper Mining, Inc.
A. A description of the nature of services in reasonable detail:	Labor services	Bridger Coal Co. provides coal from the Bridger mine to the Jim Bridger power plant. PacifiCorp provides labor services to Pacific Minerals, Inc. / Bridger Coal Co.	Trapper Mining, Inc. holds PacifiCorp's interest in the Trapper coal mine that supplies coal to the Craig power plant
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	None	\$111,692,632.10	\$11,227,343.70
PacifiCorp Provided Services	\$166,438.22	\$10,317,231.43	None
C. The basis used to determine pricing:			
PacifiCorp Received Services	None	Coal delivered is recorded on PacifiCorp's books at the affiliate's cost.	Coal delivered is recorded on PacifiCorp's books at the affiliate's cost.
PacifiCorp Provided Services	Costs incurred by PacifiCorp on behalf of affiliates are charged at direct cost. Labor is charged at PacifiCorp's fully loaded cost plus administrative and general expense.	Costs incurred by PacifiCorp on behalf of affiliates are charged at direct cost. Labor is charged at PacifiCorp's fully loaded cost plus administrative and general expense.	None
D. In total for each affiliated entity whether receiving or providing services, show:			
Receiving Services:			
1. Total charges or billings	N/A	\$111,692,632.10	\$11,227,343.70
2. Cost of providing service, incl. tax	N/A	\$111,692,632.10	\$11,227,343.70
3. The margin of charges over costs	N/A	None	None
4. Assets allocable to the services	N/A	None	None
5. Achieved rate of return on assets	N/A	None	None
6. Account charged	N/A	Refer to detail under separate tab	Refer to detail under separate tab
Providing Services:			
1. Total charges or billings	\$166,438.22	\$10,317,231.43	N/A
2. Cost of providing service, incl. tax	\$166,438.22	\$10,317,231.43	N/A
3. The margin of charges over costs	None	None	N/A
4. Assets allocable to the services	None	None	N/A
5. Achieved rate of return on assets	None	None	N/A
6. Account charged	Refer to detail under separate tab	Refer to detail under separate tab	N/A
Allocation	Refer to detail under separate tab	Refer to detail under separate tab	Refer to detail under separate tab

(a) Detailed financial information for each affiliated company is included following this summary.

**Burlington Northern Santa Fe  
Intercompany Transactions  
For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Coal freight services	\$ 31,947,604.76	-
Right-of-way fees	38,492.87	-
	<hr/>	<hr/>
<b>Total</b>	<b>\$ 31,986,097.63</b>	<b>\$ -</b>
	<hr/> <hr/>	<hr/> <hr/>

**BNSF Railway Company and Subsidiaries**

***Consolidated Statements of Income***

In millions

Year ended December 31,	2008	2007	2006
		(As Adjusted) <sup>a</sup>	(As Adjusted) <sup>a</sup>
Revenues	<b>\$ 17,787</b>	\$ 15,610	\$ 14,816
Operating expenses:			
Fuel	<b>4,640</b>	3,327	2,856
Compensation and benefits	<b>3,859</b>	3,754	3,801
Purchased services	<b>2,077</b>	1,995	1,894
Depreciation and amortization	<b>1,395</b>	1,292	1,175
Equipment rents	<b>901</b>	942	930
Materials and other	<b>1,019</b>	790	618
Total operating expenses	<b>13,891</b>	12,100	11,274
Operating income	<b>3,896</b>	3,510	3,542
Interest expense	<b>97</b>	87	113
Interest income, related parties	<b>(19)</b>	(191)	(162)
Other expense, net	<b>18</b>	31	39
Income before income taxes	<b>3,800</b>	3,583	3,552
Income tax expense	<b>1,438</b>	1,384	1,314
Net income	<b>\$ 2,362</b>	\$ 2,199	\$ 2,238

<sup>a</sup> Prior year numbers have been adjusted for the merger of BNSF Acquisition, Inc. with and into BNSF Railway Company. See Note 1 to the Consolidated Financial Statements for additional information.

See accompanying Notes to Consolidated Financial Statements.

**BNSF Railway Company and Subsidiaries**

**Consolidated Balance Sheets**

Dollars in millions

December 31,	2008	2007 (As Adjusted) <sup>a</sup>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 209	\$ 24
Accounts receivable, net	873	805
Materials and supplies	524	579
Current portion of deferred income taxes	434	282
Other current assets	337	325
Total current assets	<b>2,377</b>	2,015
Property and equipment, net	<b>30,838</b>	29,560
Other assets	<b>2,910</b>	1,953
Total assets	<b>\$ 36,125</b>	\$ 33,528
<b>Liabilities and Stockholder's Equity</b>		
Current liabilities:		
Accounts payable and other current liabilities	\$ 3,114	\$ 2,822
Long-term debt due within one year	254	210
Total current liabilities	<b>3,368</b>	3,032
Long-term debt	<b>1,821</b>	1,511
Deferred income taxes	<b>8,672</b>	8,519
Pension and retiree health and welfare liability	<b>1,047</b>	444
Casualty and environmental liabilities	<b>959</b>	843
Employee separation costs	<b>57</b>	77
Other liabilities	<b>1,835</b>	1,578
Total liabilities	<b>17,759</b>	16,004
Commitments and contingencies (see Notes 3, 9 and 10)		
Stockholder's equity:		
Common stock, \$1 par value, 1,000 shares authorized; issued and outstanding and paid-in-capital	<b>6,331</b>	6,331
Retained earnings	<b>12,852</b>	11,797
Intercompany notes receivable	<b>(6)</b>	(456)
Accumulated other comprehensive loss	<b>(811)</b>	(148)
Total stockholder's equity	<b>18,366</b>	17,524
Total liabilities and stockholder's equity	<b>\$ 36,125</b>	\$ 33,528

<sup>a</sup> Prior year numbers have been adjusted for the merger of BNSF Acquisition, Inc. with and into BNSF Railway Company. See Note 1 to the Consolidated Financial Statements for additional information.

See accompanying Notes to Consolidated Financial Statements.



**Marmon Group  
 Affiliated Transactions  
 For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Equipment parts and repairs	\$ 36,614.32	-
<b>Total</b>	<b>\$ 36,614.32</b>	<b>\$ -</b>

**Marmon Group**

Marmon Group is not a public company and its financial statements are not available.

**Constellation Energy Group, Inc.  
Intercompany Transactions  
For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services (b)</u>	<u>PacifiCorp Provided Services (b)</u>
Wholesale energy purchases (a)	\$ 3,095,989.23	\$ -
Wholesale energy sales	-	2,092,560.00
Transmission sales	-	178,365.97
<b>Total</b>	<b>\$ 3,095,989.23</b>	<b>\$ 2,270,925.97</b>

(a) Wholesale energy purchases include purchases from Constellation Energy Group, Inc., as well as the purchase of 100% of the output from the Sunnyside coal-fired generating facility that is 50% owned by Constellation Energy Group, Inc. As of December 31, 2008, PacifiCorp accounted for this purchase agreement as a capital lease.

(b) Includes actual or prorated activity between December 17, 2008 (the date Constellation Energy Group, Inc. became an affiliate) and December 31, 2008.

**CONSOLIDATED STATEMENTS OF INCOME (LOSS)***Constellation Energy Group, Inc. and Subsidiaries*

<i>Year Ended December 31,</i>	<b>2008</b>	<b>2007</b>	<b>2006</b>
	<i>(In millions, except per share amounts)</i>		
<b>Revenues</b>			
Nonregulated revenues	\$16,134.0	\$17,794.6	\$16,279.0
Regulated electric revenues	2,679.5	2,455.6	2,115.9
Regulated gas revenues	1,004.8	943.0	890.0
<b>Total revenues</b>	<b>19,818.3</b>	<b>21,193.2</b>	<b>19,284.9</b>
<b>Expenses</b>			
Fuel and purchased energy expenses	15,521.3	16,473.9	14,930.7
Operating expenses	2,378.8	2,447.4	2,165.8
Merger termination and strategic alternatives costs	1,204.4	—	18.3
Impairment losses and other costs	741.8	20.2	—
Workforce reduction costs	22.2	2.3	28.2
Depreciation, depletion, and amortization	583.2	557.8	523.9
Accretion of asset retirement obligations	68.4	68.3	67.6
Taxes other than income taxes	301.8	288.9	290.7
<b>Total expenses</b>	<b>20,821.9</b>	<b>19,858.8</b>	<b>18,025.2</b>
<b>Net Gain on Sales of Upstream Gas Assets</b>	<b>25.5</b>	<b>—</b>	<b>—</b>
<b>Gain on Sale of Gas-Fired Plants</b>	<b>—</b>	<b>—</b>	<b>73.8</b>
<b>(Loss) Income from Operations</b>	<b>(978.1)</b>	<b>1,334.4</b>	<b>1,333.5</b>
<b>Gain on Sales of CEP LLC Equity</b>	<b>—</b>	<b>63.3</b>	<b>28.7</b>
<b>Other (Expense) Income</b>	<b>(52.3)</b>	<b>158.6</b>	<b>66.1</b>
<b>Fixed Charges</b>			
Interest expense	399.1	311.8	329.2
Interest capitalized and allowance for borrowed funds used during construction	(50.0)	(19.4)	(13.7)
BGE preference stock dividends	13.2	13.2	13.2
<b>Total fixed charges</b>	<b>362.3</b>	<b>305.6</b>	<b>328.7</b>
<b>(Loss) Income from Continuing Operations Before Income Taxes</b>	<b>(1,392.7)</b>	<b>1,250.7</b>	<b>1,099.6</b>
<b>Income Tax (Benefit) Expense</b>	<b>(78.3)</b>	<b>428.3</b>	<b>351.0</b>
<b>(Loss) Income from Continuing Operations</b>	<b>(1,314.4)</b>	<b>822.4</b>	<b>748.6</b>
(Loss) Income from discontinued operations, net of income taxes of \$1.5, and \$107.7, respectively	—	(0.9)	187.8
<b>Net (Loss) Income</b>	<b>\$ (1,314.4)</b>	<b>\$ 821.5</b>	<b>\$ 936.4</b>
<b>(Loss) Earnings Applicable to Common Stock</b>	<b>\$ (1,314.4)</b>	<b>\$ 821.5</b>	<b>\$ 936.4</b>
<b>Average Shares of Common Stock Outstanding—Basic</b>	<b>179.1</b>	<b>180.2</b>	<b>179.4</b>
<b>Average Shares of Common Stock Outstanding—Diluted</b>	<b>179.1</b>	<b>182.5</b>	<b>181.4</b>
<b>(Loss) Earnings Per Common Share from Continuing Operations—Basic</b>	<b>\$ (7.34)</b>	<b>\$ 4.56</b>	<b>\$ 4.17</b>
(Loss) Income from discontinued operations	—	(0.01)	1.05
<b>(Loss) Earnings Per Common Share—Basic</b>	<b>\$ (7.34)</b>	<b>\$ 4.55</b>	<b>\$ 5.22</b>
<b>(Loss) Earnings Per Common Share from Continuing Operations—Diluted</b>	<b>\$ (7.34)</b>	<b>\$ 4.51</b>	<b>\$ 4.12</b>
(Loss) Income from discontinued operations	—	(0.01)	1.04
<b>(Loss) Earnings Per Common Share—Diluted</b>	<b>\$ (7.34)</b>	<b>\$ 4.50</b>	<b>\$ 5.16</b>
<b>Dividends Declared Per Common Share</b>	<b>\$ 1.91</b>	<b>\$ 1.74</b>	<b>\$ 1.51</b>

See Notes to Consolidated Financial Statements.

**CONSOLIDATED BALANCE SHEETS***Constellation Energy Group, Inc. and Subsidiaries*

<i>At December 31,</i>	<b>2008</b>	<b>2007</b>
	<i>(In millions)</i>	
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 202.2	\$ 1,095.9
Accounts receivable (net of allowance for uncollectibles of \$240.6 and \$44.9, respectively)	3,389.9	4,289.5
Fuel stocks	717.9	591.3
Materials and supplies	224.5	207.5
Derivative assets	1,465.0	760.6
Unamortized energy contract assets	81.3	32.0
Restricted cash	1,030.5	41.9
Deferred income taxes	268.0	300.7
Other	815.5	366.2
<b>Total current assets</b>	<b>8,194.8</b>	<b>7,685.6</b>
<b>Investments and Other Noncurrent Assets</b>		
Nuclear decommissioning trust funds	1,006.3	1,330.8
Other investments	421.0	542.2
Regulatory assets (net)	494.7	576.2
Goodwill	4.6	261.3
Derivative assets	851.8	1,030.2
Unamortized energy contract assets	173.1	178.3
Other	421.3	370.6
<b>Total investments and other noncurrent assets</b>	<b>3,372.8</b>	<b>4,289.6</b>
<b>Property, Plant and Equipment</b>		
Nonregulated property, plant and equipment	8,866.2	8,087.0
Regulated property, plant and equipment	6,419.4	6,051.2
Nuclear fuel (net of amortization)	443.0	374.3
Accumulated depreciation	(5,012.1)	(4,745.4)
<b>Net property, plant and equipment</b>	<b>10,716.5</b>	<b>9,767.1</b>
<b>Total Assets</b>	<b>\$22,284.1</b>	<b>\$21,742.3</b>

See Notes to Consolidated Financial Statements.

Certain prior-year amounts have been reclassified to conform with the current year's presentation.

**CONSOLIDATED BALANCE SHEETS***Constellation Energy Group, Inc. and Subsidiaries*

<i>At December 31,</i>	<b>2008</b>	<b>2007</b>
	<i>(In millions)</i>	
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Short-term borrowings	\$ 855.7	\$ 14.0
Current portion of long-term debt	2,591.5	380.6
Accounts payable and accrued liabilities	2,370.1	2,630.1
Customer deposits and collateral	120.3	146.6
Derivative liabilities	1,241.8	1,134.3
Unamortized energy contract liabilities	393.5	392.2
Accrued expenses	373.1	528.5
Other	514.2	427.5
<b>Total current liabilities</b>	<b>8,460.2</b>	<b>5,653.8</b>
<b>Deferred Credits and Other Noncurrent Liabilities</b>		
Deferred income taxes	677.0	1,588.5
Asset retirement obligations	987.3	917.6
Derivative liabilities	1,115.0	1,118.9
Unamortized energy contract liabilities	906.4	1,218.6
Defined benefit obligations	1,354.3	828.6
Deferred investment tax credits	44.1	50.5
Other	249.6	155.9
<b>Total deferred credits and other noncurrent liabilities</b>	<b>5,333.7</b>	<b>5,878.6</b>
<b>Capitalization</b>		
Long-term debt	5,098.7	4,660.5
Minority interests	20.1	19.2
BGE preference stock not subject to mandatory redemption	190.0	190.0
Common shareholders' equity	3,181.4	5,340.2
<b>Total capitalization</b>	<b>8,490.2</b>	<b>10,209.9</b>
<b>Commitments, Guarantees, and Contingencies (see Note 12)</b>		
<b>Total Liabilities and Equity</b>	<b>\$22,284.1</b>	<b>\$21,742.3</b>

*See Notes to Consolidated Financial Statements.*

*Certain prior-year amounts have been reclassified to conform with the current year's presentation.*

**MidAmerican Energy Holdings Company  
Affiliated Transactions  
For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services (a)</u>	<u>PacifiCorp Provided Services (b)</u>
MEHC management fees:		
PacifiCorp	\$ 8,917,217.19	-
Pacifi Minerals, Inc./Bridger Coal Company	82,782.81	-
Subtotal PacifiCorp Intercompany Administrative Services Agreement	<u>9,000,000.00</u>	<u>-</u>
PacifiCorp Environmental Remediation Company	<u>8,190.90</u>	<u>-</u>
Total management fee	<u>9,008,190.90</u>	<u>-</u>
PacifiCorp administrative cross charges:		
Labor and benefits	-	1,446,348.76
Other miscellaneous expenses	-	333,439.14
Total PacifiCorp administrative cross charges	<u>-</u>	<u>1,779,787.90</u>
<b>Total</b>	<b><u>\$ 9,008,190.90</u></b>	<b><u>\$ 1,779,787.90</u></b>

(a) Represents services received by PacifiCorp and its subsidiaries. Includes \$237,606.92 of capitalized amounts.

(b) Represents services provided by PacifiCorp and its subsidiaries. PacifiCorp bills MEHC for administrative cross charges for PacifiCorp's costs and those of its subsidiaries.

**MidAmerican Energy Holdings Company**  
**Parent Company Only**  
 Condensed Balance Sheets  
 As of December 31, 2008 and 2007  
 (Amounts in millions)

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 6	\$ 765
Other current assets	5	4
Total current assets	<u>11</u>	<u>769</u>
Investments in and advances to subsidiaries and joint ventures	15,783	13,995
Equipment, net	32	34
Goodwill	1,268	1,278
Deferred charges, investments and other	<u>111</u>	<u>135</u>
<b>Total assets</b>	<u>\$ 17,205</u>	<u>\$ 16,211</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and other current liabilities	\$ 226	\$ 167
Short-term debt	216	-
Current portion of senior debt	-	1,000
Current portion of subordinated debt	<u>734</u>	<u>234</u>
Total current liabilities	1,176	1,401
Senior debt	5,121	4,471
Subordinated debt	587	891
Other long-term liabilities	<u>111</u>	<u>121</u>
Total liabilities	<u>6,995</u>	<u>6,884</u>
Minority interest	3	1
Shareholders' equity:		
Common stock - 115 shares authorized, no par value, 75 shares issued and outstanding	-	-
Additional paid-in capital	5,455	5,454
Retained earnings	5,631	3,782
Accumulated other comprehensive (loss) income, net	<u>(879)</u>	<u>90</u>
Total shareholders' equity	<u>10,207</u>	<u>9,326</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 17,205</u>	<u>\$ 16,211</u>

The notes to the consolidated MEHC financial statements are an integral part of this financial statement schedule.



MidAmerican Energy Holdings Company  
Parent Company Only (continued)  
Condensed Statements of Operations  
For the three years ended December 31, 2008  
(Amounts in millions)

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Revenues:</b>			
Equity in undistributed earnings of subsidiary companies and joint ventures	\$ 1,770	\$ 970	\$ 664
Dividends and distributions from subsidiary companies and joint ventures	304	483	592
Interest and other income	226	27	13
Total revenues	<u>2,300</u>	<u>1,480</u>	<u>1,269</u>
<b>Costs and expenses:</b>			
General and administration	34	15	107
Depreciation and amortization	-	2	5
Interest	487	459	427
Other	16	-	-
Total costs and expenses	<u>537</u>	<u>476</u>	<u>539</u>
<b>Income before income tax benefit and minority interest</b>	1,763	1,004	730
Income tax benefit	(87)	(185)	(187)
Minority interest	-	-	1
<b>Net income</b>	<u>\$ 1,850</u>	<u>\$ 1,189</u>	<u>\$ 916</u>

The notes to the consolidated MEHC financial statements are an integral part of this financial statement schedule.

**HomeServices of America, Inc.  
 Affiliated Transactions  
 For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Moving and/or relocation services	\$ 2,252,639.75	\$ -
<b>Total</b>	<b>\$ 2,252,639.75</b>	<b>\$ -</b>

**HomeServices of America, Inc.**  
**Consolidated Balance Sheets**  
(In thousands, except share and per share amounts)

	<b>As of December 31,</b>	
	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents.....	\$ 6,652	\$ 8,999
Commissions and other trade receivables, net of allowance of \$4,445 and \$1,843, respectively.....	19,070	24,030
Amounts held in trust.....	80,698	98,489
Income taxes receivable.....	15,027	2,463
Deferred income taxes.....	7,946	7,196
Other current assets.....	<u>13,924</u>	<u>14,698</u>
Total current assets.....	143,317	155,875
Property, plant and equipment, net.....	65,838	76,387
Goodwill.....	289,479	288,523
Trade name and other intangible assets, net.....	43,494	45,363
Equity investments.....	15,050	17,470
Amounts held in trust.....	240	4,210
Other assets.....	<u>14,717</u>	<u>21,773</u>
<b>Total assets</b> .....	<b><u>\$ 572,135</u></b>	<b><u>\$ 609,601</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts and commissions payable.....	\$ 13,703	\$ 14,101
Accrued expenses.....	29,629	35,970
Amounts held in trust.....	80,698	98,489
Accrued restructuring.....	14,434	-
Current portion of long-term debt.....	6,320	11,339
Other current liabilities.....	<u>12,491</u>	<u>13,977</u>
Total current liabilities.....	157,275	173,876
Agent profit sharing.....	18,510	22,655
Amounts held in trust.....	240	4,210
Accrued restructuring.....	18,234	-
Long-term debt.....	733	10,665
Deferred income taxes.....	14,315	16,411
Other long-term liabilities.....	<u>30,669</u>	<u>42,409</u>
Total liabilities.....	<u>239,976</u>	<u>270,226</u>
Minority interest.....	398	554
Commitments and contingencies (Note 14)		
Shareholders' equity:		
Series A redeemable preferred stock, \$0.01 par value, 4,000 shares authorized; 2,000 shares issued and outstanding.....	20,000	-
Common stock, \$0.01 par value, 38,000 shares authorized; 13,200 shares issued.....	-	-
Additional paid-in capital.....	133,427	132,483
Retained earnings.....	213,444	239,437
Accumulated other comprehensive (loss) income, net.....	(417)	1,594
Less treasury stock, 1,950 common shares, at cost.....	<u>(34,693)</u>	<u>(34,693)</u>
Total shareholders' equity.....	<u>331,761</u>	<u>338,821</u>
<b>Total liabilities and shareholders' equity</b> .....	<b><u>\$ 572,135</u></b>	<b><u>\$ 609,601</u></b>

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

**HomeServices of America, Inc.**  
**Consolidated Statements of Operations**  
(In thousands)

	Years Ended December 31,	
	2008	2007
<b>Revenue:</b>		
Commission revenue .....	\$ 1,023,561	\$ 1,376,720
Title and escrow closing fees .....	63,648	69,366
Other .....	45,578	54,101
Total revenue .....	1,132,787	1,500,187
<b>Operating costs and expenses:</b>		
Commission expense.....	763,427	1,030,750
Salaries and employee benefits .....	171,371	196,050
Occupancy.....	82,735	89,536
Business promotion and advertising.....	41,314	54,599
Restructuring expenses .....	39,138	-
Other operating expenses .....	73,715	76,550
Amortization of pending real estate contracts .....	59	75
Depreciation and amortization .....	18,609	19,848
Total operating costs and expenses.....	1,190,368	1,467,408
Equity earnings .....	11,548	6,937
<b>Operating (loss) income.....</b>	<b>(46,033)</b>	<b>39,716</b>
<b>Other income (expense):</b>		
Interest expense.....	(1,789)	(1,820)
Other income.....	2,456	4,077
Total other income (expense) .....	667	2,257
<b>(Loss) income before minority interest and income tax (benefit) expense.....</b>	<b>(45,366)</b>	<b>41,973</b>
Minority interest .....	(892)	(1,069)
<b>(Loss) income before income tax (benefit) expense.....</b>	<b>(46,258)</b>	<b>40,904</b>
Income tax (benefit) expense.....	(20,265)	14,746
<b>Net (loss) income .....</b>	<b>\$ (25,993)</b>	<b>\$ 26,158</b>

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

**Kern River Gas Transmission Company  
 Affiliated Transactions  
 For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Natural gas transportation services	\$ 3,260,185.81	\$ -
<b>Total</b>	<b>\$ 3,260,185.81</b>	<b>\$ -</b>

**KERN RIVER GAS TRANSMISSION COMPANY**  
**BALANCE SHEETS – REGULATORY BASIS**  
(Amounts in thousands)

	As of December 31,	
	2008	2007
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 17,924	\$ 12,503
Trade receivables	35,430	39,425
Transportation and exchange gas receivables	3,437	4,003
Inventories	6,816	6,457
Income tax receivable	37,017	-
Other current assets	2,229	2,040
Total current assets	102,853	64,428
Property, plant and equipment, net	1,606,757	1,654,868
Deferred income taxes	19,269	82,667
Regulatory assets	132,635	145,489
Other	23,146	44,283
<b>Total assets</b>	<b>\$ 1,884,660</b>	<b>\$ 1,991,735</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Current liabilities:		
Accounts payable	\$ 1,486	\$ 2,553
Accrued interest	555	744
Income taxes payable	-	12,781
Accrued property and other taxes	3,624	3,380
Provision for rate refunds	24,632	190,821
Current portion of long-term notes payable to subsidiary	74,906	72,816
Other current liabilities	5,574	9,689
Total current liabilities	110,777	292,784
Long-term notes payable to subsidiary	868,702	943,608
Deferred income taxes	300,719	291,997
Other long-term liabilities	5,615	20,162
Total liabilities	1,285,813	1,548,551
Commitments and contingencies (Note 9)		
Partners' capital:		
Contributed capital	783,871	677,871
Retained deficit	(185,024)	(234,687)
Total partners' capital	598,847	443,184
<b>Total liabilities and partners' capital</b>	<b>\$ 1,884,660</b>	<b>\$ 1,991,735</b>

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

**KERN RIVER GAS TRANSMISSION COMPANY**  
**STATEMENTS OF INCOME – REGULATORY BASIS**  
(Amounts in thousands)

	Years Ended December 31,	
	2008	2007
<b>Operating revenue – Transportation</b>	\$ 443,062	\$ 404,193
<b>Operating costs and expenses:</b>		
Operating and maintenance	36,577	37,600
Depreciation and amortization	85,531	79,567
Property and other taxes	16,364	10,241
Total operating costs and expenses	138,472	127,408
<b>Operating income</b>	304,590	276,785
<b>Other income (expense):</b>		
Interest on long-term notes payable to subsidiary	(54,325)	(58,263)
Amortization of deferred financing costs	(4,072)	(4,550)
Miscellaneous interest expense	(8,614)	(12,171)
Interest income	426	1,453
Other, net	(963)	3,293
Total other income (expense)	(67,548)	(70,238)
<b>Income before income tax expense</b>	237,042	206,547
Income tax expense	90,379	78,208
<b>Net income</b>	\$ 146,663	\$ 128,339

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

**MEHC Insurance Services Ltd.  
 Affiliated Transactions  
 For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services (a)</u>	<u>PacifiCorp Provided Services</u>
Captive property insurance expense	\$ 5,572,796.83	-
Captive liability insurance expense	1,588,679.87	-
<b>Total</b>	<b>\$ 7,161,476.70</b>	<b>\$ -</b>

(a) At December 31, 2008, PacifiCorp had a prepaid balance of \$1,195,867.00 for captive property insurance, a prepaid balance of \$340,310.98 for captive liability insurance and claims receivable of \$6,503,058.45.



**MEHC Insurance Services Ltd.**  
**Balance Sheets**  
**December 31, 2008 and 2007**

	2008	2007
<b>Assets</b>		
Cash and cash equivalents	\$ 14,240,663	\$ 3,924,474
Accrued interest	12,468	27,860
Deferred policy acquisition costs	5,805	5,805
Federal income tax receivable	76	12,950
	\$ 14,259,012	\$ 3,971,089
Total assets		

**Liabilities and Shareholder's Deficit**

Liabilities:

Unpaid losses and loss adjustment expenses	\$ 11,588,869	\$ 4,688,754
Claims payable to affiliate	4,726,547	10,450,112
Premium deficiency reserve	2,300,000	-
Unearned premiums	1,527,452	1,527,452
Accrued expenses	66,232	66,232
	20,209,100	16,732,550

Total liabilities

Shareholder's deficit:

Common stock, no par value, 1,000,000 shares authorized, 100,000 shares issued and outstanding	-	-
Additional paid-in capital	13,726,461	-
Accumulated deficit	(19,676,549)	(12,761,461)
	(5,950,088)	(12,761,461)

Total shareholder's deficit

Total liabilities and shareholder's deficit

	\$ 14,259,012	\$ 3,971,089
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**MEHC Insurance Services Ltd.**  
**Statements of Operations**  
**For the Years Ended December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Revenues:		
Written premiums	\$ 6,969,001	\$ 6,969,001
Change in unearned premiums	<u>-</u>	<u>87,671</u>
Earned premiums	6,969,001	7,056,672
Investment income	<u>201,172</u>	<u>574,257</u>
Total revenues	7,170,173	7,630,929
Losses and expenses:		
Losses and loss adjustment expenses incurred	11,626,662	13,930,936
Premium deficiency expense	2,300,000	-
General and administrative expenses	<u>135,675</u>	<u>162,686</u>
Total losses and expenses	<u>14,062,337</u>	<u>14,093,622</u>
Net loss before federal income tax expense	(6,892,164)	(6,462,693)
Federal income tax expense	<u>22,924</u>	<u>144,050</u>
Net loss	<u>\$ (6,915,088)</u>	<u>\$ (6,606,743)</u>

**MidAmerican Energy Company  
 Affiliated Transactions  
 For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
PacifiCorp administrative cross charges:		
Labor, including storm damage assistance	\$ -	\$ 170,317.53
Other miscellaneous expenses	-	84,468.59
<b>Total</b>	<b>\$ -</b>	<b>\$ 254,786.12</b>

**MIDAMERICAN ENERGY COMPANY AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
(In millions)

	As of December 31,	
	2008	2007
<b>ASSETS</b>		
<b>Utility Plant, Net</b>		
Electric	\$ 8,952	\$ 7,473
Gas	1,155	1,086
	<u>10,107</u>	<u>8,559</u>
Accumulated depreciation and amortization	(3,426)	(3,237)
	<u>6,681</u>	<u>5,322</u>
Construction work in progress	233	386
	<u>6,914</u>	<u>5,708</u>
<b>Current Assets</b>		
Cash and cash equivalents	9	11
Restricted cash and short-term investments	15	-
Receivables, less allowances of \$8 and \$9, respectively	464	455
Inventories	158	133
Other	114	69
	<u>760</u>	<u>668</u>
<b>Other Assets</b>		
Investments and nonregulated property, net	400	478
Regulatory assets	368	268
Other	78	129
	<u>846</u>	<u>875</u>
<b>Total Assets</b>	<u>\$ 8,520</u>	<u>\$ 7,251</u>
<b>CAPITALIZATION AND LIABILITIES</b>		
<b>Capitalization</b>		
Common shareholder's equity	\$ 2,569	\$ 2,288
Preferred securities	30	30
Long-term debt, excluding current portion	2,865	2,470
	<u>5,464</u>	<u>4,788</u>
<b>Current Liabilities</b>		
Short-term debt	457	86
Current portion of long-term debt	-	1
Accounts payable	353	403
Taxes accrued	103	90
Interest accrued	44	41
Other	100	76
	<u>1,057</u>	<u>697</u>
<b>Other Liabilities</b>		
Deferred income taxes	713	517
Investment tax credits	36	38
Asset retirement obligations	200	182
Regulatory liabilities	659	793
Other	391	236
	<u>1,999</u>	<u>1,766</u>
<b>Total Capitalization and Liabilities</b>	<u>\$ 8,520</u>	<u>\$ 7,251</u>

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

**MIDAMERICAN ENERGY COMPANY AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In millions)

	Years Ended December 31,		
	2008	2007	2006
<b>Operating Revenues</b>			
Regulated electric	\$ 2,030	\$ 1,934	\$ 1,779
Regulated gas	1,377	1,174	1,112
Nonregulated	1,293	1,150	557
	<u>4,700</u>	<u>4,258</u>	<u>3,448</u>
<b>Operating Expenses</b>			
Regulated:			
Cost of fuel, energy and capacity	743	741	672
Cost of gas sold	1,128	937	888
Other operating expenses	422	419	402
Maintenance	204	201	156
Depreciation and amortization	281	268	274
Property and other taxes	103	98	97
	<u>2,881</u>	<u>2,664</u>	<u>2,489</u>
Nonregulated:			
Cost of sales	1,212	1,061	522
Other	20	20	16
	<u>1,232</u>	<u>1,081</u>	<u>538</u>
Total operating expenses	<u>4,113</u>	<u>3,745</u>	<u>3,027</u>
<b>Operating Income</b>	<u>587</u>	<u>513</u>	<u>421</u>
<b>Non-Operating Income</b>			
Interest and dividend income	5	9	9
Allowance for equity funds	25	41	37
Other income	3	9	9
Other expense	(9)	(3)	(3)
	<u>24</u>	<u>56</u>	<u>52</u>
<b>Fixed Charges</b>			
Interest on long-term debt	154	122	93
Other interest expense	4	9	12
Allowance for borrowed funds	(16)	(18)	(16)
	<u>142</u>	<u>113</u>	<u>89</u>
<b>Income Before Income Taxes</b>	469	456	384
<b>Income Taxes</b>	<u>126</u>	<u>130</u>	<u>118</u>
<b>Net Income</b>	343	326	266
<b>Preferred Dividends</b>	<u>1</u>	<u>1</u>	<u>1</u>
<b>Earnings on Common Stock</b>	<u>\$ 342</u>	<u>\$ 325</u>	<u>\$ 265</u>

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

**PPW Holdings LLC  
Intercompany Transactions  
For the Year Ended December 31, 2008**

Refer to Section V for a discussion of income-tax related transactions between PacifiCorp and PPW Holdings LLC.

**PPW HOLDINGS LLC**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**For the year ended December 31, 2008**  
*(in thousands of dollars)*

	<b>PPW Holdings</b>
<b>REVENUES</b>	
Revenue	
<b>EXPENSES</b>	
Energy costs	(2,918)
Operations and maintenance	(2,018)
Depreciation and amortization	
Taxes other than income taxes	
Total	(4,936)
<b>Income from continuing operations</b>	
<b>before income taxes</b>	4,936
<b>Interest expense and other</b>	
Interest expense	
Interest income	(3,021)
Allowance for borrowed funds	
Allowance for equity funds	
Other	(456,199)
Total	(459,220)
<b>Income from continuing operations</b>	
<b>before income taxes</b>	464,156
Provision for income taxes	1,507
<b>Net income</b>	\$ 462,649

**PPW HOLDINGS LLC**

**BALANCE SHEET**

**December 31, 2008**

*(in thousands of dollars)*

	<u>PPW Holdings</u>
<b>ASSETS</b>	
Cash and cash equivalents	
Accounts receivable, net of allowance for doubtful accounts	3,251
Unbilled revenue	
Amounts due from affiliates	124
Other current assets	
<b>TOTAL CURRENT ASSETS</b>	<u>3,375</u>
<b>OTHER ASSETS</b>	
Investment in subsidiaries	5,948,178
Intangible assets	1,126,642
Regulatory assets	
Non-current derivative contract assets	
Deferred charges and other	47,135
<b>TOTAL OTHER ASSETS</b>	<u>7,121,955</u>
<b>TOTAL ASSETS</b>	<u>\$ 7,125,330</u>
<b>LIABILITIES</b>	
Accounts payable	
Amounts due to affiliates	16
Accrued employee expenses	
Notes payable and commercial paper	
Customer deposits and other	4,375
<b>TOTAL CURRENT LIABILITIES</b>	<u>4,391</u>
<b>DEFERRED CREDITS</b>	
Deferred Income taxes	(684)
Other	(160)
Minority interest	
<b>TOTAL DEFERRED CREDITS</b>	<u>(844)</u>
<b>TOTAL LIABILITIES</b>	<u>3,547</u>
<b>STOCKHOLDERS' EQUITY</b>	
Preferred stock	
Common stock	5,992,086
Retained earnings	1,124,922
Accumulated other comprehensive loss, net	4,775
Total Common Equity	<u>7,121,783</u>
<b>TOTAL STOCKHOLDERS EQUITY</b>	<u>7,121,783</u>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS EQUITY</b>	<u>\$ 7,125,330</u>



**Energy West Mining Company  
Intercompany Transactions  
For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services (a)</u>	<u>PacifiCorp Provided Services</u>
Fuel purchased	\$ 100,605,081.73	-
Contractor services	-	225,909.51
Labor and benefits	-	1,305.03
Other miscellaneous expenses	-	2,869.32
<b>Total</b>	<b>\$ 100,605,081.73</b>	<b>\$ 230,083.86</b>

(a) Represents the amount of coal received by PacifiCorp from Energy West Mining Company during the year ended December 31, 2008.

Energy West Mining Comp      PacifiCorp Internal Financial Statements      Time 14:19:00      Date 05/05/2009  
 UT: Active      RFBILA00/P15705      Page 1

10      Currency type Company code currency  
 USD      Amounts in American Dollar  
 2009.01 -2009.16      Reporting periods  
 2008.01 -2008.16      Comparison periods

CoCd	Account	Text for B/S P&L item	Tot. rpt. pr	tot. cmp. pr	Abs. diff.	Pct. Diff.
		<b>Assets</b>				
		<b>Current Assets</b>				
		Cash and Cash Equivalents				
2050	102050	102050 EW Cash Payroll - Non Recon.	1,000.00	1,000.00	0.00	0.0
2050	103050	103050 EW Cash Supplemental Unemployment - Non Recon.	10,473.36	10,473.36	0.00	0.0
2050	104050	104050 EW Cash Accounts Payable - Non Recon.	131,520.11	338,505.21	206,985.10	61.1
2050	107050	107050 EW Payroll Control - Non Recon.	8,775.76	8,525.76	250.00	2.9
		Total Cash	111,270.99	318,506.09	207,235.10	65.1
		Total Cash and Cash Equivalents	111,270.99	318,506.09	207,235.10	65.1
		Accounts Receivable				
2050	116415	116415 Employee Advances	0.00	250.00	250.00	100.0
2050	116850	116850 Accounts Receivable - Other	14,365.18	118,513.09	104,147.91	87.9
		Total Other Accounts Receivable	14,365.18	118,763.09	104,397.91	87.9
		Total Accounts Receivable	14,365.18	118,763.09	104,397.91	87.9
		Total Accounts Receivable, Net	14,365.18	118,763.09	104,397.91	87.9
		Amounts Due From Affiliates				
		Amounts Due from PacifiCorp Affiliates				
2050	116000	116000 Intercompany A/R - Current	7,521,383.57	9,178,055.53	1,656,671.96	18.1
		Total Accounts Receivable - Affiliates	7,521,383.57	9,178,055.53	1,656,671.96	18.1
		Total Amounts Due From Affiliates	7,521,383.57	9,178,055.53	1,656,671.96	18.1
		Material and Supplies				
2050	120001	120001 Other Materials & Supplies/General Stock	4,656,652.15	4,314,407.96	342,244.19	7.9
		Total Material and Supplies	4,656,652.15	4,314,407.96	342,244.19	7.9
		Fuel Inventory				
2050	120201	120201 Delivered Coal Inventory	16,883,809.58	20,400,937.17	3,517,127.59	17.2
		Total Inventory External	16,883,809.58	20,400,937.17	3,517,127.59	17.2
		Total Fuel Inventory	16,883,809.58	20,400,937.17	3,517,127.59	17.2
		Other Current Assets				
		Prepayments				
2050	132000	132000 Prepayments - Insurance	0.00	159,557.00	159,557.00	100.0
2050	132045	132045 Prepaid Workers Compensation	174,189.00	0.00	174,189.00	17.9
2050	132900	132900 Prepayments - Other	1,921.25	2,340.10	418.85	8.8
		Total Prepayments - External	176,110.25	161,897.10	14,213.15	8.8
		Total Prepayments	176,110.25	161,897.10	14,213.15	8.8
		Margin Deposits and Other				
2050	134300	134300 Other Current Deferred Charges	1,781.17	6,919.48	8,700.65	125.7
		Total Margin Deposits and Other	1,781.17	6,919.48	8,700.65	125.7
		Total Other Current Assets	177,891.42	154,977.62	22,913.80	14.8
		Total Current Assets	14,100,063.77	15,492,524.22	1,392,460.45	9.0
		Other Assets				
		Deferred Charges and Other Assets				
		Deferred Charges				
2050	134200	134200 Deferred Longwall Costs	1,178,385.32	572,639.42	605,745.90	105.8
		Total Other Deferred Charges	1,178,385.32	572,639.42	605,745.90	105.8
		Total Deferred Charges	1,178,385.32	572,639.42	605,745.90	105.8
		Total Deferred Charges and Other Assets	1,178,385.32	572,639.42	605,745.90	105.8
		Total Assets	15,278,449.09	16,065,163.64	786,714.55	4.9
		Liabilities				
		Current Liabilities				

10  
 USD  
 2009.01 -2009.16      Currency type Company code currency  
 2008.01 -2008.16      Amounts in American Dollar  
                                  Reporting periods  
                                  Comparison periods

CoCd	Account	Text for B/S P&L item	Tot.rpt.pr	tot.cmp.pr	Abs. diff.	Pct.Diff.
2050	210614	Accounts Payable	1,179,377.98	408,645.62	770,732.36	188.6-
		Accounts Payable - Trade	1,179,377.98	408,645.62	770,732.36	188.6-
		210614 Accrued Accounts Payable - Mining	1,179,377.98	408,645.62	770,732.36	188.6-
		Total Accounts Payable - Other	0.00	0.00	0.00	0.00
		Total Accounts Payable - Trade	1,179,377.98	408,645.62	770,732.36	188.6-
		Accounts Payable - Other Accruals Ext	0.00	0.00	0.00	0.00
2050	210599	210599 EVMC Accrued Liabilities	1,171,540.47	3,526,681.06	2,355,140.59	66.8
2050	215124	215124 Mining Division - Reclamation Fee	142,449.39	117,120.51	25,328.88	21.6-
2050	220000	220000 Accounts Payable - Other	837,904.89	1,047,687.62	209,782.73	20.0
2050	235230	235230 Accrual - Royalties	1,209,574.78	1,028,273.87	181,300.91	17.6-
		Total Accts Payable Accruals - Other	3,361,469.53	5,719,763.06	2,358,293.53	41.2
		Total Accounts Payable - Other Accruals Ext	4,540,847.51	6,128,408.68	1,587,561.17	25.9
		Total Accounts Payable	0.00	0.00	0.00	0.00
2050	211111	211111 Savings Bonds Withholdings	678,000.00	399,000.00	279,000.00	100.0
2050	215104	215104 Mining Division - Payroll Accrual	329,415.42	317,499.06	11,916.36	69.9-
2050	215122	215122 Accrued UMWA Royalties	1,844,263.76	1,884,278.95	40,015.19	3.8-
2050	215125	215125 Mining Division - Vac Pay & Fixed Ovhd	255,436.15	212,486.00	42,950.15	2.1
2050	215127	215127 Mining Division - Fica	1,533,000.00	1,306,239.27	226,760.73	20.2
2050	215510	215510 Med/Dent/Vision - Energy West	87,192.54	219.26	87,411.80	17.4-
2050	215512	215512 Dependent Life - Energy West	0.00	20,935.07	20,935.07	39,866.7-
2050	215514	215514 K Plus Co. Match & Admin Energy West	1,499.94	2,683.39	1,183.45	100.0-
2050	215521	215521 E.W. Health Care Reimb	77.50	480.00	402.50	44.1
2050	215522	215522 E.W. Health Care Reimb	25,019.71	0.00	25,019.71	83.9
2050	235510	235510 Incentive Plan - Corporate	4,753,905.02	4,101,587.34	652,317.68	15.9-
		Total Employee Payroll & Benefits Payable	889,539.92	811,814.80	77,725.12	9.6-
2050	248107	248107 Sick Leave Liability-Utah	889,539.92	811,814.80	77,725.12	9.6-
		Total vacation, PT & Sick Leave Accruals	5,643,444.94	4,913,402.14	730,042.80	14.9-
		Total Accrued Employee Expenses	94,944.24	129,508.60	34,564.36	26.7
2050	240310	240310 Provision for Unemployment Taxes	94,944.24	129,508.60	34,564.36	26.7
		Total Accrued Payroll Taxes	90,183.56	84,757.31	5,426.25	6.4-
2050	235301	235301 Federal Excise Tax On Coal - Deer Creek	90,183.56	84,757.31	5,426.25	6.4-
		Total Accrued Taxes - Other	199,968.27	193,842.59	6,125.68	3.2-
		Pass-Through Taxes Payable	39,096.66	31,881.52	7,215.14	22.6-
2050	211200	211200 Payroll Taxes Payable	239,064.93	225,724.11	13,340.82	5.9-
2050	211220	211220 Social Security Tax Withholding	239,064.93	225,724.11	13,340.82	5.9-
		Total Payroll Tax Withholdings	424,192.73	439,990.02	15,797.29	3.6
		Total Pass-Through Taxes Payable	0.00	0.00	0.00	0.00
		Other Current Liabilities	66,853.26	60,893.58	5,959.68	9.8-
2050	248070	248070 Accrued Settlement Provisions	96,853.26	60,893.58	35,959.68	59.1-
2050	249999	249999 Other Deferred Credits - Current Portion	96,853.26	60,893.58	35,959.68	59.1-
		Total Miscellaneous Current Liabilities	10,705,338.44	11,542,694.42	837,355.98	7.3
		Total Other Current Liabilities	621,205.10	497,174.95	124,030.15	24.9-
		Total Current Liabilities	621,205.10	497,174.95	124,030.15	24.9-
		Deferred Credits	1,126,798.33	1,131,538.29	4,739.96	0.4
		Regulatory Liabilities	0.00	0.00	0.00	0.00
2050	288503	288503 ARO/Reg Diff - Deer Creek Mine Reclamtn	0.00	0.00	0.00	0.00
		Total FAS 143 ARO Regulatory Liabilities	0.00	0.00	0.00	0.00
2050	288307	288307 Reg Liab - Mine Reclamation Costs	0.00	0.00	0.00	0.00

Energy West Mining Comp      PacifiCorp Internal Financial Statements      Time 14:19:00      Date 05/05/2009  
 UT: Active      RFBIIA00/P15705      Page

10      Currency type Company code currency  
 USD      Amounts in American Dollar  
 2009.01 -2009.16      Reporting periods  
 2008.01 -2008.16      Comparison periods

CoCd	Account	Text for B/S P&L item	Tot. rpt. pr	tot. cmp. pr	Abs. diff.	Pct. Diff.
		Total Reg Liability Non-ARO Removal Costs	1,126,798.33-	1,131,538.29-	4,739.96	0.4
		Total Regulatory Liabilities	1,748,003.43-	1,628,713.24-	119,290.19-	7.3-
		Other Deferred Credits				
2050	289511	289511 Deseret Mine Reclamation	534,826.08-	548,042.20-	13,216.12	2.4
2050	289519	289519 Mining Provisions - Reclass to Current	66,853.26	60,893.58	5,959.68	9.8
		Total Mining Provisions	467,972.82-	487,148.62-	19,175.80	3.9
2050	284915	284915 ARO Liab - Deer Creek Mine Reclamation	2,356,134.40-	2,405,607.36-	49,472.96	2.1
		Total Mining ARO Liabilities	2,356,134.40-	2,405,607.36-	49,472.96	2.1
		Total ARO & Decommissioning Liabilities	2,356,134.40-	2,405,607.36-	49,472.96	2.1
		Total Other Deferred Credits	2,824,107.22-	2,892,755.98-	68,648.76	2.4
		Total Deferred Credits	4,572,110.65-	4,521,469.22-	50,641.43-	1.1-
		Total Liabilities	15,277,449.09-	16,064,163.64-	786,714.55	4.9
		Equity				
		Stockholders Equity				
		Common Equity				
2050	293000	293000 Common Shares Issued	1,000.00-	1,000.00-	0.00	0.0
		Total Common Stock	1,000.00-	1,000.00-	0.00	0.0
		Retained Earnings				
		Profit/Loss for Current Year				
		Net Result: Loss	0.00	0.00	0.00	0.0
		Total Net Result: Loss	0.00	0.00	0.00	0.0
		Total Profit/Loss for Current Year	0.00	0.00	0.00	0.0
		Total Retained Earnings				
		Common Equity	1,000.00-	1,000.00-	0.00	0.0
		Total Stockholders Equity	1,000.00-	1,000.00-	0.00	0.0
		Total Equity	1,000.00-	1,000.00-	0.00	0.0

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CoCd	Account	Text for B/S P&L item	Tot. rpt. pr	tot. cmp. pr	Abs. diff.	Pct. Diff.
		Total Liabilities Equity	15,278,449.09-	16,065,163.64-	786,714.55	4.9
		Operations, Maintenance, Admin & General				
		Salary Expense				
2050	500100	500100 Regular/Ordinary Time	16,810,956.01	15,681,241.38	1,129,714.63	7.2
2050	500200	Subtotal Regular/Ordinary Time	16,810,956.01	15,681,241.38	1,129,714.63	7.2
		500200 Overtime	2,818,430.07	2,702,268.32	116,161.75	4.3
2050	500400	Subtotal Overtime Pay	2,818,430.07	2,702,268.32	116,161.75	4.3
		500400 Bonus/Incentive	1,348,449.41	1,117,690.53	230,758.88	20.6
2050	500600	Subtotal Bonus/Incentive	1,348,449.41	1,117,690.53	230,758.88	20.6
2050	500850	500600 Temporary/Contract Labor	10,238.25	32,989.00	22,750.75-	69.0-
2050	500850	Other Salary/Labor Costs	0.00	1,501.85-	1,501.85	100.0
2050	554829	500850 Mining - Salary Expense - Credit	20,989,378.77-	19,532,856.54-	1,456,522.23-	7.5-
2050	699000	699000 Labor FI/CO Recon	1,305.03	169.16	1,135.87	671.5
		Subtotal Other Salary Expense	20,977,835.49-	19,501,200.23-	1,476,635.26-	7.6-
		Total Salary Expense	0.00	0.00	0.00	
		Salary Overhead/Benefits				
2050	500500	500500 Leave/PT/Vacation/Sick	3,886,330.05	3,775,674.35	110,655.70	2.9
2050	501100	501100 Pension/Superannuation	311,432.42	687,120.24	375,687.82-	54.7-
2050	501125	Medical	6,079,145.63	5,032,727.78	1,046,417.85	20.8
2050	501150	501150 Post Retirement	4,011,311.27	5,307,283.00	1,295,971.73-	24.4-
2050	501160	501160 Post Employment Benefits (FAS 112)	1,368,990.71	1,773,130.01	404,139.30-	22.8-
2050	501225	501225 Life	275,066.24	413,496.74	138,430.50-	33.5-
2050	501250	501250 Stock/401(k)/ESOP	268,408.20	285,482.25	17,074.05-	6.0-
2050	501325	501325 Physical Exams	14,220.50	10,433.38	3,787.12	36.3
2050	501670	501670 Black Lung Benefit	641,974.93	591,945.73	50,029.20	8.5
2050	502900	Other Salary Overheads/Oncosts	756,465.92	986,235.83	229,769.91-	23.3-
2050	580501	580501 Payroll Tax Expense - Mines	1,265,443.00	1,141,415.00	124,028.00	10.9
2050	580899	580899 Mining - Salary OH/Benefits - Credit	18,878,788.87-	20,004,944.31-	1,126,155.44	5.6
		Total Salary Overhead/Benefits	0.00	0.00	0.00	
		Employee Expenses				
2050	503110	503110 Lodging	17,211.93	48,172.86	30,960.93-	64.3-
2050	503115	503115 On-Site Meals & Refreshments	0.00	213.97	213.97-	100.0-
2050	503120	503120 Meals & Entertainment	42,190.33	37,772.60	4,417.73	11.7
2050	503125	503125 Vehicle Rental and Expense	664.62	630.64	33.98	5.4
2050	503130	503130 Other Ground Transportation - Commercial	4,793.94	15,255.86	10,461.92-	68.6-
2050	503135	503135 Auto Expense/Parking/Mileage	23,834.09	35,113.62	11,279.53-	32.1-
2050	503150	503150 Training	70,150.30	72,992.63	2,842.33-	3.9-
2050	503160	503160 Registration Fees	18,256.24	35,018.53	16,762.29-	47.9-
2050	503170	503170 Dues & Licenses	18,256.24	0.00	18,256.24	
2050	503400	503400 Other Employee Related Expenses	33.22	95.39	62.17-	65.2-
2050	503999	503999 Mining - Employee Expenses - Credit	195,390.91-	245,266.10-	49,875.19	20.3
		Total Employee Expenses	0.00	0.00	0.00	
		Materials & Supplies				
2050	516040	516040 Cement & Concrete Products	442,639.11	444,715.60	2,076.49-	0.5-
2050	516050	516050 Chemicals	2,235.18	2,954.66	719.48-	24.4-
2050	516070	516070 Computer Hardware	46,613.28	24,950.44	21,662.84	86.8
2050	516080	516080 Computer Software, Licenses	217,193.11	125,310.73	91,882.38	73.3
2050	516110	516110 Conveyor Supplies	864,094.99	673,079.75	191,015.24	28.4
2050	516140	516140 Drills, Bits and Augers	591,918.45	594,519.73	2,601.28-	0.4-
2050	516150	516150 Electric Motors and Generators	0.00	397.26	397.26-	100.0-
2050	516180	516180 Explosives	23,677.50	18,124.27	5,553.23	30.6

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                          Comparison periods

CoCd	Account	Text for B/S P&L item	Tot.rpt.pr	tot.cmp.pr	Abs. diff.	Pct.Diff.
2050	516190	Gravel & Rock	263,086.65	241,790.24	21,296.41	8.8
2050	516200	Uniform / Safety Equipment	959,944.97	843,405.71	116,539.26	13.8
2050	516220	Roof Control	6,169,223.13	5,036,882.91	1,132,340.22	22.5
2050	516230	Lubricants, Oil, Grease	570,264.09	638,151.10	67,887.01	10.6
2050	516260	Electronic Supplies	604,871.02	585,186.16	19,684.86	3.4
2050	516290	Office Furniture & Equipment	3,425.02	2,154.58	1,270.44	59.0
2050	516300	Office Supplies	45,606.40	57,241.37	11,634.97	20.3
2050	516310	Other Electrical Equipment/Supplies	230,201.92	246,569.99	16,368.07	6.6
2050	516320	Pipe, Valves and Fittings	848,818.77	771,897.73	76,921.04	10.0
2050	516330	Wood Products	154,707.51	169,266.61	14,559.10	8.6
2050	516360	Tires, Tubes, and Wheels	412,327.77	360,456.72	51,871.05	14.4
2050	516380	HVAC	451,294.91	394,908.84	56,386.07	14.3
2050	516410	Tools	204,160.38	192,169.68	11,990.70	6.2
2050	516430	Hydraulic Components	176,585.92	176,351.08	234.84	0.1
2050	516440	Fuel-Veh/Mobile Equip	877,345.12	664,119.45	213,225.67	32.1
2050	516460	Heavy Equipment Mat'l & Supplies	487,269.68	425,144.73	62,124.95	14.6
2050	516490	Pumps	1,279,668.47	1,555,155.00	275,486.53	17.7
2050	516900	Miscellaneous Materials & Supplies	2,384,518.32	2,660,864.32	276,507.56	10.4
2050	516910	Material Price Variance Account	33,480.10	1,142.47	1,660.79	145.4
2050	516930	Diesel Fuel Hedge	18,278,568.33	60,906.61	94,386.71	155.0
2050	516999	Mining - Materials & Supplies - Credit	0.00	16,965,532.80	1,313,035.53	7.7
		Total Materials & Supplies		0.00	0.00	
2050	530031	Contracts & Services	0.00	699.59	699.59	100.0
2050	530045	Printing/Imaging/Mail Services	723,837.95	567,988.15	155,849.80	27.4
2050	530050	Constr & Maint Contracts-Labor	3,240,468.00	3,099,492.41	140,975.59	4.5
2050	530055	Constr & Maint Contracts-Other	17,567.13	3,876.48	13,690.65	353.2
2050	530073	Consulting/Technical Services	164,093.98	192,927.45	28,833.47	14.9
2050	530095	Freight/Hauling Services	161,113.84	103,875.03	57,238.81	55.1
2050	530095	Legal Consulting Services - Legal Fees	2,652,585.18	1,770,627.24	881,957.94	49.8
2050	530105	Mining Services	338,180.23	325,161.77	13,018.46	4.0
2050	530190	Miscellaneous Contracts & Services	7,297,846.31	6,064,648.12	1,233,198.19	20.3
2050	530999	Mining - Contracts & Services - Credit	0.00	0.00	0.00	
		Total Contracts & Services		0.00	0.00	
2050	535000	Utilities	3,348,889.43	3,383,201.39	34,311.96	1.0
2050	535100	Electricity	49,052.51	53,217.87	4,165.36	7.8
2050	535225	Telephone	8,408.00	7,386.65	1,021.35	13.8
2050	535999	Water	3,406,349.94	3,443,805.91	37,455.97	1.1
		Total Utilities		0.00	0.00	
2050	541000	Other O&M and A&G Expense	2,408.87	3,295.26	886.39	26.9
2050	543000	Equipment Rent	14,092.40	19,140.00	5,047.60	26.4
2050	544000	Other Rent/Leases	28,100.00	17,399.00	10,701.00	61.5
2050	544000	Coal Leases	52,091.66	47,848.88	4,242.78	8.9
2050	545000	Liability Insurance Costs	2,740,361.23	2,225,308.00	515,053.23	23.1
2050	545100	Royalties	102,776.62	118,435.62	15,659.57	13.2
2050	545150	Miscellaneous Administ/General Expenses	612,000.00	750,444.00	138,444.00	18.4
2050	545250	Management Fees	3,999.16	4,496.23	497.07	11.1
2050	545400	Bank Charges & Fees	0.00	23,355.20	23,355.20	100.0
2050	545550	Club/Organization Membership and Expense	6,512,233.40	5,935,501.02	576,732.38	9.7
2050	546960	Mining - Other O&M and A&G - Credit	6,969.69	7,760.42	790.73	10.2
2050	553500	Customer & Marketing Costs-Other				

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CoCd	Account	Text for B/S P&L item	Tot. rpt. pr	tot. cmp. pr	Abs. diff.	Pct. Diff.
2050	566901	566901 Other Amortization Mines	2,838,668.14	2,604,436.26	234,231.88	9.0
2050	582300	582300 Permits & Licenses	110,766.20	113,582.15	2,815.95-	2.5-
		Total Other O&M and A&G Expense	0.00	0.00	0.00	
		Total Operations, Maintenance, Admin & General	0.00	0.00	0.00	
		Depreciation and Amortization				
		Depletion				
2050	560000	560000 Depletion	2,157,064.00	2,046,968.59	110,095.41	5.4
		Total Depletion	2,157,064.00	2,046,968.59	110,095.41	5.4
		Depreciation				
2050	565136	565136 Depreciation - Production- Mines	7,710,842.59	11,881,864.52	4,171,021.93-	35.1-
2050	565960	565960 Depr and Amort - Credit	10,163,439.78-	14,132,170.41-	3,968,730.63	28.1
		Total Depreciation	2,452,597.19-	2,250,305.89-	202,291.30-	9.0-
		Amortization				
2050	566541	566541 Reclamation Amortization - Mines	295,533.19	203,337.30	92,195.89	45.3
		Total Amortization	295,533.19	203,337.30	92,195.89	45.3
		Total Depreciation and Amortization	0.00	0.00	0.00	
		Taxes, Other than Income Taxes				
2050	579000	579000 Property Tax	1,484,609.76	1,344,311.74	140,298.02	10.4
2050	583451	583451 Extraction Tax - Mines	4,253,467.26	4,070,045.75	183,421.51	4.5
2050	583501	583501 Federal Reclamation Tax - Mines	500,593.75	525,219.36	24,625.61-	4.7-
2050	584100	584100 Government Royalties	44,411.01	44,361.00	50.01	0.1
2050	584101	584101 Government Royalties - Mines	8,600,003.64	8,762,192.37	162,188.73-	1.9-
2050	584201	584201 Other Royalties - Mines	0.00	19,922.68-	19,922.68	100.0
2050	584960	584960 Taxes Other Non-Income - Credit	14,883,085.42-	14,726,207.54-	156,877.88-	1.1-
		Total Taxes, Other than Income Taxes	0.00	0.00	0.00	
		Total Income From Operations	0.00	0.00	0.00	
		Income-Continuing Operations Before Tax	0.00	0.00	0.00	
		Income-Continuing Operations After Tax	0.00	0.00	0.00	
		Net Income	0.00	0.00	0.00	
		Net Income Attributable to Stockholders	0.00	0.00	0.00	





**Interwest Mining Company  
Intercompany Transactions  
For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Labor and benefits	\$ 68,446.00	\$ 327,406.59
Other miscellaneous expenses	-	(4,944.12)
<b>Total</b>	<b>\$ 68,446.00</b>	<b>\$ 322,462.47</b>

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CoCd	Account	Text for B/S P&L item	Tot.rpt.pr	tot.cmp.pr	Abs. diff.	Pct.Diff.
		<b>Assets</b>				
		<b>Current Assets</b>				
		<b>Cash and Cash Equivalents</b>				
2010	102001	102001 Main Check Disb-Check Clearing Acct	15,790.07-	3,702.92-	12,087.15-	326.4-
		Total Other Cash	15,790.07-	3,702.92-	12,087.15-	326.4-
		Total Cash and Cash Equivalents	15,790.07-	3,702.92-	12,087.15-	326.4-
		<b>Accounts Receivable</b>				
2010	116850	116850 Accounts Receivable - Other	21,758.76	113,147.98	91,389.22-	80.8-
		Total Other Accounts Receivable	21,758.76	113,147.98	91,389.22-	80.8-
		Total Accounts Receivable	21,758.76	113,147.98	91,389.22-	80.8-
		<b>Total Accounts Receivable, Net</b>				
		Amounts Due From Affiliates	21,758.76	113,147.98	91,389.22-	80.8-
		Amounts Due from PacifiCorp Affiliates				
2010	116000	116000 Intercorp A/R - Current	497,671.90	319,308.37	178,363.53	55.9
		Total Accounts Receivable - Affiliates	497,671.90	319,308.37	178,363.53	55.9
		Total Amounts Due from PacifiCorp Affiliates	497,671.90	319,308.37	178,363.53	55.9
		Total Amounts Due From Affiliates	497,671.90	319,308.37	178,363.53	55.9
		<b>Other Current Assets</b>				
		Prepayments				
2010	132200	132200 Prepaid Taxes (Federal, State, Local)	469.96	0.00	469.96	
		Total Prepayments - External	469.96	0.00	469.96	
		Total Prepayments	469.96	0.00	469.96	
		<b>Total Other Current Assets</b>				
		Total Other Current Assets	469.96	0.00	469.96	
		<b>Total Current Assets</b>				
		Total Current Assets	504,110.55	428,753.43	75,357.12	17.6
		<b>Total Assets</b>				
		Total Assets	504,110.55	428,753.43	75,357.12	17.6
		<b>Liabilities</b>				
		<b>Current Liabilities</b>				
		<b>Accounts Payable</b>				
		Accounts Payable - Trade				
2010	210100	210100 Trade Accts Payable - Trade	38,826.09-	53,675.84-	14,849.75	27.7
2010	210900	210900 GR/IR (Goods Receipt/Invoice Receipt)	0.00	1,846.45	1,846.45-	100.0-
2010	210990	210990 Purch Card Trans Liab	0.00	1,935.55-	1,935.55	100.0
		Total Accounts Payable - Other	38,826.09-	14,938.85	14,938.85	27.8
		Total Accounts Payable - Trade	38,826.09-	53,764.94-	14,938.85	27.8
		Total Accounts Payable	38,826.09-	53,764.94-	14,938.85	27.8
		<b>Accrued Employee Expenses</b>				
2010	215077	215077 K-Plus Employer Contributions - Enhanced	43.64-	0.00	43.64-	
2010	215078	215078 K-Plus Employer Contributions - Fixed	20,965.34-	13,866.03-	7,099.31-	51.2-
2010	215079	215079 K-Plus Employer Contributions - Match	1,170.34-	1,131.89-	38.45-	3.4-
2010	215186	215186 Black Lung Accrual - Mining Division	49,085.16-	59,844.06-	10,758.90	18.0
2010	235501	235501 Accrual - Payroll/Salaries	36,909.84-	38,549.36-	1,639.52	4.3
2010	240330	240330 Provision for Workers' Compensation	1,272.82-	855.38-	417.44-	48.8-
		Total Employee Payroll & Benefits Payable	109,447.14-	114,246.72-	4,799.58	4.2
2010	235190	235190 Accrual - Severance Payments	179,240.89-	226,663.92-	47,423.03	20.9
2010	249995	249995 Accrued Severance - Reiclass to Long-Term	179,240.89	84,822.05	94,418.84	111.3
		Accrued Severance	0.00	141,841.87-	141,841.87	100.0
		Total Accrued Employee Expenses	109,447.14-	256,088.59-	146,641.45	57.3
		<b>Taxes Payable</b>				
2010	240300	240300 Provision for Social Security Taxes	781.15-	594.39-	186.76-	31.4-
2010	240305	240305 Provision for Medicare Taxes	522.04-	543.42-	21.38	3.9
2010	240310	240310 Provision for Unemployment Taxes	174.34-	107.87-	66.47-	61.6-

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CoCd	Account	Text for B/S P&L item	Tot.rpt.pr	tot.cmp.pr	Abs. diff.	Pct.Diff.
2010	240314	240314 Accrued Unemployment Taxes - UT	186.56-	45.39-	141.17-	311.0-
2010	240316	240316 Accrued Unemployment Taxes - WY	0.00	55.60-	55.60	100.0
		Total Accrued Payroll Taxes	1,664.09-	1,346.67-	317.42-	23.6-
		Pass-Through Taxes Payable				
2010	211200	211200 Payroll Taxes Payable	28,932.34-	31,731.18-	2,798.84	8.8
		Total Payroll Tax Withholdings	28,932.34-	31,731.18-	2,798.84	8.8
		Total Pass-Through Taxes Payable	30,596.43-	33,077.85-	2,481.42	7.5
		Total Current Liabilities	178,869.66-	342,931.38-	164,061.72	47.8
		Deferred Credits				
		Other Deferred Credits				
2010	289051	289051 Deferred Revenue - Other	145,000.00-	0.00	145,000.00-	
		Total Deferred Revenues	145,000.00-	0.00	145,000.00-	
2010	289995	289995 Long-Term Liabilities - Reclass from Current	179,240.89-	84,822.05-	94,418.84-	111.3-
		Total Miscellaneous Deferred Credits	179,240.89-	84,822.05-	94,418.84-	111.3-
		Total Other Deferred Credits	324,240.89-	84,822.05-	239,418.84-	282.3-
		Total Deferred Credits	324,240.89-	84,822.05-	239,418.84-	282.3-
		Total Liabilities	503,110.55-	427,753.43-	75,357.12-	17.6-
		Equity				
		Stockholders Equity				
		Common Equity				
2010	293000	293000 Common Shares Issued	1,000.00-	1,000.00-	0.00	0.0
		Total Common Stock	1,000.00-	1,000.00-	0.00	0.0
		Retained Earnings				
2010	297000	297000 Unappropriated Retained Earnings	1,446,192.29-	960,754.33-	485,437.96-	50.5-
		Total Unappropriated Retained Earnings	1,446,192.29-	960,754.33-	485,437.96-	50.5-
		Profit/Loss for Current Year				
		Net Result: Loss				
		Total Net Result: Loss	1,446,192.29	960,754.33	485,437.96	50.5
		Total Profit/Loss for Current Year	1,446,192.29	960,754.33	485,437.96	50.5
		Total Retained Earnings	0.00	0.00	0.00	0.0
		Common Equity	1,000.00-	1,000.00-	0.00	0.0
		Total Stockholders Equity	1,000.00-	1,000.00-	0.00	0.0
		Total Equity	1,000.00-	1,000.00-	0.00	0.0

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 Amounts in American Dollar  
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CoCd	Account	Text for B/S P&L item	Tot.rpt.pr	tot.cmp.pr	Abs. diff.	Pct.Diff.
		Total Liabilities Equity	504,110.55-	428,753.43-	75,357.12-	17.6-
		Operations, Maintenance, Admin & General				
		Salary Expense				
2010	500100	500100 Regular/Ordinary Time	0.00	5,541.27	5,541.27-	100.0-
2010	500102	500102 Non Union Regular/Ordinary Time	2,596,886.43	2,709,025.85	112,139.42-	4.1-
2010	500118	500118 Non Exempt Regular/Ordinary Time	57,449.00	44,897.88	12,551.12	28.0
		Subtotal Regular/Ordinary Time	2,654,335.43	2,759,465.00	105,129.57-	3.8-
2010	500218	500218 Non Exempt Overtime Pay	3,862.98	1,327.18	2,535.80	191.1
		Subtotal Overtime Pay	3,862.98	1,327.18	2,535.80	191.1
2010	500400	500400 Bonus/Incentive	7,525.63	3,052.32-	10,577.95	346.6
2010	500410	500410 Incentive(Performance Share)	406,999.14	475,608.16	68,609.02-	14.4-
		Subtotal Bonus/Incentive	414,524.77	472,555.84	58,031.07-	12.3-
2010	500700	500700 Severance/Redundancy	14,197.60	35,262.25	21,064.65-	59.7-
2010	500850	500850 Other Salary/Labor Costs	89,135.73	34,367.58	54,768.15	159.4
2010	699000	699000 Labor FI/CO Recon	112,954.07	6,566.85-	119,520.92	1,820.1
2010	701010	701010 Labor Costs Settled to Capital	576,452.00-	620,930.00-	44,478.00	7.2
		Subtotal Other Salary Expense	360,164.60-	557,867.02-	197,702.42	35.4
		Total Salary Expense	2,712,558.58	2,675,481.00	37,077.58	1.4
		Salary Overhead/Benefits				
2010	500500	500500 Leave/PT/Vacation/Sick	0.00	969.78	969.78-	100.0-
2010	501100	501100 Pension/Superannuation	0.00	177.90	177.90-	100.0-
2010	501102	501102 Pension Administration	0.00	444.75	444.75-	100.0-
2010	501125	501125 Medical	208,772.89	221,522.53	12,749.64-	5.8-
2010	501150	501150 Post Retirement	0.00	28.98	28.98-	100.0-
2010	501175	501175 Dental	17,993.12	26,430.35	8,437.23-	31.9-
2010	501200	501200 Vision	1,759.37	4,568.18	2,808.81-	61.5-
2010	501225	501225 Life	7,599.79	8,712.68	1,112.89-	12.8-
2010	501250	501250 Stock/401(k)/ESOP	116,244.92	116,035.19	209.73	0.2
2010	501650	501650 Worker's Comp/WorkCover Levy	54,162.11	47,368.03	6,794.08	14.3
2010	501670	501670 Black Lung Benefit	6,061.82	8,769.62	2,707.80-	30.9-
2010	502900	502900 Other Salary Overheads/Oncosts	0.00	26.04	26.04-	100.0-
2010	580500	580500 Payroll Tax Expense	193,455.43	186,267.24	7,188.19	3.9
2010	580700	580700 Payroll Tax Expense-Unemployment	4,112.25	6,449.24	2,336.99-	36.2-
2010	699005	699005 Benefits FI/CO Recon	52,405.82	579,207.81	526,801.99-	91.0-
		Total Salary Overhead/Benefits	662,567.52	1,206,978.32	544,410.80-	45.1-
		Employee Expenses				
2010	503100	503100 Airfare	19,898.78	26,741.84	6,843.06-	25.6-
2010	503105	503105 Corporate Aircraft	5,491.82	6,820.52	1,328.70-	19.5-
2010	503110	503110 Lodging	85,599.70	54,343.14	31,256.56	57.5
2010	503111	503111 Off-Site Facility Rentals	231.66	222.84	8.82	4.0
2010	503115	503115 On-Site Meals & Refreshments	4,336.44	4,177.66	158.78	3.8
2010	503120	503120 Meals & Entertainment	38,126.84	34,793.93	3,332.91	9.6
2010	503125	503125 Vehicle Rental and Expense	2,137.84	1,742.99	394.85	22.7
2010	503130	503130 Other Ground Transportation - Commercial	1,574.23	1,621.38	47.15-	2.9-
2010	503135	503135 Auto Expense/Parking/Mileage	4,505.51	4,558.21	52.70-	1.2-
2010	503140	503140 Cellular Telephone Expense	5,436.22	4,541.53	894.69	19.7
2010	503145	503145 OLEE Telephone Expense	4.75	28.26	23.51-	83.2-
2010	503150	503150 Training	1,424.29	5,168.00	3,743.71-	72.4-
2010	503160	503160 Registration Fees	3,339.00	4,724.00	1,385.00-	29.3-
2010	503170	503170 Dues & Licenses	3,675.00	4,268.00	593.00-	13.9-
2010	503370	503370 Books & Subscriptions	6,744.69	7,025.97	281.28-	4.0-

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CoCd	Account	Text for B/S P&L item	Tot. rpt. pr	tot. cmp. pr	Abs. diff.	Pct. Diff.
2010	503400	503400 Other Employee Related Expenses	33,129.45	14,388.30	18,741.15	130.3
		Total Employee Expenses	215,656.22	175,166.57	40,489.65	23.1
		Materials & Supplies				
2010	516035	516035 Laboratory Supplies	7,717.59	4,698.95	3,018.64	64.2
2010	516060	516060 Communication Equipment & Supplies	4,544.41	0.00	4,544.41	0.00
2010	516070	516070 Computer Hardware	2,461.59	3,346.74	885.15	26.4
2010	516080	516080 Computer Software, Licenses	27,344.90	18,274.11	9,070.79	49.6
2010	516200	516200 Uniform / Safety Equipment	0.00	6,085.00	6,085.00	100.0
2010	516290	516290 Office Furniture & Equipment	0.00	205.88	205.88	100.0
2010	516300	516300 Office Supplies	9,800.64	24,306.29	14,505.65	59.7
2010	516360	516360 Tires, Tubes, and Wheels	2.50	0.00	2.50	0.00
2010	516410	516410 Tools	74.64	892.83	818.19	91.6
2010	516435	516435 Vehicles	19,874.25	33,630.88	13,756.63	40.9
2010	516440	516440 Fuel-Veh/Mobile Equip	56,779.35	43,824.53	12,954.82	29.6
2010	516460	516460 Heavy Equipment Mat'l & Supplies	15,750.94	1,800.21	13,950.73	775.0
2010	516900	516900 Miscellaneous Materials & Supplies	8,605.29	30,401.59	21,796.30	71.7
		Total Materials & Supplies	152,956.10	167,467.01	14,510.91	8.7
		Contracts & Services				
2010	530020	530020 Advertising Services	710.24	0.00	710.24	0.00
2010	530025	530025 Bank/Financial Institution Services	0.00	175.00	175.00	100.0
2010	530031	530031 Printing/Imaging/Mail Services	82.44	519.68	437.24	84.1
2010	530049	530049 Building/Facility Maintenance Contracts	1,890.67	5,350.78	3,460.11	64.7
2010	530050	530050 Constr & Maint Contracts-Other	0.00	9,500.00	9,500.00	100.0
2010	530055	530055 Consulting/Technical Services	12,308.88	25,235.25	12,926.37	51.2
2010	530065	530065 Engineering Services	0.00	5,805.51	5,805.51	100.0
2010	530073	530073 Freight/Hauling Services	2,541.38	4,014.30	1,472.92	36.7
2010	530074	530074 Information Technology Services	4,900.00	4,900.00	0.00	0.00
2010	530075	530075 IT - Contract Programmers	0.00	4,330.83	4,330.83	100.0
2010	530095	530095 Legal Consulting Services - Legal Fees	23,575.66	16,663.78	6,911.88	41.5
2010	530110	530110 Moving/Relocation Services-Employees	24,699.64	330.00	24,369.64	7,384.7
2010	530140	530140 Training/Education Services	75,000.00	0.00	75,000.00	0.00
2010	530142	530142 Vehicles - External Services	92.08	0.00	92.08	0.00
2010	530190	530190 Miscellaneous Contracts & Services	77,292.93	204,928.90	127,635.97	62.3
		Total Contracts & Services	223,093.92	268,192.37	45,098.45	16.8
		OMAG Expenses - MidAmerican				
2010	548530	548530 I/C Moving/Relocation Services - Hsofa	30,255.80	0.00	30,255.80	0.00
		Total OMAG Expenses - MidAmerican	30,255.80	0.00	30,255.80	0.00
		Utilities				
2010	535100	535100 Telephone	2,268.37	3,035.42	767.05	25.3
2010	535154	535154 Telephone-Satellite	410.76	431.73	20.97	4.9
2010	535155	535155 Telecom-Dial-up/Remote Access	159.43	153.08	6.35	4.1
		Total Utilities	2,838.56	3,620.23	781.67	21.6
		Other O&M and A&G Expense				
2010	505971	505971 ARO - Misc Non-Oper Inc/Exp	110,976.00	162,756.00	51,780.00	31.8
2010	516438	516438 Vehicle Expense - License Fees	54.00	2,833.00	2,779.00	98.1
2010	540000	540000 Office Rent	0.00	55.00	55.00	100.0
2010	543000	543000 Other Rent/Leases	200.00	100.00	100.00	100.0
2010	545000	545000 Liability Insurance Costs	421.60	0.00	421.60	0.00
2010	545350	545350 Postage	503.81	511.67	7.86	1.5
2010	545400	545400 Bank Charges & Fees	2,210.66	2,057.58	153.08	7.4
2010	545520	545520 Reclamation Expense	337,043.00	887,375.00	1,224,418.00	138.0

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CoCd	Account	Text for B/S P&L item	Tot. rpt. pr	tot. cmp. pr	Abs. diff.	Pct. Diff.
2010	545550	545550 Club/Organization Membership and Expense	23,089.54	0.00	23,089.54	
2010	546960	546960 Mining - Other O&M and A&G - Credit	191,457.33-	511,703.35-	320,246.02	62.6
2010	549300	549300 Reimbursements	2,877,188.34-	2,907,936.00-	30,747.66	1.1
2010	582300	582300 Permits & Licenses	3,989.05	9,157.35	5,168.30-	56.4-
2010	582600	582600 MSHA Assessments	261,776.52	0.00	261,776.52	
2010	583300	583300 Recruiting Fees	1,440.74	0.00	1,440.74	
2010	699020	699020 Corporate Allocations FI/CO Reconciliation	73,284.70	7,098.23	66,186.47	932.4
		Total Other O&M and A&G Expense	2,253,656.05-	4,122,445.52-	1,868,789.47	45.3
		Total Operations, Maintenance, Admin & General	1,746,270.65	374,459.98	1,371,810.67	366.3
		Total Income From Operations	1,746,270.65	374,459.98	1,371,810.67	366.3
		Interest Expense and Other				
		Minority Interest & Other				
		Other (Income) Expense				
2010	380551	380551 Misc Nonoperating Income-Mines	5,000.00-	0.00	5,000.00-	
2010	546200	546200 Other Deductions	299,298.36-	582,084.35	881,382.71-	151.4-
2010	553300	553300 Sponsorship	4,220.00	4,210.00	10.00	0.2
		Total Other (Income) Expense	300,078.36-	586,294.35	886,372.71-	151.2-
		Total Minority Interest & Other	300,078.36-	586,294.35	886,372.71-	151.2-
		Total Interest Expense and Other	300,078.36-	586,294.35	886,372.71-	151.2-
		Income-Continuing Operations Before Tax	1,446,192.29	960,754.33	485,437.96	50.5
		Income-Continuing Operations After Tax	1,446,192.29	960,754.33	485,437.96	50.5
		Net Income	1,446,192.29	960,754.33	485,437.96	50.5
		Net Income Attributable to Stockholders	1,446,192.29	960,754.33	485,437.96	50.5

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CoCd	Account	Text for B/S P&L item	Tot.rpt.pr	tot.cmp.pr	Abs. diff.	Pct.Diff.
		Earnings Available for Common	1,446,192.29	960,754.33	485,437.96	50.5

**PacifiCorp Environmental Remediation Company  
Intercompany Transactions  
For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services (a)</u>
Labor and benefits	\$ -	\$ 252,315.00
<b>Total</b>	<b>\$ -</b>	<b>\$ 252,315.00</b>



**PACIFICORP ENVIRONMENTAL REMEDIATION COMPANY**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
For the year ended December 31, 2008  
*(in thousands of dollars)*

	<b>PacifiCorp Environmental Remediation Company</b>
<b>REVENUES</b>	
Revenue	9
<b>EXPENSES</b>	
Energy costs	
Operations and maintenance	2,958
Depreciation and amortization	
Taxes other than income taxes	
Total	2,958
<b>Income from continuing operations before income taxes</b>	(2,949)
<b>Interest expense and other</b>	
Interest expense	713
Interest income	(480)
Allowance for borrowed funds	
Allowance for equity funds	
Other	
Total	233
<b>Income from continuing operations before income taxes</b>	(3,182)
Provision for income taxes	(1,276)
<b>Net income</b>	<b>\$ (1,906)</b>

**PACIFICORP ENVIRONMENTAL REMEDIATION COMPANY**

**BALANCE SHEET**

**December 31, 2008**

*(in thousands of dollars)*

	<b>PacifiCorp Environmental Remediation Company</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 30,647
doubtful accounts	(30)
Unbilled revenue	
Amounts due from affiliates	265
Deferred income taxes	2,830
Other current assets	
<b>TOTAL CURRENT ASSETS</b>	<b>33,712</b>
<b>TOTAL ASSETS</b>	<b>\$ 33,712</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 578
Amounts due to affiliates	4
Accrued employee expenses	6
Taxes payable	0
Customer deposits and other	6,985
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,573</b>
<b>DEFERRED CREDITS</b>	
Deferred Income taxes	(3,773)
Pension and other post employment liabilities	
Other	8,674
Minority interest	
<b>TOTAL DEFERRED CREDITS</b>	<b>4,901</b>
<b>TOTAL LIABILITIES</b>	<b>12,474</b>
<b>STOCKHOLDERS' EQUITY</b>	
Common stock	14,720
Premium on capital stock	
Retained earnings	6,518
Contra equity	
Accumulated other comprehensive loss, net	
Total Common Equity	21,238
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>21,238</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS EQUITY</b>	<b>\$ 33,712</b>

**PacifiCorp Foundation  
 Affiliated Transactions  
 For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Labor and benefits	\$ -	\$ 135,171.78
Other miscellaneous expenses	-	31,266.44
<b>Total</b>	<b>\$ -</b>	<b>\$ 166,438.22</b>

**PacifiCorp Foundation**  
**Statement of Income and Changes in Net Assets**  
For the Periods Ended December 31, 2008  
(in dollars)  
(Unaudited - Internal Use Only)

	<u>Year-to-Date</u>
<b>Revenue and contributions:</b>	
Deposits - refunds	\$ 225
Interest income	12,142
Dividends	950,656
Realized gain/(loss) on sale of investment	(64,268)
Unrealized gain/(loss) on investment	(13,558,209)
Capital gains - partnerships	773,632
Miscellaneous income	1,693
Total revenues/(losses) and contributions	(11,884,129)
<b>Expenses:</b>	
<b>Grants:</b>	
Health, welfare and social services	345,000
Education	412,203
Culture and arts	123,150
Civic and community betterment	189,180
Giving campaign match	454,888
Matching Gift Program	36,830
Small community capital project	171,355
Rocky Mountain Power Foundation special grants	48,000
Pacific Power Foundation special grants	39,600
Global Days of Service	150,000
Other Community Pledge	50,000
Grants approved for future periods	100,000
Total grants	2,120,206
Administrative expenses	180,100
Investment management fees	99,044
Taxes	136,543
Bank fees	1,379
Miscellaneous expenses	1,086
Total expenses	2,538,358
Net assets increase (decrease)	(14,422,487)
Net assets beginning of period	46,038,886
Net Assets end of period	\$ 31,616,399

**PacifiCorp Foundation**  
**Statement of Financial Position**

(in dollars)

(Unaudited - Internal Use Only)

	<u>12/31/2008</u>
<b>Assets:</b>	
Cash	\$ 90,808
<b>Restricted Investments:</b>	
Cash and cash equivalents	50,267
Interest receivable	129
Dividend receivable	10,636
Tax receivable	2,885
Receivable for investments sold	-
Equity stock investments	4,420,147
Mutual funds	<u>28,016,808</u>
Total restricted investments	<u>32,500,872</u>
<b>Total assets</b>	<u><u>32,591,680</u></u>
<b>Liabilities:</b>	
Accounts Payable	12,781
Payable for investments purchased	-
Interest payable	-
Grants payable	<u>962,500</u>
Total liabilities	<u>975,281</u>
<b>Net assets</b>	<u><u>\$ 31,616,399</u></u>

**Pacific Minerals, Inc. / Bridger Coal Co.  
Intercompany Transactions  
For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Fuel purchased (a)	\$ 111,539,927.74	-
Labor, benefits and miscellaneous billings (b)	152,704.36	10,317,231.43
<b>Total</b>	<b>\$ 111,692,632.10</b>	<b>\$ 10,317,231.43</b>

(a) Represents the amount of coal received by PacifiCorp from Bridger Coal Co. during the year ended December 31, 2008.

(b) PacifiCorp provided services includes capitalized amounts of \$283,860.28.

Refer to Section III for information on the loans between PacifiCorp and Pacific Minerals, Inc.

Refer to Section V for information regarding income tax payments made between PacifiCorp and Pacific Minerals, Inc.



Dec-08

	PMI Consolidated	Elimination	Pacific Minerals- Parent	Bridger Coal Company
<b>Total Material and Supplies Inventory</b>	14,349,890.30	0.00	0.00	14,349,890.30
<b>Prepayments and Other Current Assets</b>				
Prepayments Cost Collection	0.00			0.00
OthCurAsset/Diesel Clearing	0.00			0.00
OthCurAsset/Gasoline Clearing	0.00			0.00
OthCurAsset/NonIssue Stock Clearing	0.00			0.00
OthCurAsset/KLS EPS Clearing	0.00			0.00
OthCurAsset/Prill Clearing	0.00			0.00
OthCurAsset/Components Clearing	0.00			0.00
OthCurAsset/Suspense	9,078.17		0.00	9,078.17
<b>Total Prepays &amp; Other Current Assets</b>	9,078.17	0.00	0.00	9,078.17
<b>Investment in Subsidiary</b>				
Investment in Subs - Bridger	0.00	-172,865,227.69	172,865,227.69	
<b>Total Investment in Subsidiary</b>	0.00	-172,865,227.69	172,865,227.69	0.00
<b>Property Plant &amp; Equipment</b>				
Land	6,211.00			6,211.00
Land Improvements	10,763,640.99			10,763,640.99
Mine Development	17,100,336.75			17,100,336.75
Buildings & Improvements	28,031,465.31			28,031,465.31
Capitalized Interest	410,399.65			410,399.65
Haul Roads	15,265,512.29			15,265,512.29
Mining Equipment	146,523,916.21			146,523,916.21
Vehicles	122,709,641.94			122,709,641.94
Office Furniture & Equipment	301,408.91			301,408.91
Computer Hardware & Software	3,910,966.90			3,910,966.90
Other Equipment	8,434,855.11			8,434,855.11
Mineral Rights	14,025,623.52			14,025,623.52
<b>Sub-Total Property Plant and Equipment</b>	367,483,978.58	0.00	0.00	367,483,978.58
<b>Accumulated Depreciation</b>				
AD Land Improvements	-1,799,980.86			-1,799,980.86



Dec-08

	PMI	Pacific	Bridger
	Consolidated	Minerals- Parent	Coal Company
	Elimination		
AD Mine Development	-9,477,348.43		-9,477,348.43
AD Buildings & Improvements	-9,987,518.86		-9,987,518.86
AD Capitalized Interest	-168,232.67		-168,232.67
AD Haul Roads	-6,618,858.23		-6,618,858.23
AD Mining Equipment	-34,930,204.23		-34,930,204.23
AD Vehicles	-83,172,612.46		-83,172,612.46
AD Office Furniture & Equipment	-299,876.99		-299,876.99
AD Computer Hardware & Software	-2,798,172.81		-2,798,172.81
AD Other Equipment	-3,411,437.47		-3,411,437.47
AD Mineral Rights	-570,116.92		-570,116.92
<b>Sub-Total Accumulated Depreciation</b>	-153,234,359.93	0.00	-153,234,359.93
<b>Total Property, Plant &amp; Equipment</b>	214,249,618.65	0.00	214,249,618.65
<b>Construction Work In Process</b>			
CWIP Additions	50,444,886.77		50,444,886.77
CWIP Capitalizations	-40,093,901.89		-40,093,901.89
<b>Total Construction Work in Progress</b>	10,350,984.88	0.00	10,350,984.88
<b>Other Non-Current Assets</b>			
Deferred Longwall	3,756,658.62		3,756,658.62
Reclamation Trust Fund	38,520,236.92		38,520,236.92
Reclamation Trust Earnings	78,832,616.98		78,832,616.98
Reclamation Trust Tax Withheld	-5,757,510.90		-5,757,510.90
Reclamation Trust Market Value	-7,098,507.05		-7,098,507.05
Reclamation Trust Drawdown	-14,763,901.00		-14,763,901.00
Asset Retirement Obligation	38,509,829.00		38,509,829.00
ARO - Accumulated Depreciation	-38,509,829.00		-38,509,829.00
Employee Housing Project	176,073.92		176,073.92
<b>Total Other Non-Current Assets</b>	93,665,667.49	0.00	93,665,667.49
<b>Total - Assets</b>	<b>383,064,333.12</b>	<b>-173,747,289.70</b>	<b>382,835,638.18</b>

Dec-08

**LIABILITIES**

**Accounts Payable - Trade**

	PMI Consolidated	Elimination	Pacific Minerals- Parent	Bridger Coal Company
AP Goods Received Not Invoiced	-6,618,539.13		0.00	-6,618,539.13
AP Unpaid Invoices	-5,392,165.43		0.00	-5,392,165.43
AP Manual Accruals	-1,743,037.21			-1,743,037.21
<b>Total Accounts Payable Trade</b>	<b>-13,753,741.77</b>	<b>0.00</b>	<b>0.00</b>	<b>-13,753,741.77</b>

**Accounts Payable Intercompany**

AP Inco Pacific Electric Operations	-20,797,545.44		-20,797,545.44	
AP Inco PMI	-12.86	872,007.29		-872,020.15
AP Inco PacifiCorp Benefits	-1,375,102.07		-1,375,102.07	
AP Inco PacifiCorp Royalties	0.00	10,054.72		-10,054.72
<b>Total Accounts Payable Intercompany</b>	<b>-22,172,660.37</b>	<b>882,062.01</b>	<b>-22,172,647.51</b>	<b>-882,074.87</b>

**Payroll Liabilities**

FICA Taxes Payable EE	162.53		162.53	
FICA Taxes Payable ER	162.53		162.53	
Federal Taxes Payable	517.16		517.16	
WY Worker's Compensation	-106,500.00		-106,500.00	
WY Unemployment Insurance	-4,982.14		-4,982.14	
Federal Unemployment Insurance	18.47		18.47	
Union Dues	-434.58		-434.58	
Life Insurance	750.00		750.00	
Credit Union Withholding	0.00		0.00	
Misc Payroll Withholding	0.00		0.00	
401K Contributions	0.00		0.00	
Union Pension	-92,443.85		-92,443.85	
401K Fixed	68,514.89		68,514.89	
401K Matched	0.00		0.00	
401K Loan Repay	0.00		0.00	
Garnishments	-1,675.06		-1,675.06	
Vacation Accrual	-1,386,966.11		-1,386,966.11	

Dec-08

	PMI Consolidated	Elimination	Pacific Minerals- Parent	Bridger Coal Company
Net Payroll	1,331.09		1,331.09	
Accrued Wages	-939,919.50			-939,919.50
Accrued Overheads	-112,790.34			-112,790.34
Accrued Bonus	0.00			0.00
<b>Total Payroll Liabilities</b>	-2,574,254.91	0.00	-1,521,545.07	-1,052,709.84
<b>Royalties and Taxes Payable</b>				
Accrued Royalties - BLM	-143,417.33			-143,417.33
Accrued Royalties - IER	-5,027.36			-5,027.36
Accrued Royalties - ALC	-2,034,016.01			-2,034,016.01
Accrued Royalties - State of Wyoming	84,219.95			84,219.95
Production Tax Payable - Severance	-316,082.45			-316,082.45
Production Tax Payable - Wyoming Extraction	-5,763,244.56			-5,763,244.56
Production Tax Payable - Federal Reclamation	-269,104.41			-269,104.41
Production Tax Payable - Black Lung	-270,166.05			-270,166.05
Taxes Payable - Property	-610,530.68			-610,530.68
Taxes Payable - Sales & Use	-166,563.88			-166,563.88
<b>Total Taxes Payable</b>	-9,493,932.78	0.00	0.00	-9,493,932.78
<b>Other Non-Current Liabilities</b>				
Production Tax Long Term	-2,914,350.77			-2,914,350.77
Coal Lease Bonus Long Term	-1,390,772.15			-1,390,772.15
Final Reclamation PreTrust	0.00			0.00
Final Reclamation Post Trust	-22,296,169.10			-22,296,169.10
ARO Reg. Liab. Unrealized Earnings	4,732,338.03	-2,366,169.02		7,098,507.05
ARO Regulatory Liability	-17,446,599.23			-17,446,599.23
ARO Liability	-22,246,291.04			-22,246,291.04
Reclamation Other	-39,159,662.56			-39,159,662.56
Minority Interest	-84,066,444.69	-84,066,444.69		
<b>Total Other Non-Current Liabilities</b>	-184,787,951.51	-86,432,613.71	0.00	-98,355,337.80
<b>Total-Liabilities</b>	-232,782,541.34	-85,550,551.70	-23,694,192.58	-123,537,797.06

Dec-08

	PMI Consolidated	Elimination	Pacific Minerals- Parent	Bridger Coal Company
<b>Equity</b>				
<b>Owner's Equity - Common Stock</b>				
Common Stock	-1.00		-1.00	0.00
<b>Total Owner's Equity - Common Stock</b>	-1.00	0.00	-1.00	0.00
<b>Paid-in Capital</b>				
Paid in Capital	-47,960,000.00		-47,960,000.00	
<b>Total Paid In Capital</b>	-47,960,000.00	0.00	-47,960,000.00	0.00
<b>Contributions</b>				
Contributions - Pacific Minerals Inc.	0.00	90,850,000.00		-90,850,000.00
Contributions - Idaho Energy Resources	0.00	45,425,000.00		-45,425,000.00
<b>Total Contributions</b>	0.00	136,275,000.00	0.00	-136,275,000.00
<b>Distributions</b>				
Distributions - Pacific Minerals Inc.	0.00	-84,430,000.00		84,430,000.00
Distributions - Idaho Energy Resources	0.00	-42,215,000.00		42,215,000.00
<b>Total Distributions</b>	0.00	-126,645,000.00	0.00	126,645,000.00
<b>Dividends</b>				
Dividends	149,634,090.00		149,634,090.00	0.00
<b>Total Dividends</b>	149,634,090.00	0.00	149,634,090.00	0.00
<b>Retained Earnings</b>				
Retained Earnings	-243,045,070.02		-243,045,070.02	
Current Year Income	-8,910,810.76	20,314,604.48	-8,910,811.04	-20,314,604.20
Retained Earnings Pacific Minerals Inc.	0.00	152,902,157.75		-152,902,157.75
Retained Earnings Idaho Energy Resources	0.00	76,451,079.17		-76,451,079.17
<b>Total Retained Earnings</b>	-251,955,880.78	249,667,841.40	-251,955,881.06	-249,667,841.12
<b>Total Equity</b>	-150,281,791.78	259,297,841.40	-150,281,792.06	-259,297,841.12
<b>Total Liabilities and Equity</b>	<b>-383,064,333.12</b>	<b>173,747,289.70</b>	<b>-173,975,984.64</b>	<b>-382,835,638.18</b>

Dec-08

	PMI Consolidated	Elimination	Pacific Minerals- Parent	Bridger Coal Company
<b>Current Year Income</b>				
<b>Coal Sales Revenue</b>				
Revenue Coal PP& L	-125,116,882.00			-125,116,882.00
Revenue Coal Idaho Power	-62,444,578.00			-62,444,578.00
<b>Total Coal Sales Revenue</b>	-187,561,460.00	0.00	0.00	-187,561,460.00
<b>Revenue Equity in Subsidiary</b>				
Revenue Equity in Bridger	0.00	13,543,069.47	-13,543,069.47	0.00
<b>Total Revenue Equity in Subsidiary</b>	0.00	13,543,069.47	-13,543,069.47	0.00
<b>Other Operating Revenue</b>				
Gain Loss on Sale of Assets	1,266.45			1,266.45
<b>Total Other Operating Revenue</b>	1,266.45	0.00	0.00	1,266.45
<b>Total Revenue</b>	-187,560,193.55	13,543,069.47	-13,543,069.47	-187,560,193.55
<b>Operating Expense</b>				
Labor	36,551,964.96			36,551,964.96
Payroll Overhead	12,174,499.47			12,174,499.47
Employee Related	1,972,860.73			1,972,860.73
Materials & Supplies	50,571,506.91			50,571,506.91
Equipment	0.00			0.00
Outside Services	15,672,660.01			15,672,660.01
Administrative Other	1,504,268.90		48,399.97	1,455,868.93
Charge Outs	-17,744,523.17			-17,744,523.17
<b>Total Operating Expense</b>	100,703,237.81	0.00	48,399.97	100,654,837.84
<b>Non-Operating Expense</b>				
Depreciation and Amortization	30,099,450.25			30,099,450.25
Royalties	17,441,542.04			17,441,542.04
Taxes Other Than Income	16,892,354.48			16,892,354.48
Management Fee	2,157,492.00			2,157,492.00
<b>Total Non-Operating Expense</b>	66,590,838.77	0.00	0.00	66,590,838.77

Dec-08

Total Expense	167,294,076.58	0.00	48,399.97	167,245,676.61
<b>Profit Before Minority Interest and Taxes</b>	-20,266,116.97	13,543,069.47	-13,494,669.50	-20,314,516.94

**Interest Expense**

Intercompany Interest Expense	691,780.09		691,780.09	
Intercompany Interest Income	0.00			
Other Interest Income	-87.26			-87.26
Minority Interest	6,771,535.01	6,771,535.01		

<b>Total Interest and Other</b>	7,463,227.84	6,771,535.01	691,780.09	-87.26
<b>Income Before Federal Income Taxes</b>	-12,802,889.13	20,314,604.48	-12,802,889.41	-20,314,604.20

**Federal Income Taxes**

Current Federal Income Tax	3,892,078.37		3,892,078.37	
Deferred Federal Income Tax	0.00			
<b>Total Federal Income Taxes</b>	3,892,078.37	0.00	3,892,078.37	0.00
<b>Net Income</b>	-8,910,810.76	20,314,604.48	-8,910,811.04	-20,314,604.20

Net Income Allocation	
(6,771,534.73)	Idaho Power 1/3 share
(13,543,069.47)	PMI 2/3 share
<u>(20,314,604.20)</u>	<u>TOTAL</u>

**Trapper Mining, Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2008**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Fuel purchased (a)	\$ 11,227,343.70	\$ -
<b>Total</b>	<b>\$ 11,227,343.70</b>	<b>\$ -</b>

(a) Represents the amount of coal received by PacifiCorp from Trapper Mining, Inc. during the year ended December 31, 2008.

Trapper Mining Inc.  
Consolidated Balance Sheet  
December 31, 2008  
(Unaudited)

**Assets:**

Current Assets:

Cash & Cash Equivalents	\$ 8,184,293
Accounts Receivable	4,446,175
Inventories	4,938,442
Prepaid and Other Current Assets	339,449
Total Current Assets	\$ 17,908,359
Property Plant and Equipment before FAS 143:	
Lands and Leases	\$ 9,531,921
Development Costs	2,834,815
Equipment and Facilities	82,243,752
Total Property Plant and Equipment (Cost)	\$ 94,610,488
Less Depreciation and Amortization	(79,479,879)
Total Property Plant and Equipment (Net)	\$ 15,130,609
FAS 143 Property Plant and Equipment (Net)	5,495,966
Grand Total Property Plant and Equipment (Net)	\$ 20,626,575
Acquired GE Royalty	8,181,818
Reclamation Receivable from Buyers	10,052,320
Restricted Funds - Black Lung	522,563
Total Assets	\$ 57,291,635

**Liabilities and Members' Equity:**

Current Liabilities:

Accounts Payable	\$ 1,093,822
Accrued Royalties	443,661
Accrued Payroll Expenses	2,372,342
Accrued Production Taxes	1,362,968
Deferred Reclamation Revenue	30,236
Current Portion Long-Term Debt	3,095,763
Total Current Liabilities	\$ 8,398,792
Long-Term Debt	-
Asset Retirement Liability	15,825,305
Long-Term Black Lung Liability	269,853
Total Liabilities	\$ 24,493,950
Members' Equity	
Paid in Capital @ 1/1/98	\$ 20,324,925
Patronage Equity - Prior Year	4,959,066
Non-Patronage Equity - Prior Year	305,524
Patronage Equity - Current Year	6,561,572
Non-Patronage Equity - Current Year	646,598
Total Members' Equity	\$ 32,797,685
Total Liabilities and Members' Equity	\$ 57,291,635



TRAPPER MINING INC  
CONSOLIDATED NET INCOME  
AS OF: DECEMBER 31, 2008

	<u>NET INCOME FOR THE MONTH</u>	<u>NET INCOME YEAR TO DATE</u>
TRAPPER MINING	\$ 716,324.26	7,394,293.26
WILLIAMS FORK MINING		<u>(25,307.56)</u>
NET INCOME (LOSS) BEFORE TAX	<u>\$ 716,324.26</u>	<u>\$ 7,368,985.70</u>
CURRENT TAX PROVISION	<u>(160,816.00)</u>	<u>(160,816.00)</u>
TOTAL TAX PROVISION	<u>(160,816.00)</u>	<u>(160,816.00)</u>
NET INCOME (LOSS) AFTER TAX	<u><u>\$ 555,508.26</u></u>	<u><u>7,208,169.70</u></u>
SALT RIVER                      32.10%	(33,343.76)	207,557.88
TRI-STATE                      26.57%	(27,599.49)	171,801.02
PACIFICORP                    21.40%	(22,229.17)	138,371.92
PLATTE RIVER                 19.93%	<u>(20,702.22)</u>	<u>128,866.93</u>
TOTAL NONPATRONAGE INCOME (LOSS)	<u>(103,874.64)</u>	<u>646,597.75</u>
SALT RIVER                      32.10%	211,661.91	2,106,264.59
TRI-STATE                      26.57%	175,198.04	1,743,409.67
PACIFICORP                    21.40%	141,107.94	1,404,176.40
PLATTE RIVER                 19.93%	<u>131,415.01</u>	<u>1,307,721.29</u>
TOTAL PATRONAGE INCOME (LOSS)	<u>659,382.90</u>	<u>6,561,571.95</u>
TOTAL INCOME (LOSS)	<u><u>555,508.26</u></u>	<u><u>7,208,169.70</u></u>

TRAPPER MINING INC  
CONSOLIDATED PATRONAGE & NONPATRONAGE INCOME ALLOCATION  
DECEMBER 31, 2008

		<u>NET INCOME \$ FOR THE MONTH</u>	<u>NET INCOME YEAR TO DATE</u>
TRAPPER PATRONAGE INCOME		659,382.90	
TRAPPER NONPATRON INCOME		<u>(103,874.64)</u>	
TOTAL TRAPPER INCOME		555,508.26	
WFMC NONPATRONAGE INCOME			
TOTAL CONSOLIDATED INCOME		<u>555,508.26</u>	
SALT RIVER	32.10%	211,661.91	2,106,264.59
TRI-STATE	26.57%	175,198.04	1,743,409.67
PACIFICORP	21.40%	141,107.94	1,404,176.40
PLATTE RIVER	19.93%	<u>131,415.01</u>	<u>1,307,721.29</u>
TOTAL TRAPPER PATRONAGE		659,382.90	6,561,571.95
SALT RIVER	32.10%	(33,343.76)	215,681.60
TRI-STATE	26.57%	(27,599.49)	178,525.24
PACIFICORP	21.40%	(22,229.17)	143,787.74
PLATTE RIVER	19.93%	<u>(20,702.22)</u>	<u>133,910.73</u>
TOTAL TRAPPER NONPATRON		(103,874.64)	671,905.31
TOTAL TRAPPER INCOME		555,508.26	7,233,477.26
SALT RIVER	32.10%	-	(8,123.72)
TRI-STATE	26.57%	-	(6,724.22)
PACIFICORP	21.40%	-	(5,415.82)
PLATTE RIVER	19.93%	<u>-</u>	<u>(5,043.80)</u>
TOTAL WFMC NONPATRONAGE		-	(25,307.56)

### **III. Loans**

The following information on loans to and from affiliates of PacifiCorp includes the following:

1. The month-end amounts outstanding.
2. The highest amount outstanding during the year, separately for short-term and long-term loans.
3. A description of the terms and conditions, including basis for interest rates.
4. The total amount of interest charged or credited and the weighted-average interest rate.

## Loan Summary

2008

REQUIREMENTS	PACIFIC MINERALS, INC.
III. For inter-company loans to / from affiliates: A. The month-end amounts outstanding for short-term and long-term loans: Short-term loans: January - December Long-term loans:	(a) N/A
B. The highest amount during the year separately for short-term and long-term loans: Maximum loan to affiliate: Short-term loans: Amount Date Maximum loan to affiliate: Long-term loans: Amount Date Maximum loan from affiliate: Short-term loans: Amount Date Maximum loan from affiliate: Long-term loans: Amount Date	\$29,632,222.95 July 2, 2008  N/A N/A  \$ - N/A  N/A N/A
C. A description of the terms and conditions for loans including the basis for interest rates:	Pursuant to the terms and conditions of the Umbrella Loan Agreement
D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans: Short-term loans: Interest paid Interest received  Long-term loans: Interest charged or credited	\$ - \$693,402.18 (b)  N/A

(a) Refer to the following schedule for the detail of month-end loan amounts outstanding.

(b) Refer to the following schedule for the detail of interest charged or credited and the rates of interest.

**PacifiCorp - Pacific Minerals, Inc.**

Umbrella Loan Agreement Transactions Statement  
Pacific Minerals, Inc. ("PMI")  
2008

Month	Net Principal Advanced		Net Principal Repaid By PacifiCorp	Principal Advanced		Principal Repaid By PMI	Outstanding Month End Balance*	Interest Rate Range	Accrued	
	To PacifiCorp	To PMI		To PMI	By PacifiCorp				Interest Paid By PacifiCorp	Interest Received By PacifiCorp
Jan-08	\$ -	\$ 7,000,000.00	\$ -	\$ 7,000,000.00	\$ 5,480,000.00	\$ 27,377,222.95	3.1470% - 4.5500%	\$ -	\$ -	\$ 99,911.21
Feb-08	\$ -	\$ 5,200,000.00	\$ -	\$ 5,200,000.00	\$ 6,100,000.00	\$ 26,477,222.95	3.1350% - 3.1470%	\$ -	\$ -	\$ 67,884.72
Mar-08	\$ -	\$ 6,000,000.00	\$ -	\$ 6,000,000.00	\$ 5,160,000.00	\$ 27,317,222.95	2.8825% - 3.1360%	\$ -	\$ -	\$ 71,106.65
Apr-08	\$ -	\$ 3,500,000.00	\$ -	\$ 3,500,000.00	\$ 5,461,000.00	\$ 25,356,222.95	2.7463% - 2.8825%	\$ -	\$ -	\$ 60,495.16
May-08	\$ -	\$ -	\$ -	\$ -	\$ 550,000.00	\$ 24,806,222.95	2.3500% - 2.7588%	\$ -	\$ -	\$ 56,072.81
Jun-08	\$ -	\$ 4,250,000.00	\$ -	\$ 4,250,000.00	\$ 2,624,000.00	\$ 26,432,222.95	2.2000% - 2.6500%	\$ -	\$ -	\$ 52,950.66
Jul-08	\$ -	\$ 8,830,000.00	\$ -	\$ 8,830,000.00	\$ 10,119,000.00	\$ 25,143,222.95	2.2500% - 2.5200%	\$ -	\$ -	\$ 50,718.32
Aug-08	\$ -	\$ 7,220,000.00	\$ -	\$ 7,220,000.00	\$ 10,794,000.00	\$ 21,569,222.95	2.2525% - 2.3225%	\$ -	\$ -	\$ 46,896.14
Sep-08	\$ -	\$ 7,720,000.00	\$ -	\$ 7,720,000.00	\$ 12,258,000.00	\$ 17,031,222.95	2.1713% - 5.0000%	\$ -	\$ -	\$ 69,962.67
Oct-08	\$ -	\$ 7,940,000.00	\$ -	\$ 7,940,000.00	\$ 11,402,000.00	\$ 13,569,222.95	3.0500% - 5.0000%	\$ -	\$ -	\$ 51,492.22
Nov-08	\$ -	\$ 6,340,000.00	\$ -	\$ 6,340,000.00	\$ 6,215,000.00	\$ 13,694,222.95	2.9570% - 3.4500%	\$ -	\$ -	\$ 42,589.13
Dec-08	\$ -	\$ 11,350,000.00	\$ -	\$ 11,350,000.00	\$ 4,270,000.00	\$ 20,774,222.95	0.9500% - 3.0000%	\$ -	\$ -	\$ 23,322.49
<b>TOTAL</b>	\$ -	\$ 75,350,000.00	\$ -	\$ 75,350,000.00	\$ 80,433,000.00	\$ -		\$ -	\$ -	\$ 693,402.18

\*Outstanding month-end balances advanced to PacifiCorp are shown in parentheses, if applicable.

## **IV. Debt Guarantees**

**If the parent guarantees any debt of affiliated interests, identify the entities involved, the nature of the debt, the original amount, the highest amount during the year ended December 31, 2008 and the balance as of December 31, 2008.**

PacifiCorp does not guarantee the debt of its subsidiaries or any of its affiliates.

## **V. Other Transactions**

**A description of affiliated interest transactions other than services, loans or debt guarantees. Such transactions might include, among other things, asset transfers or equipment leases. State the annual charges or values used for assets and the basis used to determine pricing.**

PacifiCorp is party to a tax-sharing arrangement and remit federal and state income tax payments to PacifiCorp's parent company, PPW Holdings LLC, a wholly owned subsidiary of MidAmerican Energy Holdings Company. At December 31, 2008, PPW Holdings LLC owed PacifiCorp and its subsidiaries \$42,460,906.51 under this arrangement.

At December 31, 2008, Pacific Minerals, Inc. owed PacifiCorp \$637,020.57 related to income taxes.

## **VI. Employee Transfers**

**By affiliate and job title, provide the total number of executive, management and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.**



## Report of Employee Transfers to Affiliates During the Year Ended December 31, 2008

Executive, Management and Professional/Technical Employees

Affiliate	Job Title	Count
MidAmerican Energy Company	Consultant, Pricing/Structure – Career	1
MidAmerican Energy Company	Director, Labor	1
CalEnergy Generation	Power Marketer/Origination – Lead/Senior	1
Total		3



## **VII. Cost Allocations**

**A description of each intra-company cost allocation procedure and a schedule of cost amounts, by account, transferred between regulated and non-regulated segments of the company.**

# **PacifiCorp**

## **Cost Allocation Manual**

### **For the Year Ended December 31, 2008**

#### **Overview/Introduction**

This section describes the allocation of costs between PacifiCorp and its non-regulated affiliates.

On March 31, 2006, PacifiCorp entered into an Intercompany Administrative Services Agreement (“IASA”) between MEHC and its subsidiaries. PacifiCorp is an indirect subsidiary of MEHC, a holding company based in Des Moines, Iowa, owning subsidiaries that are primarily engaged in the energy business. Refer to attached IASA. The IASA covers:

- a) services by executive, management, professional, technical and clerical employees;
- b) financial services, payroll processing services, employee benefits participation, supply chain and purchase order processing services, tax and accounting services, contract negotiation and administration services, risk management services, environmental services and engineering and technical services;
- c) the use of office facilities, including but not limited to office space, conference rooms, furniture, equipment, machinery, supplies, computers and computer software, insurance policies and other personal property; and
- d) the use of automobiles, airplanes, other vehicles and equipment.

#### **PacifiCorp’s Non-Regulated Activities and Affiliates**

The following is a list of PacifiCorp’s Non-Regulated Activities:

- During the year ended December 31, 2008, PacifiCorp did not allocate costs to any non-regulated subsidiaries.
- During the year ended December 31, 2008, PacifiCorp was allocated costs by only one non-regulated affiliate: MEHC. Refer to section I.C. for a description of MEHC.

For PacifiCorp’s affiliates and subsidiaries that meet the requirements of ORS 757.015:

- Refer to section I for a list of PacifiCorp’s and MEHC’s subsidiaries as of December 31, 2008.
- Refer to Exhibit 21 of the Berkshire Hathaway Form 10-K for a list of subsidiaries of MEHC’s parent company, Berkshire Hathaway, as of December 31, 2008.

#### **Allocation Methods**

##### MEHC to subsidiaries

In connection with the March 2006 acquisition of PacifiCorp by MEHC, MEHC committed to PacifiCorp’s state regulatory commissions to limit the amount of management fees that PacifiCorp pays to MEHC in any given year to \$9,000,000.00.

For the year ended December 31, 2008, MEHC invoiced PacifiCorp a total of \$12,846,355.65 in management service fees. Pursuant to the commitment to state regulators, MEHC and PacifiCorp mutually agreed that PacifiCorp’s total liability to MEHC for management services provided for the year ended December 31, 2008 was a total of \$9,000,000.00. Refer to the attached IASA schedule for description of types of services provided. These services are based on the following:

- MEHC used six different formulae for allocating \$2,009,414.66 of management costs to PacifiCorp during the year ended December 31, 2008. These formulae are as follows:
  - L01: a two factor formula based on the labor and assets of each of MEHC's subsidiaries. PacifiCorp's allocation percentage during the year ended December 31, 2008 was 41.14%.
  - L01 excluding HomeServices of America, Inc.: the same two factor formula as L01, except excluding the labor and assets of HomeServices of America, Inc. PacifiCorp's allocation percentage during the year ended December 31, 2008 was 44.00%.
  - L03: the same two factor formula as L01, except excluding the labor and assets of MEHC's international subsidiaries. PacifiCorp's allocation percentage during the year ended December 31, 2008 was 50.40%.
  - Plant: a formula based on the gross plant asset amounts of each of MEHC's subsidiaries. PacifiCorp's allocation percentage during the year ended December 31, 2008 was 44.94%.
  - LR: a formula to allocate legislative and regulatory costs to each of MEHC's subsidiaries based on where the legislative and regulatory employees spent their time. PacifiCorp's allocation percentage during the year ended December 31, 2008 was 30% from January through June and 45% from July through December.
  - L05: a two factor formula based on the labor and assets of MEHC's domestic energy subsidiaries. PacifiCorp's allocation percentage during the year ended December 31, 2008 was 54.92%.
  
- In addition to the above allocated costs, PacifiCorp was apportioned \$6,990,585.34 in costs specifically identifiable to the management of PacifiCorp by MEHC. These charges were based on actual labor, benefits, and operational costs incurred.

During the year ended December 31, 2008, PacifiCorp charged MEHC \$1,779,787.90 and charged MEC \$254,786.12, primarily for management, regulatory and financial services. These charges were based on actual labor, benefits and operational costs incurred. Please see "Payroll Loadings and Overheads" below.

#### **Payroll Loadings and Overheads**

PacifiCorp includes the following types of charges in its labor rates charged to affiliates: salaries, pension, 401(k), medical benefits, payroll taxes and other administrative and general overheads.

#### **Service Provider and Administrative Allocations**

Refer to the attached IASA schedule for list of services provided by MEHC under the IASA.

#### **Organization Chart**

Refer to Section I for the organization chart.

## **INTERCOMPANY ADMINISTRATIVE SERVICES AGREEMENT**

**BETWEEN**

**MIDAMERICAN ENERGY HOLDINGS COMPANY**

**AND**

**ITS SUBSIDIARIES**

This Intercompany Administrative Services Agreement ("Agreement") is entered into as of March 31, 2006 by and between MidAmerican Energy Holdings Company (hereinafter the "Company") and its direct and indirect subsidiaries (hereinafter the "Subsidiaries") (each a "Party" and together the "Parties").

WHEREAS, the Company provides senior management, executive oversight and other administrative services that provide value to and benefit the Subsidiaries as entities in the consolidated group;

WHEREAS, the Subsidiaries have access to professional, technical and other specialized resources that the Company may wish to utilize from time to time in the provision of such administrative services; and

WHEREAS, the Company and Subsidiaries may desire to utilize the professional, technical and other specialized resources of certain Subsidiaries;

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, the Company and Subsidiaries agree as follows:

### **ARTICLE 1. PROVISION OF ADMINISTRATIVE SERVICES**

Upon and subject to the terms of this Agreement, services will be provided between and among the Company and its Subsidiaries that are not directly applicable to the production, distribution or sale of a product or service available to customers of the Company or its subsidiaries ("Administrative Services"). For purposes of this Agreement, Administrative Services shall include, but not be limited to the following:

- a) services by executive, management, professional, technical and clerical employees;
- b) financial services, payroll processing services, employee benefits participation, supply chain and purchase order processing services, tax and accounting services, contract negotiation and administration services, risk management services, environmental services and engineering and technical services;
- c) the use of office facilities, including but not limited to office space, conference rooms, furniture, equipment, machinery, supplies, computers and computer software, insurance policies and other personal property;
- d) the use of automobiles, airplanes, other vehicles and equipment;

To obtain specialized expertise or to achieve efficiencies, the following situations may arise under this Agreement whereby Administrative Services may be provided between and among the Company and its Subsidiaries:

- a) The Company may directly assign or allocate common costs to the Subsidiaries,
- b) The Company may procure Administrative Services from the Subsidiaries for its own benefit,
- c) The Company may procure Administrative Services from the Subsidiaries for subsequent allocation to some or all Subsidiaries commonly benefiting, or
- d) The Subsidiaries may procure Administrative Services from each other.

## **ARTICLE 2. DEFINITIONS**

For purposes of this Agreement these terms shall be defined as follows:

- (a) "Laws" shall mean any law, statute, rule, regulation or ordinance.
- (b) "State Commissions" shall mean any state public utility commission or state public service commission with jurisdiction over a rate-regulated Party.
- (c) "Subsidiaries" shall mean current and future direct and indirect majority-owned subsidiaries of the Company.

## **ARTICLE 3. EFFECTIVE DATE**

This Agreement shall be effective as of the date set forth above; provided, however, that in those jurisdictions in which regulatory approval is required before the Agreement becomes effective, the effective date shall be as of the date of such approval.

## **ARTICLE 4. CHARGES AND PAYMENT**

### **(a) CHARGES.**

Parties shall charge for Administrative Services on the following basis:

- (i) Direct Charges: The Party receiving the benefit of Administrative Services ("Recipient Party") will be charged for the operating costs incurred by the Party providing the Administrative Services ("Providing Party"), including, but not limited to, allocable salary and wages, incentives, paid absences, payroll taxes, payroll additives (insurance premiums, health care and retirement benefits and the like), direct non-labor costs, if any, and similar expenses, and reimbursement of out-of-pocket third party costs and expenses.
- (ii) Service Charges: Costs that are impractical to charge directly but for which a cost/benefit relationship can be reasonably identified. A practical allocation method will be established by Providing Party that allocates the cost of this service equitably and consistently to the Recipient Party. Any changes in the methodology will be communicated in writing to rate-regulated subsidiaries at least 180 days before the implementation of the change.
- (iii) Allocations: Costs incurred for the general benefit of the entire corporate group for which direct charging and service charges are not practical. An allocation methodology will be established and used consistently from year to year. Any changes to the methodology will be communicated

in writing to rate-regulated subsidiaries at least 180 days before the implementation of the change.

The charges constitute full compensation to the Providing Party for all charges, costs and expenses incurred by the Providing Party on behalf of the Recipient Party in providing the Administrative Services, unless otherwise specifically agreed to in writing between the Parties.

If events or circumstances arise which, in the opinion of the Parties, render the costs of providing any Administrative Services materially different from those charged under a specific rate or formula then in effect, the specific rate or formulas shall be equitably adjusted to take into account such events or changed circumstances.

Providing Parties will bill each and all Recipient Parties, as appropriate, for Administrative Services rendered under this Agreement in as specific a manner as practicable. To the extent that direct charging for services rendered is not practicable, the Providing Party may utilize allocation methodologies to assign charges for services rendered to the Recipient Party, reflective of the drivers of such costs. Such allocation methodologies may utilize allocation bases that include, but are not limited to: employee labor, employee counts, assets, and multi-factor allocation formulae.

Any cost allocation methodology for the assignment of corporate and affiliate costs will comply with the following principles:

- i) For Administrative Services rendered to a rate-regulated subsidiary of the Company or each cost category subject to allocation to rate-regulated subsidiaries by the Company, the Company must be able to demonstrate that such service or cost category is reasonable for the rate-regulated subsidiary for the performance of its regulated operations, is not duplicative of Administrative Services already being performed within the rate-regulated subsidiary, and is reasonable and prudent.
- ii) The Company and Providing Parties will have in place positive time reporting systems adequate to support the allocation and assignment of costs of executives and other relevant personnel to Recipient Parties.
- iii) Parties must maintain records sufficient to specifically identify costs subject to allocation, particularly with respect to their origin. In addition, the records must be adequately supported in a manner sufficient to justify recovery of the costs in rates of rate-regulated subsidiaries.
- iv) It is the responsibility of rate-regulated Recipient Parties to this Agreement to ensure that costs which would have been denied recovery in rates had such costs been directly incurred by the regulated operation are appropriately identified and segregated in the books of the regulated operation.

**(b) PAYMENT.**

(i) Each Providing Party shall bill the Recipient Party monthly for all charges pursuant to this Agreement via billings to the Company. The Company, in its capacity as a clearinghouse for



intercompany charges within the Company shall aggregate all charges and bill all Recipient Parties in a single bill. Full payment to or by the Company for all Administrative Services shall be made by the end of the calendar month following the intercompany charge. Charges shall be supported by reasonable documentation, which may be maintained in electronic form.

(ii) The Parties shall make adjustments to charges as required to reflect the discovery of errors or omissions or changes in the charges. The Parties shall conduct a true-up process at least quarterly and more frequently if necessary to adjust charges based on reconciliation of amounts charged and costs incurred. It is the intent of the Parties that such true-up process will be conducted using substantially the same process, procedures and methods of review as have been in effect prior to execution of this Agreement by the Parties.

**ARTICLE 5. GENERAL OBLIGATIONS; STANDARD OF CARE**

Rate-regulated Parties will comply with all applicable State and Federal Laws regarding affiliated interest transactions, including timely filing of applications and reports. The Parties agree not to cross-subsidize between the rate-regulated and non-rate-regulated businesses or between any rate-regulated businesses, and shall comply with any applicable State Commission Laws and orders. Subject to the terms of this Agreement, the Parties shall perform their obligations hereunder in a commercially reasonable manner.

**ARTICLE 6. TAXES**

Each Party shall bear all taxes, duties and other similar charges except taxes based upon its gross income (and any related interest and penalties), imposed as a result of its receipt of Administrative Services under this Agreement, including without limitation sales, use, and value-added taxes.

**ARTICLE 7. ACCOUNTING AND AUDITING**

Providing Parties and the Company shall maintain such books and records as are necessary to support the charges for Administrative Services, in sufficient detail as may be necessary to enable the Parties to satisfy applicable regulatory requirements ("Records"). All Parties:

- (a) shall provide access to the Records at all reasonable times;
- (b) shall maintain the Records in accordance with good record management practices and with at least the same degree of completeness, accuracy and care as it maintains for its own records; and
- (c) shall maintain its own accounting records, separate from the other Party's accounting records.

Subject to the provisions of this Agreement, Records supporting intercompany billings shall be available for inspection and copying by any qualified representative or agent of either Party or its affiliates, at the expense of the inquiring Party. In addition, State Commission staff or agents may audit the accounting records of Providing Parties that form the basis for charges to rate-regulated subsidiaries, to determine the reasonableness of allocation factors used by the Providing Party to assign costs to the Recipient Party and amounts subject to allocation or direct charges. All Parties agree to cooperate fully with such audits.

**ARTICLE 8. BUDGETING**

In advance of each budget year, Providing Parties shall prepare and deliver to the Recipient Parties, for their review and approval, a proposed budget for Administrative Services to be performed during that year. The approved schedule of budgeted Administrative Services shall evidence the base level of Administrative Services. The schedule shall be updated at least annually. Each Party shall promptly notify the other Party in writing of any requested material change to the budget costs for any service being provided.

**ARTICLE 9. COOPERATION WITH OTHERS**

The Parties will use good faith efforts to cooperate with each other in all matters relating to the provision and receipt of Administrative Services. Such good faith cooperation will include providing electronic access in the same manner as provided other vendors and contractors to systems used in connection with Administrative Services and using commercially reasonable efforts to obtain all consents, licenses, sublicenses or approvals necessary to permit each Party to perform its obligations. Each Party shall make available to the other Party any information required or reasonably requested by the other Party regarding the performance of any Administrative Service and shall be responsible for timely providing that information and for the accuracy and completeness of that information; provided, however, that a Party shall not be liable for not providing any information that is subject to a confidentiality obligation owed by it to a person or regulatory body other than an affiliate of it or the other Party. Either Party shall not be liable for any impairment of any Administrative Service caused by it not receiving information, either timely or at all, or by it receiving inaccurate or incomplete information from the other Party that is required or reasonably requested regarding that Administrative Service. The Parties will cooperate with each other in making such information available as needed in the event of any and all internal or external audits, utility regulatory proceedings, legal actions or dispute resolution. Each Party shall fully cooperate and coordinate with each other's employees and contractors who may be awarded other work. The Parties shall not commit or permit any act, which will interfere with the performance of or receipt of Administrative Services by either Party's employees or contractors.

**ARTICLE 10. COMPLIANCE WITH ALL LAWS**

Each Party shall be responsible for (i) its compliance with all laws and governmental regulations affecting its business, including but not limited to, laws and governmental regulations governing federal and state affiliate transactions, workers' compensation, health, safety and security, and (ii) any use it may make of the Administrative Services to assist it in complying with such laws and governmental regulations.

**ARTICLE 11. LIMITATION OF LIABILITY**

Notwithstanding any other provision of this Agreement and except for (a) rights provided under Article 12 in connection with Third-Party Claims, (b) direct or actual damages as a result of a breach of this Agreement, and (c) liability caused by a Party's negligence or willful misconduct, no Party nor their respective directors, officers, employees and agents, will have any liability to any other Party, or their respective directors, officers, employees and agents, whether based on contract, warranty, tort, strict liability, or any other theory, for any indirect, incidental, consequential, special damages, and no Party, as a result of providing a Service pursuant to this Agreement, shall be liable to any other Party for more than the cost of the Administrative Service(s) related to the claim or damages.

**ARTICLE 12. INDEMNIFICATION**

Each of the Parties will indemnify, defend, and hold harmless each other Party, members of its Board of Directors, officers, employees and agents against and from any third-party claims resulting from any negligence or willful misconduct of a Party's employees, agents, representatives or subcontractors of any tier, their employees, agents or representatives in the performance or nonperformance of its obligations under this Agreement or in any way related to this Agreement. If a Third-Party claim arising out of or in connection with this Agreement results from negligence of multiple Parties (including their employees, agents, suppliers and subcontractors), each Party will bear liability with respect to the Third-Party Claim in proportion to its own negligence.

**ARTICLE 13. DISPUTE RESOLUTION**

The Parties shall promptly resolve any conflicts arising under this Agreement and such resolution shall be final. If applicable, adjustments to the charges will be made as required to reflect the discovery of errors or omissions in the charges. If the Parties are unable to resolve any service, performance or budget issues or if there is a material breach of this Agreement that has not been corrected within ninety (90) days, representatives of the affected Parties will meet promptly to review and resolve those issues in good faith.

**ARTICLE 14. TERMINATION FOR CONVENIENCE**

A Party may terminate its participation in this Agreement either with respect to all, or with respect to any one or more, of the Administrative Services provided hereunder at any time and from time to time, for any reason or no reason, by giving notice of termination at least sixty (60) days in advance of the effective date of the termination to enable the other Party to adjust its available staffing and facilities. In the event of any termination with respect to one or more, but less than all, Administrative Services, this Agreement shall continue in full force and effect with respect to any Administrative Services not terminated hereby. If this Agreement is terminated in whole or in part, the Parties will cooperate in good faith with each other in all reasonable respects in order to effect an efficient transition and to minimize the disruption to the business of all Parties, including the assignment or transfer of the rights and obligations under any contracts. Transitional assistance service shall include organizing and delivering records and documents necessary to allow continuation of the Administrative Services, including delivering such materials in electronic forms and versions as reasonably requested by the Party.

**ARTICLE 15. CONFIDENTIAL INFORMATION/NONDISCLOSURE**

To the fullest extent allowed by law, the provision of any Administrative Service or reimbursement for any Administrative Service provided pursuant to this Agreement shall not operate to impair or waive any privilege available to either Party in connection with the Administrative Service, its provision or reimbursement for the Administrative Service.

All Parties will maintain in confidence Confidential Information provided to each other in connection with this Agreement and will use the Confidential Information solely for the purpose of carrying out its obligations under this Agreement. The term Confidential Information means any oral or written information, (including without limitation, computer programs, code, macros or instructions) which is made available to the Company, its

Subsidiaries or one of its representatives, regardless of the manner in which such information is furnished. Confidential Information also includes the following:

a. All Information regarding the Administrative Services, including, but not limited to, price, costs, methods of operation and software, shall be maintained in confidence.

b. Systems used to perform the Administrative Services provided hereunder are confidential and proprietary to the Company, its Subsidiaries or third parties. Both Parties shall treat these systems and all related procedures and documentation as confidential and proprietary to the Company, its Subsidiaries or its third party vendors.

c. All systems, procedures and related materials provided to either Party are for its internal use only and only as related to the Administrative Services or any of the underlying systems used to provide the Administrative Services.

Notwithstanding anything in this Article 15 to the contrary, the term "Confidential Information" does not include any information which (i) at the time of disclosure is generally available to and known by the public (other than as a result of an unpermitted disclosure made directly or indirectly by a Party), (ii) was available to a Party on a non-confidential basis from another source (provided that such source is not or was not bound by a confidentiality agreement with a Party or had any other duty of confidentiality to a Party), or (iii) has been independently acquired or developed without violating any of the obligations under this Agreement.

The Parties shall use good faith efforts at the termination or expiration of this Agreement to ensure that all user access and passwords are cancelled.

All Confidential Information supplied or developed by a Party shall be and remain the sole and exclusive property of the Party who supplied or developed it.

#### **ARTICLE 16. PERMITTED DISCLOSURE**

Notwithstanding provisions of this Agreement to the contrary, each Party may disclose Confidential Information (i) to the extent required by a State Commission, a court of competent jurisdiction or other governmental authority or otherwise as required by law, including without limitation disclosure obligations imposed under the federal securities laws, provided that such Party has given the other Party prior notice of such requirement when legally permissible to permit the other Party to take such legal action to prevent the disclosure as it deems reasonable, appropriate or necessary, or (ii) on a "need-to-know" basis under an obligation of confidentiality to its consultants, legal counsel, affiliates, accountants, banks and other financing sources and their advisors.

#### **ARTICLE 17. SUBCONTRACTORS**

To the extent provided herein, the Parties shall be fully responsible for the acts or omissions of any subcontractors of any tier and of all persons employed by such subcontractors and shall maintain complete

control over all such subcontractors. It being understood and agreed that not anything contained herein shall be deemed to create any contractual relation between the subcontractor of any tier and the Parties.

**ARTICLE 18. NONWAIVER**

The failure of a Party to insist upon or enforce strict performance of any of the terms of this Agreement or to exercise any rights herein shall not be construed as a waiver or relinquishment to any extent of its right to enforce such terms or rights on any future occasion.

**ARTICLE 19. SEVERABILITY**

Any provision of this Agreement prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

**ARTICLE 20. ENTIRE AGREEMENT/DOCUMENTS INCORPORATED BY REFERENCE**


All understandings, representations, warranties, agreements and any referenced attachments, if any, existing between the Parties regarding the subject matter hereof are merged into this Agreement, which fully and completely express the agreement of the Parties with respect to the subject matter hereof.

**ARTICLE 21. OTHER AGREEMENTS**

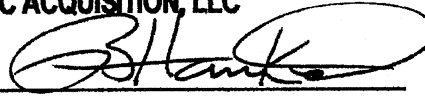
This Agreement does not address or govern the Parties' relationship involving: (a) the tax allocation agreement nor (b) any other relationships not specifically identified herein. All such relationships not addressed or governed by this Agreement will be governed and controlled by a separate agreement or tariff specifically addressing and governing those relationships or by applicable Laws or orders.

This Agreement has been duly executed on behalf of the Parties as follows:

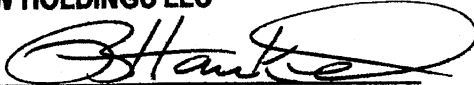
**MIDAMERICAN ENERGY HOLDINGS COMPANY**

By:   
Patrick J. Goodman  
Title: Sr. Vice President & Chief Financial Officer


**NNGC ACQUISITION, LLC**

By:   
Brian K. Hankel  
Title: Vice President & Treasurer


**PPW HOLDINGS LLC**

By:   
Brian K. Hankel  
Title: Vice President & Treasurer

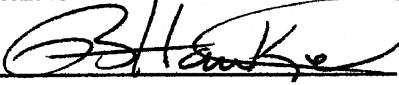
**KR HOLDING, LLC**

By:   
Patrick J. Goodman  
Title: Vice President & Treasurer

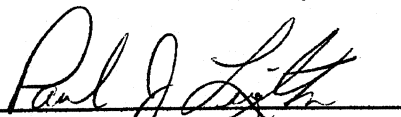
**CE ELECTRIC UK FUNDING COMPANY**

By:   
Patrick J. Goodman  
Title: Director


**CALENERGY INTERNATIONAL SERVICES, INC.**

By:   
Brian K. Hankel  
Title: Vice President & Treasurer

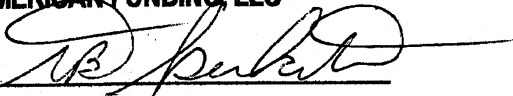
**HOME SERVICES OF AMERICA, INC.**

By:   
Paul J. Leighton  
Title: Asst Secretary

**CE CASECNAN WATER AND ENERGY COMPANY, INC.**

By:   
Brian K. Hankel  
Title: Vice President & Treasurer

**MIDAMERICAN FUNDING, LLC**

By:   
Thomas B. Specketer  
Title: Vice President & Controller