PacifiCorp

Affiliated Interest Report

For the Year Ended
March 31, 2006

I.Organization

I. Organization

A description of the PacifiCorp organization and a listing of subsidiaries and the percentage ownership of each.

PacifiCorp (which includes PacifiCorp and its subsidiaries) is a United States electric utility company serving retail customers in portions of the states of Utah, Oregon, Wyoming, Washington, Idaho and California. PacifiCorp generates electricity and also engages in electricity sales and purchases on a wholesale basis. The subsidiaries of PacifiCorp support its electric utility operations by providing coal mining and other fuel-related services, as well as environmental remediation.

On March 21, 2006, MidAmerican Energy Holdings Company ("MEHC") completed its purchase of all of PacifiCorp's outstanding common stock from PacifiCorp Holdings, Inc. ("PHI"), a subsidiary of ScottishPower UK, plc ("ScottishPower"), pursuant to the Stock Purchase Agreement among MidAmerican, ScottishPower and PHI dated May 23, 2005, as amended on March 21, 2006. The cash purchase price was $5.1 billion. PacifiCorp's common stock was directly acquired by a subsidiary of MEHC, PPW Holdings LLC. As a result of this transaction, MEHC controls the significant majority of PacifiCorp's voting securities, which includes both common and preferred stock. MEHC, a global energy company based in Des Moines, Iowa, is a majority-owned subsidiary of Berkshire Hathaway, Inc.

As a result of a settlement agreement between MEHC, the Utah Committee of Consumer Services and Utah Industrial Energy Consumers, MEHC contributed to PacifiCorp, at no cost, MEHC's indirect 100.0% ownership interest in Intermountain Geothermal Company, which controls 69.3% of the steam rights associated with the geothermal field serving PacifiCorp's Blundell Geothermal Plant in Utah. Intermountain Geothermal Company therefore became a wholly owned subsidiary of PacifiCorp in March 2006, subsequent to the sale of PacifiCorp to MEHC.

Following the closing of PacifiCorp's sale, MEHC announced a new organizational structure under the direction of a newly appointed chairman and chief executive officer, who oversees the company's entire operations. The PacifiCorp Energy operational unit is responsible for PacifiCorp's electric generation, commercial and energy trading, and coal-mining functions. The Pacific Power operational unit is responsible for delivering electricity to customers in Oregon, Washington and California. The Rocky Mountain Power operational unit is responsible for delivering electricity to customers in Utah, Wyoming and Idaho.

The following page provides an organization chart, in columnar form, of PacifiCorp's subsidiaries. For each subsidiary, the percentage of ownership held by its parent company is listed, as well as the state of incorporation.

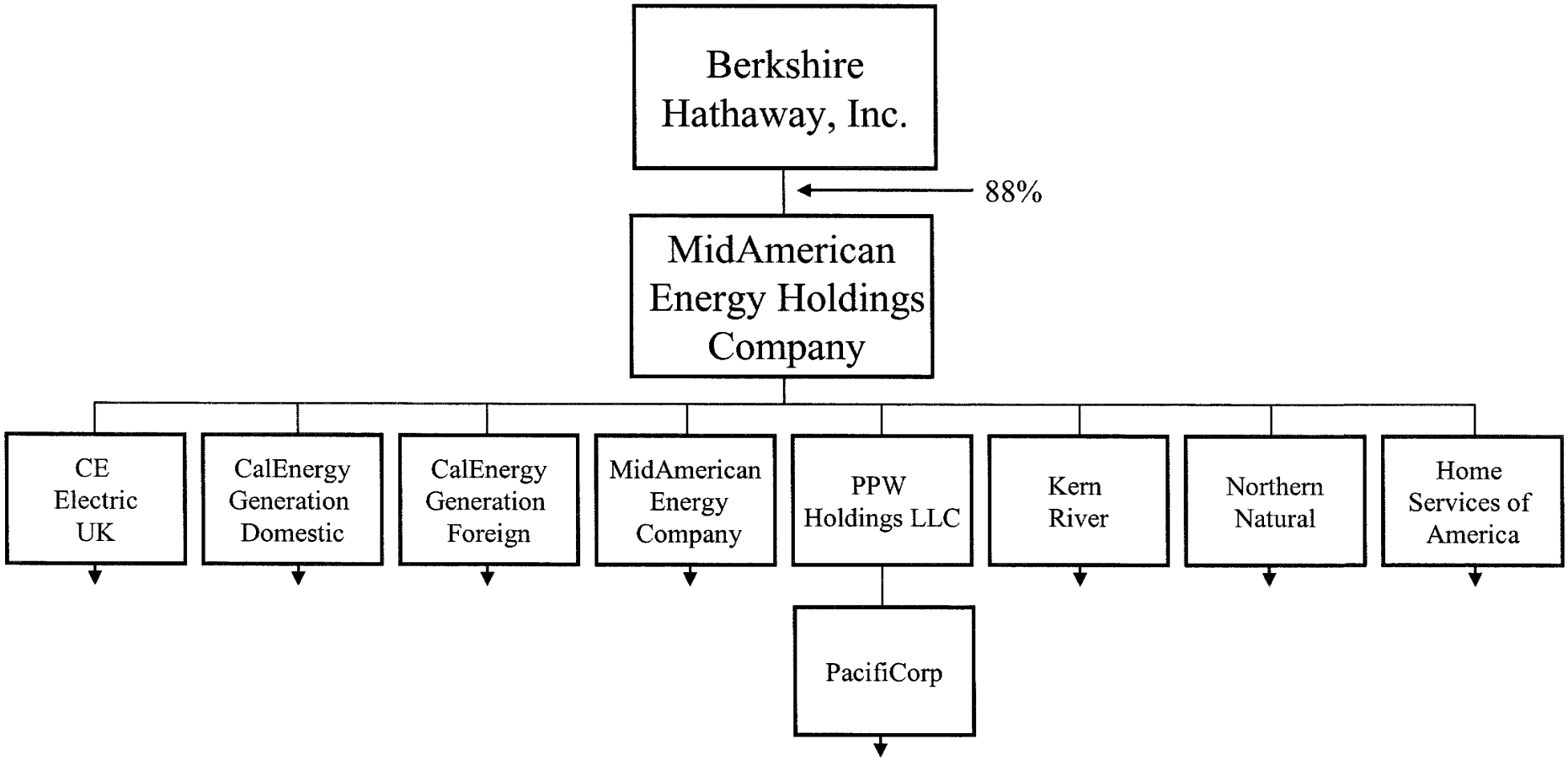
The following pages are organizational charts for MEHC including PacifiCorp.

SUBSIDIARIES OF THE COMPANY

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
Intermountain Geothermal Company	100%	Delaware
Interwest Mining Company	100%	Oregon
Pacific Minerals, Inc.	100%	Wyoming
- Bridger Coal Co., a joint venture	66.66%	Wyoming
Trapper Mining, Inc.	21.40%	Colorado
PacifiCorp Environmental Remediation Company	89.90%	Oregon
PacifiCorp Future Generations, Inc.	100%	Oregon
- Canopy Botanicals, Inc.	77.85%	Delaware
- Canopy Botanicals, SRL	49.00%	Bolivia
PacifiCorp Investment Management, Inc.	100%	Oregon

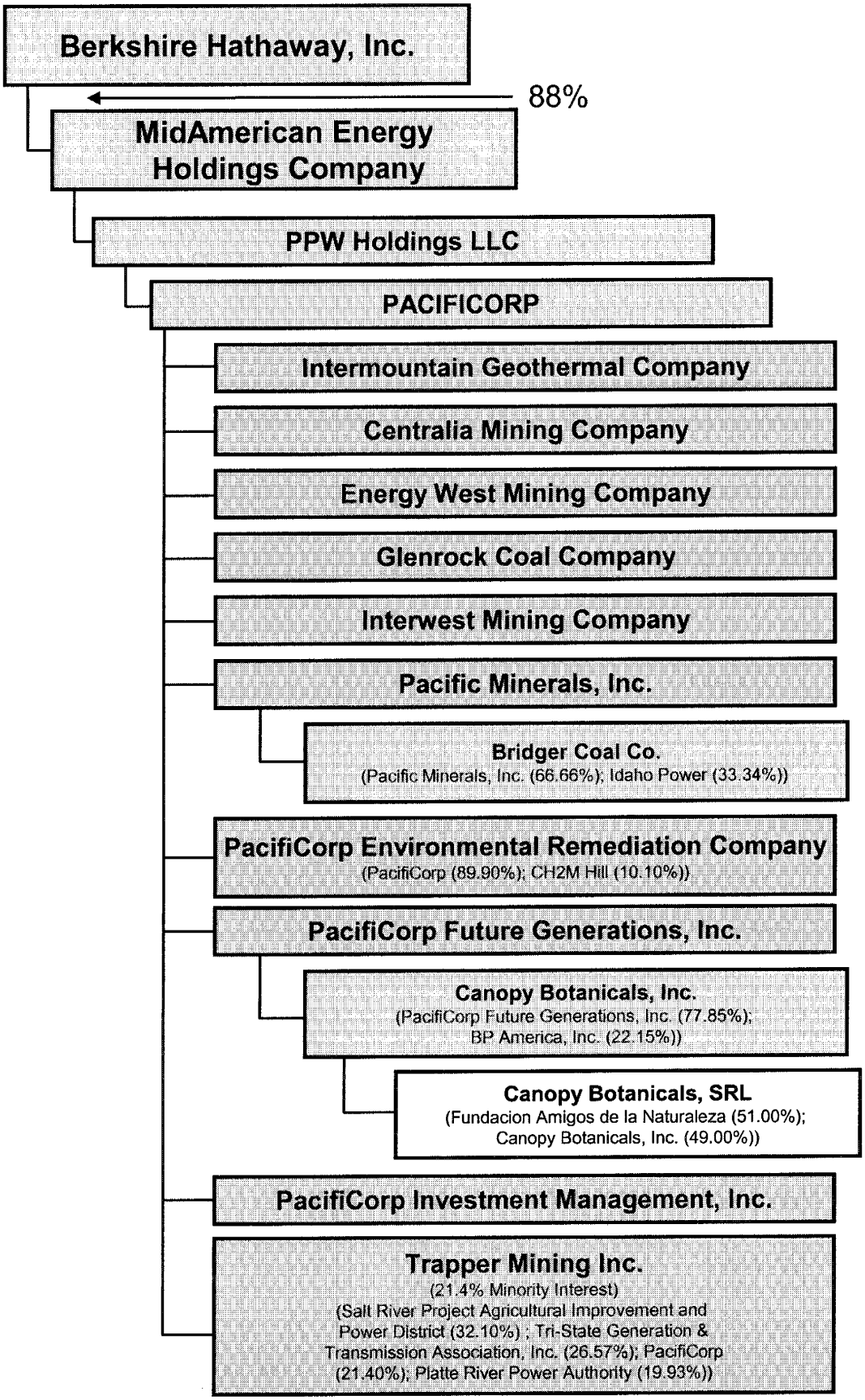
Corporate Structure

As of March 21, 2006



Corporate Structure

As of March 21, 2006



I.A. Directors & Officers

I. A. Officers and Directors

Changes in the list of directors and officers common to the regulated utility and the affiliated interest;

On the following pages are listed:

1. **Changes in Directors and Officers during FY 2006.**

2. **PacifiCorp Board of Directors and Board Committees.**

3. **PacifiCorp Officers.**

4. **Pacific Regional Board.**

5. **Utah Regional Board.**

6. **Wyoming Regional Board.**

7. **Directory of Officers and Directors with affiliated positions as of March 31, 2006.**

The positions listed for the directors and officers in each of these sections are those positions that were held at March 31, 2006. The listings do not reflect changes since that date.

PacifiCorp Directors and Officers during FY 2006
4/1/2005 through 3/31/2006

DIRECTORS

Director	Address	From	To	Director At 3/31/2006	Elected During FY 2006	Resigned During FY 2006
Gregory E. Abel	666 Grand Avenue Des Moines, Iowa 50309	3/21/2006		Yes	Yes	No
Douglas L. Anderson	302 South 36th Street Omaha, Nebraska 68131	3/21/2006		Yes	Yes	No
Barry G. Cunningham	201 South Main Suite 2300 Salt Lake City, Utah 84111	4/18/2002	3/20/2006	No	No	Yes
Stephen Dunn	1 Atlantic Quay Robertson St Glasgow, Scotland G2 8SP	11/29/2005	3/20/2006	No	No	Yes
William J. Fehrman	1407 West North Temple Room 320 Salt Lake City, Utah 84116	3/21/2006		Yes	Yes	No
Brent E. Gale	825 NE Multnomah Suite 2000 Portland, Oregon 97232	3/21/2006		Yes	Yes	No
Patrick J. Goodman	666 Grand Avenue Des Moines, Iowa 50309	3/21/2006		Yes	Yes	No
Andrew P. Haller	825 NE Multnomah Suite 2000 Portland, Oregon 97232	5/23/2003		Yes	No	No
Nolan E. Karras	4695 South 1900 West #3 Roy, Utah 84067	2/17/1993		Yes	No	No
Judith A. Johansen	825 NE Multnomah Suite 2000 Portland, Oregon 97232	12/1/2000	3/20/2006	No	No	Yes
Rob Lasich	1407 West North Temple Room 320 Salt Lake City, Utah 84116	3/21/2006		Yes	Yes	No
Andrew N. MacRitchie	825 NE Multnomah Suite 2000 Portland, Oregon 97232	5/15/2000	3/20/2006	No	No	Yes
Mark Moench	201 South Main Suite 2300 Salt Lake City, Utah 84111	3/21/2006		Yes	Yes	No
Richard D. Peach	825 NE Multnomah Suite 2000 Portland, Oregon 97232	5/23/2003		Yes	No	No
Michael J. Pittman	825 NE Multnomah Suite 2000 Portland, Oregon 97232	5/15/2000	9/7/2005	No	No	Yes

DIRECTORS

Director	Address	From	To	Director At 3/31/2006	Elected During FY 2006	Resigned During FY 2006
Ian M. Russell	1 Atlantic Quay Glasgow, Scotland G28FP	1/1/2002	1/16/2006	No	No	Yes
A. Richard Walje	201 South Main Suite 2300 Salt Lake City, Utah 84111	7/2/2001		Yes	No	No
Stanley K. Watters	825 NE Multnomah Suite 2000 Portland, Oregon 97232	3/21/2006		Yes	Yes	No
Matthew R. Wright	825 NE Multnomah Suite 2000 Portland, Oregon 97232	7/2/2001	3/20/2006	No	No	Yes

OFFICERS

Title	Officer	Address	From	To	Officer At 3/31/2006	Elected During FY 2006	Resigned During FY 2006
Chairman of Board and Chief Executive Officer	Gregory E. Abel	666 Grand Avenue Des Moines, Iowa 50309	3/21/2006		Yes	Yes	No
President, PacifiCorp Energy	William J. Fehrman	1407 West North Temple Room 320 Salt Lake City, Utah 84116	3/21/2006		Yes	Yes	No
President and Chief Executive Officer	Judith A. Johansen	825 NE Multnomah Suite 2000 Portland, Oregon 97232	6/4/2001	3/20/2006	No	No	Yes
President, Rocky Mountain Power and Utah Power	A. Richard Walje	201 South Main Suite 2300 Salt Lake City, Utah 84111	3/21/2006		Yes	Yes	No
President, Pacific Power	Stanley K. Watters	825 NE Multnomah Suite 2000 Portland, Oregon 97232	3/21/2006		Yes	Yes	No
Senior Vice President and Chief Financial Officer	Richard D. Peach	825 NE Multnomah Suite 2000 Portland, Oregon 97232	3/21/2006		Yes	Yes	No
Executive Vice President	Andrew N. MacRitchie	825 NE Multnomah Suite 2000 Portland, Oregon 97232	6/4/2001	3/20/2006	No	No	Yes
Executive Vice President	Matthew R. Wright	825 NE Multnomah Suite 2000 Portland, Oregon 97232	1/1/2002	3/20/2006	No	No	Yes
Senior Vice President	Barry G. Cunningham	201 South Main Suite 2300 Salt Lake City, Utah 84111	2/11/2002		Yes	No	No
Senior Vice President	Donald N. Furman	825 NE Multnomah Suite 2000 Portland, Oregon 97232	7/2/2001	6/3/2005	No	No	Yes
Senior Vice President General Counsel and Corporate Secretary	Andrew P. Haller	825 NE Multnomah Suite 2000 Portland, Oregon 97232	6/4/2001		Yes	No	No
Senior Vice President	Robert A. Klein	1125 NW Couch Suite 700 Portland, Oregon 97209	8/6/2001	12/26/2005	No	No	Yes
Senior Vice President	Michael J. Pittman	825 NE Multnomah Suite 2000 Portland, Oregon 97232	5/15/2000	9/7/2005	No	No	Yes

Title	Officer	Address	From	To	Officer At 3/31/2006	Elected During FY 2006	Resigned During FY 2006
Vice President	Donald (Doug) D. Larson	201 South Main Suite 2300 Salt Lake City, Utah 84111	7/2/2001	3/20/2006	No	No	Yes
Vice President	Ernest E. Wessman	201 South Main Suite 2300 Salt Lake City, Utah 84111	5/19/1993	3/20/2006	No	No	Yes
Vice President and Treasurer	Bruce N. Williams	825 NE Multnomah Suite 1900 Portland, Oregon 97232	5/3/2003		Yes	No	No

Regional Advisory Boards - effective January 12, 2006

Pacific Advisory Board
William B. Douglas
Keith R. McKennon
Ethel Simon-McWilliams
Nancy Wilgenbusch

Utah Advisory Board
Steven D. Bennion
Kent H. Cannon
EJ "Jake" Garn
Nolan Karras

Wyoming Advisory Board
John W. Hay III
Brent Kunz
Maggi Maier Murdock
Peter Wold

PacifiCorp Officers and Directors with affiliated positions as of March 31, 2006

Abel, Gregory

DIRECTOR POSITIONS

Entity

Intermountain Geothermal Company
MidAmerican Energy Holdings Company
PacifiCorp

OFFICER POSITIONS

Entity	Title
Intermountain Geothermal Company	President
MidAmerican Energy Holdings Company	President and Chief Operating Officer
PacifiCorp	Chairman of Board and Chief Executive Officer

Fehrman, William J.

DIRECTOR POSITIONS

Entity

Intermountain Geothermal Company
PacifiCorp
PacifiCorp Foundation for Learning

OFFICER POSITIONS

Entity	Title
Intermountain Geothermal Company	President
PacifiCorp	President, PacifiCorp Energy

Gale, Brent E.

DIRECTOR POSITIONS

Entity

PacifiCorp
PacifiCorp Future Generations, Inc.
PacifiCorp Foundation for Learning

OFFICER POSITIONS

Entity	Title
MidAmerican Energy Holdings Company	Senior Vice President
PacifiCorp Future Generations, Inc.	President

Goodman, Patrick J.

DIRECTOR POSITIONS

Entity
PacifiCorp

OFFICER POSITIONS

Entity	Title
Intermountain Geothermal Company	Senior Vice President and Chief Financial Officer

Haller, Andrew P.

DIRECTOR POSITIONS

Entity
PacifiCorp

OFFICER POSITIONS

Entity	Title
Centralia Mining Company	General Counsel
Centralia Mining Company	Senior Vice President
Centralia Mining Company	Secretary
Energy West Mining Company	General Counsel
Energy West Mining Company	Senior Vice President
Energy West Mining Company	Secretary
Glenrock Coal Company	General Counsel
Glenrock Coal Company	Senior Vice President
Glenrock Coal Company	Secretary
Interwest Mining Company	General Counsel
Interwest Mining Company	Senior Vice President
Interwest Mining Company	Secretary
Pacific Minerals, Inc.	General Counsel
Pacific Minerals, Inc.	Senior Vice President
Pacific Minerals, Inc.	Secretary
PacifiCorp	General Counsel
PacifiCorp	Senior Vice President
PacifiCorp	Secretary
PacifiCorp Investment Management, Inc.	Secretary

Lasich, Rob

DIRECTOR POSITIONS

Entity
Intermountain Geothermal Company
PacifiCorp

OFFICER POSITIONS

Entity	Title
Intermountain Geothermal Company	Assistant Secretary

Moench, Mark

DIRECTOR POSITIONS

Entity

PacifiCorp Foundation for Learning

PacifiCorp

Walje, A. Richard.

DIRECTOR POSITIONS

Entity

PacifiCorp

PacifiCorp Foundation for Learning

Watters, Stanley K.

DIRECTOR POSITIONS

Entity

PacifiCorp Foundation for Learning

PacifiCorp

Williams, Bruce N.

DIRECTOR POSITIONS

Entity

OFFICER POSITIONS

Entity	Title
Centralia Mining Company	Treasurer
Energy West Mining Company	Treasurer
Glenrock Coal Company	Treasurer
Interwest Mining Company	Treasurer
Pacific Minerals, Inc.	Treasurer
PacifiCorp	Vice President
PacifiCorp	Treasurer
PacifiCorp Environmental Remediation Company	Treasurer
PacifiCorp Future Generations, Inc.	Treasurer
PacifiCorp Investment Management, Inc.	President
PacifiCorp Investment Management, Inc.	Treasurer
PacifiCorp Foundation for Learning	Treasurer

I.B. Changes in Owners

I. B. Changes in Ownership

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

Changes in Affiliate Interest Ownership Report**

Between 4/1/2005 and 3/31/2006

Parent Entity	Affiliate	Domestic Foreign	State of Incorporation	Action	Date of Action	Date of Incorporation
PPM Energy, Inc.*	Atlantic Wind LLC	Domestic	Oregon	New Entity	August 12, 2005	August 12, 2005
PPM Energy, Inc.*	Big Horn Wind Project LLC	Domestic	Oregon	Name Added Name Removed	April 27, 2005	October 21, 2002
PPM Energy, Inc.*	Bishop Wind Farm LLC	Domestic	Delaware	Dissolved Entity	December 28, 2005	December 29, 2004
PPM Energy, Inc.*	Elm Creek Wind, LLC	Domestic	Oregon	New Entity	December 6, 2005	December 6, 2005
PPM Energy, Inc.*	Gramma Ridge Storage and Transportation, LLC	Domestic	Oregon	New Entity	April 19, 2005	April 19, 2005
PPM Energy, Inc.*	Kimberly Run Windpower, LLC	Domestic	Oregon	New Entity	December 22, 2005	December 22, 2005
PPM Energy, Inc.*	Leaning Juniper Wind Power II, LLC	Domestic	Oregon	New Entity	December 22, 2005	December 22, 2005
PPM Energy, Inc.*	Manzana Wind LLC	Domestic	Oregon	New Entity	May 11, 2005	May 11, 2005
PPM Energy, Inc.*	MinnDakota Wind, LLC	Domestic	Oregon	Name Added Name Removed	October 24, 2005	December 16, 2003
PacifiCorp Financial Services, Inc.*	PacifiCorp Development Company	Domestic	Oregon	Dissolved Entity	November 23, 2005	January 17, 1996
PacifiCorp Holdings, Inc.*	PacifiCorp UK	Domestic	Scotland	Acquired Entity	November 18, 2005	November 18, 2005
PPM Energy, Inc.*	PPM Roaring Brook, LLC	Domestic	Oregon	New Entity	December 6, 2005	December 6, 2005
PPM Energy, Inc.*	PPM Tug Hill, LLC	Domestic	Oregon	New Entity	December 6, 2005	December 6, 2005
PPM Energy, Inc.*	Rugby Wind, LLC	Domestic	Oregon	New Entity	October 11, 2005	October 11, 2005
PacifiCorp Holdings, Inc.*	ScotPower, Ltd	Domestic	Scotland	Acquired Entity	November 18, 2005	November 18, 2005
PPM Energy, Inc.*	Shiloh I Wind Project LLC	Domestic	Oregon	New Entity	May 12, 2005	May 12, 2005
PacifiCorp	Intermountain Geothermal Company	Domestic	Delaware	Acquired Entity	March 21, 2006	March 21, 2006

* Affiliated interest ceased March 21, 2006 upon the sale of PacifiCorp to MidAmerican Energy Holdings Company.

**The above table only reflects affiliated companies with changes during the year. Companies whose affiliated interest ceased on March 21, 2006, upon the sale of PacifiCorp to MidAmerican Energy Holdings Company are not listed in the table.

I.C. Affiliate Descriptions

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.

Summary of narrative descriptions
For each affiliated entity

The following affiliates did business with PacifiCorp in the fiscal year ending March 31, 2006. They are affiliated interests of PacifiCorp, as defined by ORS 757.015, because each has two or more officers or directors in common with PacifiCorp, or they meet the ownership requirements of 5% direct or indirect ownership.

Dornoch International Insurance Limited ("DIIL") - as of March 21, 2006, a *former* affiliated company and subsidiary of Scottish Power plc. DIIL was a captive insurance provider to PacifiCorp. PacifiCorp had no equity interest in DIIL and had no obligation to contribute equity or loan funds to DIIL. Premium amounts were established to cover loss claims, administrative expenses and appropriate reserves, but otherwise DIIL was not operated to generate profits.

Eastern Desert Power, LLC - as of March 21, 2006, a *former* affiliated company and subsidiary of PPM Energy, Inc., in the business of wind energy and development.

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

Enstor Operating Company, LLC - as of March 21, 2006, a *former* affiliated company and subsidiary of PPM Energy, Inc. that serves as a general partner of Katy Storage & Transportation L.P., a Texas limited partnership. Enstor Operating Company, LLC is involved in natural gas storage.

Intermountain Geothermal Company - subsidiary company of PacifiCorp that, as of March 31, 2006, owned a 69.3% interest in the Roosevelt Hot Springs geothermal field serving the company's Blundell geothermal plant in Utah.

Interwest Mining Company - subsidiary company of PacifiCorp providing administrative, technical and management services to Energy West Mining Company, Glenrock Coal Company and Pacific Minerals, Inc.

MEHC Insurance Services Ltd. ("MISL") - a wholly owned subsidiary of MidAmerican Energy Holdings Company that provides a captive insurance program to PacifiCorp. MISL covers all or significant portions of the property damage and liability insurance deductibles in 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. Certain costs associated with the program are prepaid and amortized through March 20, 2007.

MidAmerican Energy Holdings Company - as of March 21, 2006, parent company of PPW Holdings LLC and subsidiary of Berkshire Hathaway, Inc.

Pacific Klamath Energy, Inc. - as of March 21, 2006, a *former* affiliated company and subsidiary of PacifiCorp Holdings, Inc. that has a contract with the city of Klamath Falls, Oregon, to maintain a 500-MW cogeneration plant.

Pacific Minerals, Inc. ("PMI") - subsidiary company of PacifiCorp which owns 66.66% of Bridger Coal Co., the coal mining joint venture with Idaho Energy Resources Company ("IREC"), a subsidiary of Idaho Power.

Bridger Coal Co. - Coal mining joint venture with PMI and IREC. PMI owns 66.66% and IREC owns 33.34% of Bridger Coal Co.

PacifiCorp Energy Canada Ltd. - as of March 21, 2006, a *former* affiliated company and subsidiary of ScottishPower UK, plc that, through its Enstor division, provides storage products and services to third parties (firm storage, park and loan transactions).

PacifiCorp Environmental Remediation Company ("PERCO") - subsidiary company of PacifiCorp that evaluates, manages and resolves certain environmental remediation. PERCO also manages a remediation trust.

PacifiCorp Financial Services, Inc. - as of March 21, 2006, a *former* affiliated holding company and subsidiary of PacifiCorp Group Holdings Company that designs and markets a wide range of specialized financial services through its subsidiaries.

PacifiCorp Foundation for Learning - an independent non profit foundation with the mission of advancing individual and community aspirations through learning.

PacifiCorp Group Holdings Company ("PGHC") - as of March 21, 2006, a *former* affiliated holding company that facilitated businesses not regulated as an electric utility.

PacifiCorp Holdings, Inc. ("PHI") - as of March 21, 2006, the *former* parent company and taxpaying entity of PacifiCorp.

PacifiCorp Trans, Inc. - as of March 21, 2006, a *former* affiliated company and subsidiary of PGHC that maintained PacifiCorp's corporate aircraft fleet and provided the coordination of aircraft scheduling for PacifiCorp and its subsidiaries.

PPM Colorado Wind Ventures, Inc. - as of March 21, 2006, a *former* affiliated company and subsidiary of PPM Energy, Inc. in the business of wind energy and development.

PPM Energy, Inc. - as of March 21, 2006, a *former* affiliated company and subsidiary of PHI that is in the business of wholesale power trading, wind development and natural gas transportation and storage.

PPW Holdings LLC - as of March 21, 2006, the holding company for PacifiCorp and subsidiary of MidAmerican Energy Holdings Company.

ScottishPower UK, plc - as of March 21, 2006, a *former* affiliated company and subsidiary of Scottish Power plc that provided employees and other administrative services to PacifiCorp.

Trapper Mining, Inc. - PacifiCorp owns a 21.40% interest in this entity, 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%).

West Valley Leasing Company, LLC - as of March 21, 2006, a *former* affiliated company and subsidiary of PPM Energy, Inc. that owns the West Valley peaking generation facility located in Utah.

I. D. Financial Statements

A balance sheet and income statement for each affiliated interest for the 12-month reporting period.

Financial statements for each affiliated interest included in PacifiCorp and its subsidiaries' organizational structure, PPW Holdings LLC and the PacifiCorp Foundation for Learning as of March 31, 2006 are included under the individual tabs for each affiliate in Section II.

Financial statements for those companies that the affiliated interest ceased as of March 21, 2006, upon the sale of PacifiCorp to MidAmerican Energy Holdings Company, are not included in this filing.

Financial statements for MEHC Insurance Services Ltd. are not included in this filing.

II. Transactions

II. Transactions

Separately, for services rendered by the regulated utility to the affiliate and vice versa:

A. A description of the nature of services in reasonable detail.

B. The annual charges by type of service (exclude all joint/common costs reported in Section VII).

C. The basis used to determine pricing.

D. In total, for each affiliated entity whether receiving or providing services, show:

1. **Total charges or billings.**
2. **The cost of providing service, including applicable taxes.**
3. **The margin of charges over costs.**
4. **Assets allocable to the services.**
5. **The achieved rate of return on assets.**
6. **The accounts charged.**

Affiliated Interest Transactions Summary (a)
For the FY Ended March 31, 2006

Requirements	PacifiCorp Environmental Remediation Company	Interwest Mining Company	Intermountain Geothermal Company (b)
A. A description of the nature of services in reasonable detail:	Environmental consulting services, management fee, labor, benefits, IT shared services and PC support.	Interwest Mining Company provides Pacific Minerals, Inc., Glenrock Coal Company and Energy West Mining with technical and administrative services.	Intermountain Geothermal, which controls 69.3% of the steam rights associated with its geothermal field, provides steam to PacifiCorp's Blundell Geothermal Plant.
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	1,171,725	66,308	390,096
PacifiCorp Provided Services	714,904	542,407	None
C. The basis used to determine pricing:			
PacifiCorp Received Services	PERCO charges are based on labor, benefits and operational cost. No profit is allowed.	Interwest Mining charges are based on labor, benefits and operational cost. No profit is allowed.	Intermountain Geothermal charges are based on labor, benefits and operational cost. No profit is allowed.
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.	
D. In total for each affiliated entity whether receiving or providing services, show:			
Receiving Services:			
1. Total charges or billings	1,171,725	66,308	390,096
2. Cost of providing service, incl tax	1,171,725	66,308	390,096
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	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Providing Services:			
1. Total charges or billings	714,904	542,407	None
2. Cost of providing service, incl tax	714,904	542,407	None
3. The margin of charges over costs	None	None	None
4. Assets allocable to the services	551,448	None	None
5. Achieved rate of return on assets	10.0%	None	None
6. Account charged	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Allocation	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab

(a) Detail information for each affiliated company is included under separate tabs following this summary.
(b) Affiliated interest began March 21, 2006, upon the purchase of PacifiCorp by MidAmerican Energy Holdings Company.

Affiliated Interest Transactions Summary (a)
For the FY Ended March 31, 2006

Requirements	Energy West Mining Company	PacifiCorp Group Holdings Company (c)	PacifiCorp Financial Services, Inc. (c)
A. A description of the nature of services in reasonable detail:	Energy West mines coal at the Company-owned mines in Emery County, Utah.	Holding company for non regulated companies, IT and shared services.	Management fee, IT and PC support.
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	131,128,972	None	None
PacifiCorp Provided Services	None	44,360	317,812
C. The basis used to determine pricing:			
PacifiCorp Received Services	Charges are based on actual & reasonable costs incurred by EWMC in mining company-owned coal. No profit is allowed.	None	None
PacifiCorp Provided Services	None	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 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	131,128,972	None	None
2. Cost of providing service, incl tax	131,128,972	None	None
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	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Providing Services:			
1. Total charges or billings	None	44,360	317,812
2. Cost of providing service, incl tax	None	44,360	317,812
3. The margin of charges over costs	None	None	None
4. Assets allocable to the services	None	21,165 (f)	21,165 (f)
5. Achieved rate of return on assets	None	10.0%	10.0%
6. Account charged	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Allocation	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab

(a) Detail information for each affiliated company is included under separate tabs following this summary.
(c) Affiliated interest ceased March 21, 2006, upon the sale of PacifiCorp to MidAmerican Energy Holdings Company.
(f) PacifiCorp Group Holdings Company, PacifiCorp Financial Services and PacifiCorp Trans, Inc. shared allocated assets for services rendered by PacifiCorp.

Affiliated Interest Transactions Summary (a)
For the FY Ended March 31, 2006

Requirements	PPM Energy, Inc. (c)	West Valley Leasing Company, LLC (c)	Enstor Operating Company, LLC (c)
A. A description of the nature of services in reasonable detail:	Consulting and labor services, management fee, IT, shared services, PC support and transmission wheeling services.	Leasing company for the West Valley Generation facility.	IT, shared services and PC support
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	2,951,879	16,357,060	None
PacifiCorp Provided Services	15,028,320	None	75,790
C. The basis used to determine pricing:			
PacifiCorp Received Services	PPM charges are based on PPM labor and benefit costs and wheeling services set by FERC tariff; lease costs are also included. No profit is allowed.	West Valley charges are based on the PacifiCorp lease agreement.	None
PacifiCorp Provided Services	Transmission Wheeling services set by FERC tariff. 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.	None	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	2,951,879	16,357,060	None
2. Cost of providing service, incl tax	2,951,879	16,357,060	None
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	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Providing Services:			
1. Total charges or billings	15,028,320	None	75,790
2. Cost of providing service, incl tax	15,028,320	None	75,790
3. The margin of charges over costs	None	None	-
4. Assets allocable to the services	4,037,542 (e)	None	None
5. Achieved rate of return on assets	10.0%	None	None
6. Account charged	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Allocation	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab

(a) Detail information for each affiliated company is included under separate tabs following this summary.
(c) Affiliated interest ceased March 21, 2006, upon the sale of PacifiCorp to MidAmerican Energy Holdings Company.
(e) PPM Energy, Inc. and Pacific Klamath Energy shared allocated assets for services rendered by PacifiCorp.

Affiliated Interest Transactions Summary (a)
For the FY Ended March 31, 2006

Requirements	PPM Colorado Wind Ventures, Inc. (c)	Eastern Desert Power, LLC (c)	PacifiCorp Trans, Inc. (c)
A. A description of the nature of services in reasonable detail:	Labor and consulting services.	Labor and consulting services.	Labor and consulting services.
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	None	None	None
PacifiCorp Provided Services	120	288	84,646
C. The basis used to determine pricing:			
PacifiCorp Received Services	None	None	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	None	None	None
2. Cost of providing service, incl tax	None	None	None
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	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Providing Services:			
1. Total charges or billings	120	288	84,646
2. Cost of providing service, incl tax	120	288	84,646
3. The margin of charges over costs	None	None	None
4. Assets allocable to the services	None	None	21,165 (f)
5. Achieved rate of return on assets	None	None	10.0%
6. Account charged	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Allocation	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab

(a) Detail information for each affiliated company is included under separate tabs following this summary.
(c) Affiliated interest ceased March 21, 2006, upon the sale of PacifiCorp to MidAmerican Energy Holdings Company.
(f) PacifiCorp Group Holdings Company, PacifiCorp Financial Services and PacifiCorp Trans, Inc. shared allocated assets for services rendered by PacifiCorp.

Affiliated Interest Transactions Summary (a)
For the FY Ended March 31, 2006

Requirements	PacifiCorp Holdings, Inc. (c)	Pacific Klamath Energy, Inc. (c)	Pacific Minerals, Inc. / Bridger Coal Co.
A. A description of the nature of services in reasonable detail:	Holding company, IT and shared services	Management fee, IT shared services and PC support.	Bridger Coal Company provides coal from the Bridger Mine to the Bridger Power Plant.
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	None	None	70,581,765
PacifiCorp Provided Services	249,283	277,093	14,921,167
C. The basis used to determine pricing:			
PacifiCorp Received Services	None	None	Charges are based on actual & reasonable costs incurred by Bridger Coal Company in mining company-owned coal. No profit is allowed.
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.	Benefits and taxes
D. In total for each affiliated entity whether receiving or providing services, show:			
Receiving Services:			
1. Total charges or billings	None	None	70,581,765
2. Cost of providing service, incl tax	None	None	70,581,765
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	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Providing Services:			
1. Total charges or billings	249,283	277,093	14,921,167
2. Cost of providing service, incl tax	249,283	277,093	14,921,167
3. The margin of charges over costs	None	None	None
4. Assets allocable to the services	None	4,037,542 (e)	None
5. Achieved rate of return on assets	None	10.0%	None
6. Account charged	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Allocation	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab

(a) Detail information for each affiliated company is included under separate tabs following this summary.
(c) Affiliated interest ceased March 21, 2006, upon the sale of PacifiCorp to MidAmerican Energy Holdings Company
(e) PPM Energy, Inc. and Pacific Klamath Energy shared allocated assets for services rendered by PacifiCorp.

Affiliated Interest Transactions Summary (a)
For the FY Ended March 31, 2006

Requirements	Trapper Mining, Inc.	PacifiCorp Foundation for Learning	ScottishPower UK, plc (c)
A. A description of the nature of services in reasonable detail:	Trapper Mining holds PacifiCorp's interest in the Trapper coal mine which supplies coal to the Craig power plant.	Consulting and labor services.	Consulting and labor services.
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	8,106,463	None	18,572,473
PacifiCorp Provided Services	None	287,503	6,102,409
C. The basis used to determine pricing:			
PacifiCorp Received Services	Charges are based on actual & reasonable cost incurred at the Trapper mine. No profit is allowed.	None	ScottishPower charges are based on SP UK, plc labor and benefits cost. No profit is allowed.
PacifiCorp Provided Services	None	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	8,106,463	None	18,572,473
2. Cost of providing service, incl tax	8,106,463	None	18,572,473
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	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Providing Services:			
1. Total charges or billings	None	287,503	6,102,409
2. Cost of providing service, incl tax	None	287,503	6,102,409
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	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Allocation	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab

(a) Detail information for each affiliated company is included under separate tabs following this summary.
(c) Affiliated interest ceased March 21, 2006, upon the sale of PacifiCorp to MidAmerican Energy Holdings Company

Affiliated Interest Transactions Summary (a)
For the FY Ended March 31, 2006

Requirements	PacifiCorp Energy Canada Ltd. (c)	Dornoch International Insurance Limited (DIL) (c)	MEHC Insurance Services, Ltd. (b)
A. A description of the nature of services in reasonable detail:	Consulting and labor services.	Captive Insurance covering significant portions of the property damage and liability insurance deductibles for PacifiCorp.	Captive Insurance covering significant portions of the property damage and liability insurance deductibles for PacifiCorp.
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII)			
PacifiCorp Received Services	None	6,975,135	7,369,000 (d)
PacifiCorp Provided Services	92,231	None	None
C. The basis used to determine pricing:			
PacifiCorp Received Services	None	Premium amounts are established based on a combination of actuarial assessments and market rates to cover loss claims, administrative expenses and appropriate reserves. No profit is allowed.	Premium amounts are established based on a combination of actuarial assessments and market rates to cover loss claims, administrative expenses and appropriate reserves. No profit is allowed.
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.	None	None
D. In total for each affiliated entity whether receiving or providing services, show:			
Receiving Services:			
1. Total charges or billings	None	6,975,135	7,369,000 (d)
2. Cost of providing service, incl tax	None	6,975,135	7,369,000 (d)
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	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Providing Services:			
1. Total charges or billings	92,231	None	None
2. Cost of providing service, incl tax	92,231	None	None
3. The margin of charges over costs	None	None	None
4. Assets allocable to the services	223,904	None	None
5. Achieved rate of return on assets	10.0%	None	None
6. Account charged	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab
Allocation	See Detail under separate Tab	See Detail under separate Tab	See Detail under separate Tab

(a) Detail information for each affiliated company is included under separate tabs following this summary.
(b) Affiliated interest began March 21, 2006, upon the purchase of PacifiCorp by MidAmerican Energy Holdings Company.
(c) Affiliated interest ceased March 21, 2006, upon the sale of PacifiCorp to MidAmerican Energy Holdings Company.
(d) The total is comprised of $7,151,100 prepaid insurance and $217,900 insurance expensed during March 2006.

Affiliated Interest Transactions Summary (a)
For the FY Ended March 31, 2006

Requirements	PPW Holdings LLC (b)
A description of the nature of services in reasonable detail:	Holding company
B. The annual charges by type of service (exclude all joint/common costs reported in Section VII) Due to PacifiCorp Due from PacifiCorp	 None 3,883,400
C. The basis used to determine pricing: Due to PacifiCorp Due from PacifiCorp	 None Federal and state income taxes remitted to PPW Holdings LLC that are ultimately remitted to MidAmerican Energy Holdings Company.
D. In total for each affiliated entity whether receiving or providing services, show: Receiving Services: 1. Total charges or billings 2. Cost of providing service, incl tax 3. The margin of charges over costs 4. Assets allocable to the services 5. Achieved rate of return on assets 6. Account charged Providing Services: 1. Total charges or billings 2. Cost of providing service, incl tax 3. The margin of charges over costs 4. Assets allocable to the services 5. Achieved rate of return on assets 6. Account charged	 None None None None None See Detail under separate Tab 3,883,400 3,883,400 None None None See Detail under separate Tab
Allocation	See Detail under separate Tab

(a) Detail information for each affiliated company is included under separate tabs following this summary.
(b) Affiliated interest began March 21, 2006, upon the purchase of PacifiCorp by MidAmerican Energy Holdings Company.

II.1. PacifiCorp Environmental Remediation Company

PacifiCorp Environmental Remediation Company(PERCO)
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Intercompany Environmental Serv Expense	580	$ 1,171,725.07	$ -	$ 1,171,725.07
Worker's Comp & Occ Injuries	920	-	1,980.81	1,980.81
Current Pension	920	-	51,310.92	51,310.92
Management Fee	929	-	26,085.94	26,085.94
Facilities Services	929	-	73,499.02	73,499.02
IT Allocations	929	-	118,723.12	118,723.12
Admin Costs for 401K Program	920	-	828.02	828.02
Pension Admin	920	-	231.47	231.47
Current FAS 106	920	-	17,971.13	17,971.13
FAS 112	920	-	4,158.00	4,158.00
Other Salary Overhead Assessment	920	-	932.61	932.61
LTD Assessments	920	-	1,768.25	1,768.25
IT Services Allocations	929	-	56,974.86	56,974.86
Shared Services Chargebacks	929	-	19,514.65	19,514.65
PC Supporting Services	929	-	27,427.36	27,427.36
Labor	922	-	313,498.26	313,498.26
Total		**$ 1,171,725.07**	**$ 714,904.42**	**$ 1,886,629.49**

Company code **** Business area ****

Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Assets					
			Current Assets					
			Cash and Temporary Cash Investments					
	1040		102000 Main Check Disbursements	258,797.56	90,201.86	168,595.70	186.9	
	1040		102001 Main Check Disb-Check Clearing Acct	37,241.57-	204,904.62-	167,663.05	81.8	
	1040		112995 Cash-Negative Cash Reclass	0.00	114,702.76	114,702.76-	100.0-	
			Total Other Cash	**221,555.99**	**0.00**	**221,555.99**		*4*
	1040		128200 Investment - Short Term Securities	34,022,479.08	4,505,492.98	29,516,986.10	655.1	
			Total Temporary Cash Investments	**34,022,479.08**	**4,505,492.98**	**29,516,986.10**	**655.1**	*4*
			Total Cash and Temporary Cash Investments	**34,244,035.07**	**4,505,492.98**	**29,738,542.09**	**660.1**	*3*
			Accounts and Notes Receivable					
	1040		116430 Interest / Dividend Receivable	0.00	9,947.67	9,947.67-	100.0-	
	1040		116850 Accounts Receivable - Other	71,046.39	10,350.00	60,696.39	586.4	
			Total Other Accounts Receivable	**71,046.39**	**20,297.67**	**50,748.72**	**250.0**	*4*
			Total Accounts and Notes Receivable	**71,046.39**	**20,297.67**	**50,748.72**	**250.0**	*3*
			Accounts and Notes Receivable-Affiliates					
	1040		116000 Intercompany A/R - Current	152,695.51-	413,239.63	565,935.14-	137.0-	
	1040		116040 InterCo Tax Receivable - PHI	0.00	2,719,470.23	2,719,470.23-	100.0-	
			Total Accounts Receivable - Affiliates	**152,695.51-**	**3,132,709.86**	**3,285,405.37-**	**104.9-**	*4*
			Total Accnts and Notes Receivable-Affiliates	**152,695.51-**	**3,132,709.86**	**3,285,405.37-**	**104.9-**	*3*
			Current Deferred Tax Asset					
	1040		137100 Deferred Tax Asset - Current Portion	0.00	49,458.00	49,458.00-	100.0-	
			Total Current Deferred Tax Asset	**0.00**	**49,458.00**	**49,458.00-**	**100.0-**	*3*
			Total Current Assets	**34,162,385.95**	**7,707,958.51**	**26,454,427.44**	**343.2**	*2*
			Property, Plant, and Equipment					
			Net Plant in Service					
			Property, Plant and Equipment in Service					
	1040		140199 Office Furniture & Equipment-Non-Rec	3,437.34	3,437.34	0.00		
	1040		140209 Other General Plant & Equipment-Non-Rec	425,139.29	425,139.29	0.00		
	1040		140989 General Plant & Equip-Reimbursed by Ins	425,139.29-	0.00	425,139.29-		
			Total Property, Plant and Equip in Service	**3,437.34**	**428,576.63**	**425,139.29-**	**99.2-**	*4*
			Accumulated Depreciation and Amortization					
	1040		145199 Office Furniture & Equip - Accum. Depre	3,437.34-	3,437.34-	0.00		
	1040		145209 Other Gen'l Plant & Equip - Accum Depre	0.00	176,007.79-	176,007.79	100.0	
			Total Accumulated Depreciation and Amort	**3,437.34-**	**179,445.13-**	**176,007.79**	**98.1**	*4*
			Total Net Plant in Service	**0.00**	**249,131.50**	**249,131.50-**	**100.0-**	*3*
			Total Property, Plant, and Equipment	**0.00**	**249,131.50**	**249,131.50-**	**100.0-**	*2*
			Other Assets					
			Other Investments and Special Funds					
	1040		163005 Columbia Bond Investments	0.00	25,954,861.88	25,954,861.88-	100.0-	
			Total Miscellaneous Investments	**0.00**	**25,954,861.88**	**25,954,861.88-**	**100.0-**	*4*
			Total Other Investments and Special Funds	**0.00**	**25,954,861.88**	**25,954,861.88-**	**100.0-**	*3*
			Total Other Assets	**0.00**	**25,954,861.88**	**25,954,861.88-**	**100.0-**	*2*
			Total Assets	**34,162,385.95**	**33,911,951.89**	**250,434.06**	**0.7**	*1*

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Liabilities & Stockholders Equity					
			Liabilities					
			Current Liabilities					
			Accounts Payable					
	1040		210100 Trade Accts Payable - Reconciliation Ac	19,077.35-	18,523.33-	554.02-	3.0-	
	1040		210990 Purch Card Trans Liab	8,294.50-	3,481.39-	4,813.11-	138.3-	
			Total Accounts Payable - Trade	**27,371.85-**	**22,004.72-**	**5,367.13-**	**24.4-**	*5*
	1040		210800 Accts Payable-Negative Cash Reclass	0.00	114,702.76-	114,702.76	100.0	
			Total Accounts Payable - Overdrafts	**0.00**	**114,702.76-**	**114,702.76**	**100.0**	*5*
	1040		235120 Accrual - Miscellaneous Expenditure	103,689.47-	513,955.02-	410,265.55	79.8	
			Total Accounts Payable - Other Accruals Ext	**103,689.47-**	**513,955.02-**	**410,265.55**	**79.8**	*5*
			Total Accounts Payable	**131,061.32-**	**650,662.50-**	**519,601.18**	**79.9**	*4*
			Accrued Employee Expenses					
	1040		215078 K-Plus Employer Contributions - Fixed	228.87-	0.00	228.87-		
	1040		215079 K-Plus Employer Contributions - Match	330.26-	961.51-	631.25	65.7	
	1040		215136 Esop Accrual	0.00	667.27-	667.27	100.0	
	1040		235501 Accrual - Payroll/Salaries	11,780.85-	34,350.00-	22,569.15	65.7	
	1040		235510 Incentive Plan - Corporate	152,037.00-	169,854.00-	17,817.00	10.5	
	1040		240330 Provision for Workers' Compensation	46.53-	8.39-	38.14-	454.6-	
			Total Employee Payroll & Benefits Payable	**164,423.51-**	**205,841.17-**	**41,417.66**	**20.1**	*5*
	1040		248106 Personal Time Liability	48,932.55-	43,760.13-	5,172.42-	11.8-	
			Total Vacation, PT & Sick Leave Accruals	**48,932.55-**	**43,760.13-**	**5,172.42-**	**11.8-**	*5*
			Total Accrued Employee Expenses	**213,356.06-**	**249,601.30-**	**36,245.24**	**14.5**	*4*
			Accounts and Notes Payable - Affiliates					
	1040		210761 InterCo Federal Tax Pay - (Even Years)	13,899.00	0.00	13,899.00		
	1040		210763 InterCo State Tax Pay - (Even Years)	619.00	0.00	619.00		
			Total InterCo Accounts Payable	**14,518.00**	**0.00**	**14,518.00**		*5*
			Total Accounts and Notes Payable - Affiliates	**14,518.00**	**0.00**	**14,518.00**		*4*
			Taxes Accrued					
			Accrued Income Taxes					
	1040		241952 Current Fed/State Inc Tax Pay FY06 (PHI	26,395.00	0.00	26,395.00		
			Total Accrued U.S. Income Taxes	**26,395.00**	**0.00**	**26,395.00**		*6*
			Total Accrued Income Taxes	**26,395.00**	**0.00**	**26,395.00**		*5*
	1040		240310 Provision for Unemployment Taxes	2,420.50-	584.39	3,004.89-	514.2-	
			Total Accrued Payroll Taxes	**2,420.50-**	**584.39**	**3,004.89-**	**514.2-**	*5*
	1040		235200 Use Tax Payable	0.00	11.96-	11.96	100.0	
			Total Accrued Taxes - Other	**0.00**	**11.96-**	**11.96**	**100.0**	*5*
			Total Taxes Accrued	**23,974.50**	**572.43**	**23,402.07**	**4088.2**	*4*
			Current Deferred Tax Liability					
	1040		234100 Deferred Tax Liability - Current Portio	28,724.00	0.00	28,724.00		
			Total Current Deferred Tax Liability	**28,724.00**	**0.00**	**28,724.00**		*4*
			Other Current Liabilities					
	1040		211200 Payroll Taxes Payable	2,418.92-	16,297.48-	13,878.56	85.2	
			Total Payroll Related Tax Withholdings	**2,418.92-**	**16,297.48-**	**13,878.56**	**85.2**	*5*
			Total Other Current Liabilities	**2,418.92-**	**16,297.48-**	**13,878.56**	**85.2**	*4*
			Total Current Liabilities	**279,619.80-**	**915,988.85-**	**636,369.05**	**69.5**	*3*
			Deferred Credits					
			Deferred Income Taxes					
	1040		287490 DTA - NOL Carryforward	0.00	1,046,750.00	1,046,750.00-	100.0-	
	1040		287700 DTL - Misc	4,664,794.02-	4,755,573.74-	90,779.72	1.9	
	1040		287991 Accum Def Inc Tax Liab-Reclass to Curr	28,724.00-	49,458.00-	20,734.00	41.9	
			Total Deferred U.S. Income Taxes	**4,693,518.02-**	**3,758,281.74-**	**935,236.28-**	**24.9-**	*5*
			Total Deferred Income Taxes	**4,693,518.02-**	**3,758,281.74-**	**935,236.28-**	**24.9-**	*4*
			Other Deferred Credits					
	1040		288600 Environmental Liabilities - Non Current	19,749,855.00-	18,579,837.00-	1,170,018.00-	6.3-	
			Total Environmental Provisions	**19,749,855.00-**	**18,579,837.00-**	**1,170,018.00-**	**6.3-**	*5*

Company code **** Business area ****

Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Total Other Deferred Credits	**19,749,855.00-**	**18,579,837.00-**	**1,170,018.00-**	**6.3-**	*4*
			Total Deferred Credits	**24,443,373.02-**	**22,338,118.74-**	**2,105,254.28-**	**9.4-**	*3*
			Total Liabilities	**24,722,992.82-**	**23,254,107.59-**	**1,468,885.23-**	**6.3-**	*2*
			Stockholders Equity					
			Common Equity					
			Common Stock					
	1040		295000 Capital in Excess of Par Value	1,000,000.00-	1,000,000.00-	0.00		
	1040		296000 Additional Paid-In Capital	944,419.00-	944,419.00-	0.00		
			Total Common Stock	**1,944,419.00-**	**1,944,419.00-**	**0.00**		*4*
			Retained Earnings					
	1040		297000 Unappropriated Retained Earnings	9,329,192.00-	5,696,585.59-	3,632,606.41-	63.8-	
			Total Unappropriated Retained Earnings	**9,329,192.00-**	**5,696,585.59-**	**3,632,606.41-**	**63.8-**	*5*
			Profit/Loss for Current Year					
			Net Result: Profit					
			Total Net Result: Profit	**0.00**	**3,632,606.41-**	**3,632,606.41**	**100.0**	*6*
			Net Result: Loss					
			Total Net Result: Loss	**1,834,217.87**	**0.00**	**1,834,217.87**		*6*
			Total Profit/Loss for Current Year	**1,834,217.87**	**3,632,606.41-**	**5,466,824.28**	**150.5**	*5*
			Total Retained Earnings	**7,494,974.13-**	**9,329,192.00-**	**1,834,217.87**	**19.7**	*4*
			Accumulated Other Comprehensive Income					
			FAS 115 Securities Adjustments					
	1040		298000 FAS 115 M-T-M Unrealized Gain/Loss	0.00	997,193.98	997,193.98-	100.0-	
	1040		298011 Tax on FAS 115 Securities Adjustments	0.00	381,427.28-	381,427.28	100.0	
			FAS 115 Securities Adjustments	**0.00**	**615,766.70**	**615,766.70-**	**100.0-**	*5*
			Total Accumulated Other Comprehensive Income	**0.00**	**615,766.70**	**615,766.70-**	**100.0-**	*4*
			Common Equity	**9,439,393.13-**	**10,657,844.30-**	**1,218,451.17**	**11.4**	*3*
			Total Stockholders Equity	**9,439,393.13-**	**10,657,844.30-**	**1,218,451.17**	**11.4**	*2*
			Total Liabilities & Stockholders Equity	**34,162,385.95-**	**33,911,951.89-**	**250,434.06-**	**0.7-**	*1*

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Available for Common					
			Net Income					
			Income-Continuing Operations After Tax					
			Income-Continuing Operations Before Tax					
			Income From Operations					
			Net Margin					
			Gross Margin					
			Revenues					
			Other Revenues					
			Inter-Company Other Revenues					
	1040		302050 Inter-Company Environmental Svc Revenue	1,769,060.51-	1,343,336.12-	425,724.39-	31.7-	
			Total Inter-Company Other Revenues	**1,769,060.51-**	**1,343,336.12-**	**425,724.39-**	**31.7-**	*10*
			Total Other Revenues	**1,769,060.51-**	**1,343,336.12-**	**425,724.39-**	**31.7-**	*9*
			Non-Regulated Revenues					
	1040		364050 Environmental Revenue-3rd Party	450,945.17-	175,169.54-	275,775.63-	157.4-	
			Total Non-Regulated Revenues	**450,945.17-**	**175,169.54-**	**275,775.63-**	**157.4-**	*9*
			Total Revenues	**2,220,005.68-**	**1,518,505.66-**	**701,500.02-**	**46.2-**	*8*
			Total Gross Margin	**2,220,005.68-**	**1,518,505.66-**	**701,500.02-**	**46.2-**	*7*
			Operations, Maintenance, Admin & General					
			Salary Expense					
	1040		500100 Regular/Ordinary Time	0.00	5,478.77-	5,478.77	100.0	
	1040		500102 Non Union Regular/Ordinary Time	619,995.71	582,667.42	37,328.29	6.4	
	1040		500118 Non Exempt Regular/Ordinary Time	26,714.34	51,862.94	25,148.60-	48.5-	
			Subtotal Regular/Ordinary Time	**646,710.05**	**629,051.59**	**17,658.46**	**2.8**	*9*
	1040		500200 Overtime	0.00	22.13	22.13-	100.0-	
	1040		500218 Non Exempt Overtime Pay	135.00	1,005.19	870.19-	86.6-	
			Subtotal Overtime Pay	**135.00**	**1,027.32**	**892.32-**	**86.9-**	*9*
	1040		500400 Bonus/Incentive	2,620.34	20,519.98-	23,140.32	112.8	
	1040		500410 Incentive(Performance Share)	121,717.65	169,854.00	48,136.35-	28.3-	
			Subtotal Bonus/Incentive	**124,337.99**	**149,334.02**	**24,996.03-**	**16.7-**	*9*
	1040		500600 Temporary/Contract Labor	136,006.56	111,991.26	24,015.30	21.4	
	1040		500850 Other Salary/Labor Costs	3,057.24	5,803.08	2,745.84-	47.3-	
	1040		699000 Labor FI/CO Recon	313,490.76	230,265.70	83,225.06	36.1	
	1040		701010 Labor Costs Settled to Capital	904,740.88-	882,387.52-	22,353.36-	2.5-	
			Subtotal Other Salary Expense	**452,186.32-**	**534,327.48-**	**82,141.16**	**15.4**	*9*
			Total Salary Expense	**318,996.72**	**245,085.45**	**73,911.27**	**30.2**	*8*
			Salary Overhead/Benefits					
	1040		500510 Unused Leave Accrual	5,172.42	3,744.30	1,428.12	38.1	
	1040		501100 Pension/Superannuation	35,494.08	0.00	35,494.08		
	1040		501125 Medical	73,363.69	61,963.10	11,400.59	18.4	
	1040		501150 Post Retirement	7,082.00	0.00	7,082.00		
	1040		501160 Post Employment Benefits (FAS 112)	14,559.13-	0.00	14,559.13-		
	1040		501175 Dental	7,347.67	7,541.37	193.70-	2.6-	
	1040		501200 Vision	1,176.12	1,251.36	75.24-	6.0-	
	1040		501225 Life	1,863.58	1,927.86	64.28-	3.3-	
	1040		501250 Stock/401(k)/ESOP	34,484.69	30,341.08	4,143.61	13.7	
	1040		501650 Worker's Comp/WorkCover Levy	3,355.92	4,793.14	1,437.22-	30.0-	
	1040		580500 Payroll Tax Expense	31,968.40	44,177.51	12,209.11-	27.6-	
	1040		580700 Payroll Tax Expense-Unemployment	6,113.35	3,048.36	3,064.99	100.5	
	1040		699005 Benefits FI/CO Recon	78,248.60	103,223.97	24,975.37-	24.2-	
			Total Salary Overhead/Benefits	**271,111.39**	**262,012.05**	**9,099.34**	**3.5**	*8*
			Employee Expenses					
	1040		503100 Airfare	22,586.04	15,219.72	7,366.32	48.4	
	1040		503110 Lodging	11,115.09	6,443.19	4,671.90	72.5	
	1040		503115 On-Site Meals & Refreshments	696.03	659.83	36.20	5.5	
	1040		503120 Meals & Entertainment	3,675.24	3,345.05	330.19	9.9	
	1040		503125 Vehicle Rental and Expense	5,187.03	3,923.32	1,263.71	32.2	

Company code **** Business area **** Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
	1040		503130 Other Ground Transportation - Commercia	80.00	36.00	44.00	122.2	
	1040		503135 Auto Expense/Parking/Mileage	5,030.95	5,810.90	779.95-	13.4-	
	1040		503140 Cellular Telephones Expense	4,176.49	4,775.82	599.33-	12.5-	
	1040		503145 OLEE Telephones Expense	58.36	552.67	494.31-	89.4-	
	1040		503150 Training	2,705.00	3,316.33	611.33-	18.4-	
	1040		503160 Registration	59.99	719.94	659.95-	91.7-	
	1040		503170 Dues & Licenses	17,100.88	1,278.79	15,822.09	1237.3	
	1040		503185 Travel Per Diem	1,099.00	252.00	847.00	336.1	
	1040		503370 Books & Subscriptions	403.24	577.14	173.90-	30.1-	
	1040		503400 Other Employee Related Expenses	6,513.60	2,288.14	4,225.46	184.7	
			Total Employee Expenses	**80,486.94**	**49,198.84**	**31,288.10**	**63.6**	*8*
			Materials & Supplies					
	1040		516070 Computer Hardware	7,829.71	1,839.58	5,990.13	325.6	
	1040		516080 Computer Software, Licenses	743.77	621.36	122.41	19.7	
	1040		516200 Uniform / Safety Equipment	708.05	360.93	347.12	96.2	
	1040		516300 Office Supplies	5,129.81	6,766.07	1,636.26-	24.2-	
	1040		516310 Other Electrical Equipment/Supplies	4.98-	0.00	4.98-		
	1040		516410 Tools	8,389.25	0.00	8,389.25		
	1040		516440 Fuel-Veh/Mobile Equip	1,608.97	563.88	1,045.09	185.3	
	1040		516900 Miscellaneous Materials & Supplies	7,278.55	6,050.24	1,228.31	20.3	
			Total Materials & Supplies	**31,683.13**	**16,202.06**	**15,481.07**	**95.6**	*8*
			Contracts & Services					
	1040		530020 Advertising Services	0.00	360.00	360.00-	100.0-	
	1040		530023 Analytical Services	97,333.35	108,462.72	11,129.37-	10.3-	
	1040		530025 Bank/Financial Institution Services	125.00	0.00	125.00		
	1040		530031 Printing/Imaging/Mail Services	1,691.27	1,010.99	680.28	67.3	
	1040		530045 Constr & Maint Contracts-Labor	27,220.97	0.00	27,220.97		
	1040		530049 Building/Facilities Maint. Contracts	988.50	282.89	705.61	249.4	
	1040		530050 Constr & Maint Contracts-Other	312,645.08	181,028.85	131,616.23	72.7	
	1040		530055 Consulting/Technical Services	710,905.42	388,976.26	321,929.16	82.8	
	1040		530065 Engineering Services	20,826.64	2,685.08	18,141.56	675.6	
	1040		530070 Environmental Services	156.87-	127,082.35	127,239.22-	100.1-	
	1040		530071 ENVIRONMENTAL EXPENSES-EPA/DOT/OTHER	2,725,348.01	5,372,938.30-	8,098,286.31	150.7	
	1040		530073 Freight/Hauling Services	1,629.67	830.41	799.26	96.2	
	1040		530095 Legal Fees & Services	43,612.03	43,626.23	14.20-		
	1040		530112 Office/Clerical Services	216.00	1,104.00	888.00-	80.4-	
	1040		530120 Postal/Delivery/Courier Services	44.69	17.26	27.43	158.9	
	1040		530130 Storage Services	143.39	0.00	143.39		
	1040		530135 Temporary Services-Other	19.04	1,310.40	1,291.36-	98.5-	
	1040		530190 Miscellaneous Contracts & Services	22,606.37	9,418.88	13,187.49	140.0	
	1040		699015 Contract Labor FI/CO Recon	7.50	0.00	7.50		
			Total Contracts & Services	**3,965,206.06**	**4,506,741.98-**	**8,471,948.04**	**188.0**	*8*
			Utilities					
	1040		535000 Electricity	729.90	0.00	729.90		
	1040		535100 Telephone	50.77	7.50-	58.27	776.9	
	1040		535300 Other Utilities	41.92-	0.00	41.92-		
			Total Utilities	**738.75**	**7.50-**	**746.25**	**9950.0**	*8*
			Other O&M and A&G Expense					
	1040		540000 Office Rent	52,682.32	35,960.64	16,721.68	46.5	
	1040		541000 Equipment Rent	0.00	1,598.47	1,598.47-	100.0-	
	1040		543000 Other Rent/Leases	7,738.98	1,735.00	6,003.98	346.1	
	1040		545000 Liability Insurance Costs	22,502.94	14,702.72	7,800.22	53.1	
	1040		545150 Miscellaneous Administ/General Expenses	0.00	204.55	204.55-	100.0-	
	1040		545165 PERCO Cost Reimbursements	4,480.97-	0.00	4,480.97-		
	1040		545260 ScottishPower UK Mgmt Fee - (930.2)	16,897.52	20,996.33	4,098.81-	19.5-	
	1040		545265 ScottishPower UK Mgmt Fee - (426.5)	12,921.94	3,012.48	9,909.46	328.9	
	1040		545350 Postage	535.37	880.45	345.08-	39.2-	

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
	1040		545400 Bank Charges & Fees	3,036.32	2,745.71	290.61	10.6	
	1040		545450 Filing Fees	240.86	517.50	276.64-	53.5-	
	1040		545550 Club/Organization Membership and Expens	489.00	498.82	9.82-	2.0-	
	1040		548000 Property Insurance Costs	61.70	16,528.77	16,467.07-	99.6-	
	1040		551000 Repairs & Maintenance	2,995.00	0.00	2,995.00		
	1040		582300 Permits & Licenses	2,174.66	4,494.59	2,319.93-	51.6-	
	1040		582500 Regulatory Commission Expense	21,119.75	21,236.17	116.42-	0.5-	
	1040		699020 Corporate Allocations FI/CO Reconciliat	323,157.56	201,429.30	121,728.26	60.4	
			Total Other O&M and A&G Expense	**462,072.95**	**326,541.50**	**135,531.45**	**41.5**	*8*
			Total Operations,Maintenance, Admin & General	**5,130,295.94**	**3,607,709.58-**	**8,738,005.52**	**242.2**	*7*
			Total Net Margin	**2,910,290.26**	**5,126,215.24-**	**8,036,505.50**	**156.8**	*6*
			Depreciation and Amortization					
			Depreciation					
	1040		565200 Depreciation - Other General Plant & Eq	176,007.79-	30,610.08	206,617.87-	675.0-	
			Total Depreciation	**176,007.79-**	**30,610.08**	**206,617.87-**	**675.0-**	*7*
			Total Depreciation and Amortization	**176,007.79-**	**30,610.08**	**206,617.87-**	**675.0-**	*6*
			Taxes, Other than Income Taxes					
	1040		579000 Property Tax	36.69	0.00	36.69		
			Total Taxes, Other than Income Taxes	**36.69**	**0.00**	**36.69**		*6*
			Total Income From Operations	**2,734,319.16**	**5,095,605.16-**	**7,829,924.32**	**153.7**	*5*
			Interest Expense and Other					
			Interest Expense Net					
			Interest Income					
	1040		385800 Investment Income	1,243,332.77-	980,073.02-	263,259.75-	26.9-	
			Interest Income External	**1,243,332.77-**	**980,073.02-**	**263,259.75-**	**26.9-**	*8*
			Total Interest Income	**1,243,332.77-**	**980,073.02-**	**263,259.75-**	**26.9-**	*7*
			Interest Expense					
	1040		585430 Interest Expense - Environmental	385,620.54	0.00	385,620.54		
			Total Interest Expense External	**385,620.54**	**0.00**	**385,620.54**		*8*
			Total Interest Expense	**385,620.54**	**0.00**	**385,620.54**		*7*
			Total Interest Expense Net	**857,712.23-**	**980,073.02-**	**122,360.79**	**12.5**	*6*
			Minority Interest & Other					
			Other (Income) Expense					
	1040		554500 Other Gains & Losses	1,087,428.94	0.00	1,087,428.94		
			Total Other (Income) Expense	**1,087,428.94**	**0.00**	**1,087,428.94**		*7*
			Total Minority Interest & Other	**1,087,428.94**	**0.00**	**1,087,428.94**		*6*
			Total Interest Expense and Other	**229,716.71**	**980,073.02-**	**1,209,789.73**	**123.4**	*5*
			Income-Continuing Operations Before Tax	**2,964,035.87**	**6,075,678.18-**	**9,039,714.05**	**148.8**	*4*
			Income Tax Expense					
			U.S. Income Tax Expense					
			Income Tax Expense Federal					
	1040		570000 Income Tax Expense-Federal	1,484,839.00-	25,128.23-	1,459,710.77-	5809.0-	
			Total Current Federal	**1,484,839.00-**	**25,128.23-**	**1,459,710.77-**	**5809.0-**	*7*
	1040		571000 Deferred Tax Expense-Federal	499,440.00	2,279,744.00	1,780,304.00-	78.1-	
			Total Deferred Federal	**499,440.00**	**2,279,744.00**	**1,780,304.00-**	**78.1-**	*7*
			Total Income Tax Expense Federal	**985,399.00-**	**2,254,615.77**	**3,240,014.77-**	**143.7-**	*6*
			Income Tax Expense State					
	1040		575000 State Income Tax	219,522.00-	154,363.00-	65,159.00-	42.2-	
			Total Current State	**219,522.00-**	**154,363.00-**	**65,159.00-**	**42.2-**	*7*
	1040		576000 Deferred Tax Expense - State	75,103.00	342,819.00	267,716.00-	78.1-	
			Total Deferred State	**75,103.00**	**342,819.00**	**267,716.00-**	**78.1-**	*7*
			Total Income Tax Expense State	**144,419.00-**	**188,456.00**	**332,875.00-**	**176.6-**	*6*
			Total U.S. Income Tax Expense	**1,129,818.00-**	**2,443,071.77**	**3,572,889.77-**	**146.2-**	*5*
			Total Income Tax Expense	**1,129,818.00-**	**2,443,071.77**	**3,572,889.77-**	**146.2-**	*4*
			Income-Continuing Operations After Tax	**1,834,217.87**	**3,632,606.41-**	**5,466,824.28**	**150.5**	*3*
			Net Income	**1,834,217.87**	**3,632,606.41-**	**5,466,824.28**	**150.5**	*2*

Company code **** **Business area** **** **Amounts in** USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Available for Common	**1,834,217.87**	**3,632,606.41-**	**5,466,824.28**	**150.5**	***1***

Company code **** **Business area** **** **Amounts in** USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Contribution					
			Earnings Contribution	**1,834,217.87-**	**3,632,606.41**	**5,466,824.28-**	**150.5-**	***1***

Interwest Mining Company
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Current Pension	920	$ -	$ 306,339.12	$ 306,339.12
Admin Costs for 401K Program	920	-	4,666.17	4,666.17
Pension Admin	920	-	2,185.26	2,185.26
Current FAS 106	920	-	107,133.70	107,133.70
FAS 112	920	-	24,345.33	24,345.33
Unused Leave	920	-	5,209.45	5,209.45
Other Salary Overhead Assessment	920	-	6,043.78	6,043.78
LTD Assessments	920	-	10,635.11	10,635.11
Labor	922	66,307.71	75,848.75	142,156.46
Total		**$ 66,307.71**	**$ 542,406.67**	**$ 608,714.38**

Company code **** **Business area** **** **Amounts in** USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Assets					
			Current Assets					
			Cash and Temporary Cash Investments					
	2010		**102001 Main Check Disb-Check Clearing Acct**	5,861.46-	288.80-	5,572.66-	1929.6-	
			Total Other Cash	**5,861.46-**	**288.80-**	**5,572.66-**	**1929.6-**	***4***
			Total Cash and Temporary Cash Investments	**5,861.46-**	**288.80-**	**5,572.66-**	**1929.6-**	***3***
			Accounts and Notes Receivable					
	2010		**116410 Accounts Receivable - Employees**	366.78	0.00	366.78		
	2010		**116412 Emp Pmt Deduction-Miscellaneous Receiva**	251.83-	0.00	251.83-		
	2010		**116850 Accounts Receivable - Other**	184,103.98	31,622.52	152,481.46	482.2	
			Total Other Accounts Receivable	**184,218.93**	**31,622.52**	**152,596.41**	**482.6**	***4***
			Total Accounts and Notes Receivable	**184,218.93**	**31,622.52**	**152,596.41**	**482.6**	***3***
			Accounts and Notes Receivable-Affiliates					
	2010		**116000 Intercompany A/R - Current**	1,794,725.40	940,864.47	853,860.93	90.8	
			Total Accounts Receivable - Affiliates	**1,794,725.40**	**940,864.47**	**853,860.93**	**90.8**	***4***
			Total Accnts and Notes Receivable-Affiliates	**1,794,725.40**	**940,864.47**	**853,860.93**	**90.8**	***3***
			Total Current Assets	**1,973,082.87**	**972,198.19**	**1,000,884.68**	**103.0**	***2***
			Total Assets	**1,973,082.87**	**972,198.19**	**1,000,884.68**	**103.0**	***1***

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Liabilities & Stockholders Equity					
			Liabilities					
			Current Liabilities					
			Accounts Payable					
	2010		210100 Trade Accts Payable - Reconciliation Ac	39,525.50-	21,112.46-	18,413.04-	87.2-	
	2010		210990 Purch Card Trans Liab	3,585.72-	3,945.72-	360.00	9.1	
			Total Accounts Payable - Trade	**43,111.22-**	**25,058.18-**	**18,053.04-**	**72.0-**	*5*
	2010		235190 Accrual - Severance Payments	719,159.09-	0.00	719,159.09-		
			Total Accounts Payable - Other Accruals Ext	**719,159.09-**	**0.00**	**719,159.09-**		*5*
			Total Accounts Payable	**762,270.31-**	**25,058.18-**	**737,212.13-**	**2942.0-**	*4*
			Accrued Employee Expenses					
	2010		215078 K-Plus Employer Contributions - Fixed	1,046.91-	0.00	1,046.91-		
	2010		215079 K-Plus Employer Contributions - Match	1,393.84-	3,920.85-	2,527.01	64.5	
	2010		215136 Esop Accrual	0.00	2,932.76-	2,932.76	100.0	
	2010		215186 Black Lung Accrual - Mining Division	635.47	55,243.54-	55,879.01	101.2	
	2010		235501 Accrual - Payroll/Salaries	53,481.31-	156,541.60-	103,060.29	65.8	
	2010		235510 Incentive Plan - Corporate	1,081,068.00-	715,144.00-	365,924.00-	51.2-	
	2010		235512 Accrued Retention Bonus	47,500.00-	0.00	47,500.00-		
	2010		240330 Provision for Workers' Compensation	0.00	1.36	1.36-	100.0-	
			Total Employee Payroll & Benefits Payable	**1,183,854.59-**	**933,781.39-**	**250,073.20-**	**26.8-**	*5*
			Total Accrued Employee Expenses	**1,183,854.59-**	**933,781.39-**	**250,073.20-**	**26.8-**	*4*
			Taxes Accrued					
	2010		240310 Provision for Unemployment Taxes	6,457.24-	465.88-	5,991.36-	1286.0-	
			Total Accrued Payroll Taxes	**6,457.24-**	**465.88-**	**5,991.36-**	**1286.0-**	*5*
			Total Taxes Accrued	**6,457.24-**	**465.88-**	**5,991.36-**	**1286.0-**	*4*
			Other Current Liabilities					
	2010		211200 Payroll Taxes Payable	19,500.73-	11,892.74-	7,607.99-	64.0-	
			Total Payroll Related Tax Withholdings	**19,500.73-**	**11,892.74-**	**7,607.99-**	**64.0-**	*5*
			Total Other Current Liabilities	**19,500.73-**	**11,892.74-**	**7,607.99-**	**64.0-**	*4*
			Total Current Liabilities	**1,972,082.87-**	**971,198.19-**	**1,000,884.68-**	**103.1-**	*3*
			Total Liabilities	**1,972,082.87-**	**971,198.19-**	**1,000,884.68-**	**103.1-**	*2*
			Stockholders Equity					
			Common Equity					
			Common Stock					
	2010		293000 Common Shares Issued	1,000.00-	1,000.00-	0.00		
	2010		296000 Additional Paid-In Capital	0.00	59,808.00-	59,808.00	100.0	
			Total Common Stock	**1,000.00-**	**60,808.00-**	**59,808.00**	**98.4**	*4*
			Retained Earnings					
	2010		297000 Unappropriated Retained Earnings	5,126,185.85	1,712,981.07-	6,839,166.92	399.3	
			Total Unappropriated Retained Earnings	**5,126,185.85**	**1,712,981.07-**	**6,839,166.92**	**399.3**	*5*
	2010		297900 Dividends	0.00	59,808.00	59,808.00-	100.0-	
			Total Dividends Declared	**0.00**	**59,808.00**	**59,808.00-**	**100.0-**	*5*
			Profit/Loss for Current Year					
			Net Result: Profit					
			Total Net Result: Profit	**5,126,185.85-**	**0.00**	**5,126,185.85-**		*6*
			Net Result: Loss					
			Total Net Result: Loss	**0.00**	**1,712,981.07**	**1,712,981.07-**	**100.0-**	*6*
			Total Profit/Loss for Current Year	**5,126,185.85-**	**1,712,981.07**	**6,839,166.92-**	**399.3-**	*5*
			Total Retained Earnings	**0.00**	**59,808.00**	**59,808.00-**	**100.0-**	*4*
			Common Equity	**1,000.00-**	**1,000.00-**	**0.00**		*3*
			Total Stockholders Equity	**1,000.00-**	**1,000.00-**	**0.00**		*2*
			Total Liabilities & Stockholders Equity	**1,973,082.87-**	**972,198.19-**	**1,000,884.68-**	**103.0-**	*1*

Company code **** **Business area** ****

Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level

Company code **** Business area ****

Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Available for Common					
			Net Income					
			Income-Continuing Operations After Tax					
			Income-Continuing Operations Before Tax					
			Income From Operations					
			Net Margin					
			Operations, Maintenance, Admin & General					
			Salary Expense					
	2010		500100 Regular/Ordinary Time	0.00	37,373.84-	37,373.84	100.0	
	2010		500102 Non Union Regular/Ordinary Time	2,755,778.38	2,550,238.86	205,539.52	8.1	
	2010		500118 Non Exempt Regular/Ordinary Time	81,028.25	76,237.15	4,791.10	6.3	
			Subtotal Regular/Ordinary Time	**2,836,806.63**	**2,589,102.17**	**247,704.46**	**9.6**	*9*
	2010		500200 Overtime	0.00	95.09-	95.09	100.0	
	2010		500218 Non Exempt Overtime Pay	4,061.36	7,016.28	2,954.92-	42.1-	
			Subtotal Overtime Pay	**4,061.36**	**6,921.19**	**2,859.83-**	**41.3-**	*9*
	2010		500400 Bonus/Incentive	118,277.62	4,568.56	113,709.06	2488.9	
	2010		500410 Incentive(Performance Share)	1,023,521.34	682,394.56	341,126.78	50.0	
			Subtotal Bonus/Incentive	**1,141,798.96**	**686,963.12**	**454,835.84**	**66.2**	*9*
	2010		500850 Other Salary/Labor Costs	45,586.83	12,222.72	33,364.11	273.0	
	2010		699000 Labor FI/CO Recon	9,541.04	46,759.02	37,217.98-	79.6-	
	2010		701010 Labor Costs Settled to Capital	287,683.06-	231,309.00-	56,374.06-	24.4-	
			Subtotal Other Salary Expense	**232,555.19-**	**172,327.26-**	**60,227.93-**	**34.9-**	*9*
			Total Salary Expense	**3,750,111.76**	**3,110,659.22**	**639,452.54**	**20.6**	*8*
			Salary Overhead/Benefits					
	2010		501115 SERP Plan	92,000.00	100,000.00	8,000.00-	8.0-	
	2010		501125 Medical	253,996.71	211,720.32	42,276.39	20.0	
	2010		501175 Dental	23,810.19	23,586.75	223.44	0.9	
	2010		501200 Vision	4,648.18	3,626.78	1,021.40	28.2	
	2010		501225 Life	8,217.42	7,869.62	347.80	4.4	
	2010		501250 Stock/401(k)/ESOP	131,591.60	112,632.95	18,958.65	16.8	
	2010		501650 Worker's Comp/WorkCover Levy	18,919.56	26,722.44	7,802.88-	29.2-	
	2010		501670 Black Lung Benefit	0.00	11,964.80	11,964.80-	100.0-	
	2010		502300 Education Assist	625.00	996.00	371.00-	37.2-	
	2010		502900 Other Salary Overheads/Oncosts	497.00	0.00	497.00		
	2010		580500 Payroll Tax Expense	188,301.48	146,899.27	41,402.21	28.2	
	2010		580501 Payroll Tax Expense - Mines	99.65-	0.00	99.65-		
	2010		580700 Payroll Tax Expense-Unemployment	8,576.42	1,917.45	6,658.97	347.3	
	2010		699005 Benefits FI/CO Recon	460,514.14	332,678.10	127,836.04	38.4	
			Total Salary Overhead/Benefits	**1,191,598.05**	**980,614.48**	**210,983.57**	**21.5**	*8*
			Employee Expenses					
	2010		503100 Airfare	33,131.94	34,297.75	1,165.81-	3.4-	
	2010		503110 Lodging	47,975.78	45,490.56	2,485.22	5.5	
	2010		503111 Off-Site Facility Rentals	54.60	268.80	214.20-	79.7-	
	2010		503115 On-Site Meals & Refreshments	1,245.82	1,394.59	148.77-	10.7-	
	2010		503120 Meals & Entertainment	30,523.97	32,599.51	2,075.54-	6.4-	
	2010		503125 Vehicle Rental and Expense	25,033.03	41,147.36	16,114.33-	39.2-	
	2010		503130 Other Ground Transportation - Commercia	1,534.85	124.40	1,410.45	1133.8	
	2010		503135 Auto Expense/Parking/Mileage	7,478.97	4,262.15	3,216.82	75.5	
	2010		503140 Cellular Telephones Expense	10,463.40	10,090.72	372.68	3.7	
	2010		503145 OLEE Telephones Expense	174.07	304.63	130.56-	42.9-	
	2010		503150 Training	224.17	2,977.28	2,753.11-	92.5-	
	2010		503160 Registration	5,751.67	5,732.62	19.05	0.3	
	2010		503170 Dues & Licenses	4,537.00	4,234.00	303.00	7.2	
	2010		503370 Books & Subscriptions	5,683.65	4,738.04	945.61	20.0	
	2010		503400 Other Employee Related Expenses	2,838.86	3,778.89	940.03-	24.9-	
			Total Employee Expenses	**176,651.78**	**191,441.30**	**14,789.52-**	**7.7-**	*8*
			Materials & Supplies					

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
	2010		516035 Laboratory Supplies	1,815.50	0.00	1,815.50		
	2010		516050 Chemicals	874.42	0.00	874.42		
	2010		516060 Communication Equipment & Supplies	1,696.70	0.00	1,696.70		
	2010		516070 Computer Hardware	1,815.66	682.64	1,133.02	166.0	
	2010		516080 Computer Software, Licenses	9,292.08	9,676.88	384.80-	4.0-	
	2010		516120 Gases	18,217.80	0.00	18,217.80		
	2010		516200 Uniform / Safety Equipment	2,122.49	762.91	1,359.58	178.2	
	2010		516230 Lubricants, Oil, Grease	772.88	0.00	772.88		
	2010		516290 Office Furniture & Equipment	0.00	429.00	429.00-	100.0-	
	2010		516300 Office Supplies	24,098.06	32,136.29	8,038.23-	25.0-	
	2010		516410 Tools	218.58	110.43	108.15	97.9	
	2010		516435 Vehicles	16,332.39	21,588.96	5,256.57-	24.3-	
	2010		516440 Fuel-Veh/Mobile Equip	21,437.58	29.14	21,408.44	73467.5	
	2010		516460 Heavy Equipment Mat'l & Supplies	589.58	0.00	589.58		
	2010		516900 Miscellaneous Materials & Supplies	22,012.53	1,867.90	20,144.63	1078.5	
			Total Materials & Supplies	**121,296.25**	**67,284.15**	**54,012.10**	**80.3**	*8*
			Contracts & Services					
	2010		530025 Bank/Financial Institution Services	525.00	0.00	525.00		
	2010		530031 Printing/Imaging/Mail Services	455.33	2,438.50	1,983.17-	81.3-	
	2010		530035 Catering Services-Non Employees	0.00	329.64	329.64-	100.0-	
	2010		530049 Building/Facilities Maint. Contracts	1,689.39	2,192.60	503.21-	23.0-	
	2010		530050 Constr & Maint Contracts-Other	5,233.70	0.00	5,233.70		
	2010		530055 Consulting/Technical Services	16,498.08	19,621.00	3,122.92-	15.9-	
	2010		530073 Freight/Hauling Services	2,840.59	1,313.77	1,526.82	116.2	
	2010		530110 Moving/Relocation Services-Employees	62,424.69	7,667.59	54,757.10	714.1	
	2010		530120 Postal/Delivery/Courier Services	160.41	0.00	160.41		
	2010		530190 Miscellaneous Contracts & Services	17,467.14	866.35	16,600.79	1916.2	
			Total Contracts & Services	**107,294.33**	**34,429.45**	**72,864.88**	**211.6**	*8*
			OMAG Expenses - Inter-Company					
	2010		530080 Intercompany Contracts & Services	495.00-	0.00	495.00-		
			Total OMAG Expenses - Inter-Company	**495.00-**	**0.00**	**495.00-**		*8*
			Utilities					
	2010		535000 Electricity	31,957.74	0.00	31,957.74		
	2010		535100 Telephone	3,790.95	41.18	3,749.77	9105.8	
	2010		535154 Telephone-Satellite	92.89	0.00	92.89		
	2010		535155 Telecom-Dial-up/Remote Access	79.14	0.00	79.14		
			Total Utilities	**35,920.72**	**41.18**	**35,879.54**	**87128.6**	*8*
			Other O&M and A&G Expense					
	2010		505971 ARO - Misc Non-Oper Inc/Exp	282,747.00	600,529.68	317,782.68-	52.9-	
	2010		516438 VEHICLE EXPENSE - LICENSE FEES	11,445.61	0.00	11,445.61		
	2010		540000 Office Rent	5,008.64-	4,015.00-	993.64-	24.7-	
	2010		541000 Equipment Rent	0.00	6,585.96	6,585.96-	100.0-	
	2010		543000 Other Rent/Leases	375.00	275.00	100.00	36.4	
	2010		545000 Liability Insurance Costs	1,374.00	1,700.00	326.00-	19.2-	
	2010		545150 Miscellaneous Administ/General Expenses	276,297.47-	220,962.38-	55,335.09-	25.0-	
	2010		545350 Postage	2,171.10	2,001.53	169.57	8.5	
	2010		545400 Bank Charges & Fees	1,628.36	1,749.67	121.31-	6.9-	
	2010		545450 Filing Fees	221.00	171.00	50.00	29.2	
	2010		545520 Reclamation Expense	7,020,072.00-	0.00	7,020,072.00-		
	2010		545550 Club/Organization Membership and Expens	0.00	625.00	625.00-	100.0-	
	2010		546960 O&M and A&G - Credit	310,194.09-	0.00	310,194.09-		
	2010		549300 Reimbursements	3,207,650.00-	3,082,046.25-	125,603.75-	4.1-	
	2010		582300 Permits & Licenses	17,554.44	17,882.35	327.91-	1.8-	
	2010		699020 Corporate Allocations FI/CO Reconciliat	6,043.78	3,014.73	3,029.05	100.5	
			Total Other O&M and A&G Expense	**10,495,661.91-**	**2,672,488.71-**	**7,823,173.20-**	**292.7-**	*8*
			Total Operations,Maintenance, Admin & General	**5,113,284.02-**	**1,711,981.07**	**6,825,265.09-**	**398.7-**	*7*
			Total Net Margin	**5,113,284.02-**	**1,711,981.07**	**6,825,265.09-**	**398.7-**	*6*

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Total Income From Operations	**5,113,284.02-**	**1,711,981.07**	**6,825,265.09-**	**398.7-**	***5***
			Interest Expense and Other					
			Interest Expense Net					
			Interest Income					
	2010		**385400 Interest Income**	17.98	0.00	17.98		
			Interest Income External	**17.98**	**0.00**	**17.98**		***8***
			Total Interest Income	**17.98**	**0.00**	**17.98**		***7***
			Total Interest Expense Net	**17.98**	**0.00**	**17.98**		***6***
			Minority Interest & Other					
			Other (Income) Expense					
	2010		**546200 Other Deductions**	790.86	0.00	790.86		
	2010		**553100 Donations - 501(c)3**	0.00	300.00	300.00-	100.0-	
	2010		**553300 Sponsorship**	5,485.00	700.00	4,785.00	683.6	
	2010		**583900 Other Taxes and Fees - Other Inc/Ded**	19,195.67-	0.00	19,195.67-		
			Total Other (Income) Expense	**12,919.81-**	**1,000.00**	**13,919.81-**	**1392.0-**	***7***
			Total Minority Interest & Other	**12,919.81-**	**1,000.00**	**13,919.81-**	**1392.0-**	***6***
			Total Interest Expense and Other	**12,901.83-**	**1,000.00**	**13,901.83-**	**1390.2-**	***5***
			Income-Continuing Operations Before Tax	**5,126,185.85-**	**1,712,981.07**	**6,839,166.92-**	**399.3-**	***4***
			Income-Continuing Operations After Tax	**5,126,185.85-**	**1,712,981.07**	**6,839,166.92-**	**399.3-**	***3***
			Net Income	**5,126,185.85-**	**1,712,981.07**	**6,839,166.92-**	**399.3-**	***2***
			Earnings Available for Common	**5,126,185.85-**	**1,712,981.07**	**6,839,166.92-**	**399.3-**	***1***

Company code **** **Business area** ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Contribution					
			Earnings Contribution	**5,126,185.85**	**1,712,981.07-**	**6,839,166.92**	**399.3**	***1***

II.3. Intermountain Geothermal Company

Intermountain Geothermal Company
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Steam	503	$ 390,096.18	$ -	$ 390,096.18
Total		**$ 390,096.18**	**$ -**	**$ 390,096.18**

Company code **** Business area ****

Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Assets					
			Current Assets					
			Cash and Temporary Cash Investments					
	2015		113000 Petty Cash	2,330,668.85	0.00	2,330,668.85		
			Total Petty Cash	**2,330,668.85**	**0.00**	**2,330,668.85**		*4*
			Total Cash and Temporary Cash Investments	**2,330,668.85**	**0.00**	**2,330,668.85**		*3*
			Accounts and Notes Receivable					
	2015		116500 Joint Owner Receivables-Non-Rec	62,201.64	0.00	62,201.64		
			Total Other Accounts Receivable	**62,201.64**	**0.00**	**62,201.64**		*4*
			Total Accounts and Notes Receivable	**62,201.64**	**0.00**	**62,201.64**		*3*
			Accounts and Notes Receivable-Affiliates					
	2015		116000 Intercompany A/R - Current	390,096.18-	0.00	390,096.18-		
			Total Accounts Receivable - Affiliates	**390,096.18-**	**0.00**	**390,096.18-**		*4*
			Total Accnts and Notes Receivable-Affiliates	**390,096.18-**	**0.00**	**390,096.18-**		*3*
			Prepayments					
	2015		132000 Prepayments - Insurance	230,446.42	0.00	230,446.42		
	2015		132900 Prepayments - Other	375.00	0.00	375.00		
			Total Prepayments - External	**230,821.42**	**0.00**	**230,821.42**		*4*
			Total Prepayments	**230,821.42**	**0.00**	**230,821.42**		*3*
			Total Current Assets	**2,233,595.73**	**0.00**	**2,233,595.73**		*2*
			Property, Plant, and Equipment					
			Net Plant in Service					
			Property, Plant and Equipment in Service					
	2015		140209 Other General Plant & Equipment-Non-Rec	186,778.85	0.00	186,778.85		
	2015		140329 Leasehold Improvements-Non-Rec	13,812,526.37	0.00	13,812,526.37		
	2015		140389 Wells (Non-Recon)	3,489,353.22	0.00	3,489,353.22		
	2015		140399 Field Development (Non-Recon)	13,198,623.92	0.00	13,198,623.92		
	2015		141209 Other Intangible Assets-Non-Rec	20,316,620.00-	0.00	20,316,620.00-		
			Total Property, Plant and Equip in Service	**10,370,662.36**	**0.00**	**10,370,662.36**		*4*
			Accumulated Depreciation and Amortization					
	2015		145209 Other Gen'l Plant & Equip - Accum Depre	85,632.96-	0.00	85,632.96-		
	2015		145329 Leasehold Improvements-Non-Rec	7,370,385.83-	0.00	7,370,385.83-		
	2015		145389 Wells - Accum Depr (Non-Recon)	2,666,375.34-	0.00	2,666,375.34-		
	2015		145399 Field Development - Accum Depr (Non-Rec	6,650,792.04-	0.00	6,650,792.04-		
	2015		146209 Other Intangible Assets-Non-Rec	10,678,985.43	0.00	10,678,985.43		
			Total Accumulated Depreciation and Amort	**6,094,200.74-**	**0.00**	**6,094,200.74-**		*4*
			Total Net Plant in Service	**4,276,461.62**	**0.00**	**4,276,461.62**		*3*
			Total Property, Plant, and Equipment	**4,276,461.62**	**0.00**	**4,276,461.62**		*2*
			Total Assets	**6,510,057.35**	**0.00**	**6,510,057.35**		*1*

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Liabilities & Stockholders Equity					
			Liabilities					
			Current Liabilities					
			Accounts Payable					
	2015		220000 Accounts Payable - Other	120.71-	0.00	120.71-		
			Total Accounts Payable - Other Accruals Ext	**120.71-**	**0.00**	**120.71-**		*5*
			Total Accounts Payable	**120.71-**	**0.00**	**120.71-**		*4*
			Taxes Accrued					
			Accrued Income Taxes					
	2015		241000 Provision for Income Taxes-Curr-Fed	169,983.00-	0.00	169,983.00-		
	2015		243000 Provision for Income Taxes-Curr-State	26,429.00-	0.00	26,429.00-		
			Total Accrued U.S. Income Taxes	**196,412.00-**	**0.00**	**196,412.00-**		*6*
			Total Accrued Income Taxes	**196,412.00-**	**0.00**	**196,412.00-**		*5*
			Total Taxes Accrued	**196,412.00-**	**0.00**	**196,412.00-**		*4*
			Other Current Liabilities					
	2015		248000 Misc Current & Accrued Liabilities	168,857.60-	0.00	168,857.60-		
			Total Miscellaneous Current Liabilities	**168,857.60-**	**0.00**	**168,857.60-**		*5*
			Total Other Current Liabilities	**168,857.60-**	**0.00**	**168,857.60-**		*4*
			Total Current Liabilities	**365,390.31-**	**0.00**	**365,390.31-**		*3*
			Deferred Credits					
			Deferred Income Taxes					
	2015		286500 Accum Deferred Income Taxes-State	746,681.05-	0.00	746,681.05-		
	2015		287008 ADIT - Federal - Property, Plant & Equi	4,965,433.98-	0.00	4,965,433.98-		
			Total Deferred U.S. Income Taxes	**5,712,115.03-**	**0.00**	**5,712,115.03-**		*5*
			Total Deferred Income Taxes	**5,712,115.03-**	**0.00**	**5,712,115.03-**		*4*
			Total Deferred Credits	**5,712,115.03-**	**0.00**	**5,712,115.03-**		*3*
			Total Liabilities	**6,077,505.34-**	**0.00**	**6,077,505.34-**		*2*
			Stockholders Equity					
			Common Equity					
			Common Stock					
	2015		296000 Additional Paid-In Capital	432,552.01-	0.00	432,552.01-		
			Total Common Stock	**432,552.01-**	**0.00**	**432,552.01-**		*4*
			Retained Earnings					
			Profit/Loss for Current Year					
			Net Result: Profit					
			Total Net Result: Profit	**0.00**	**0.00**	**0.00**		*6*
			Net Result: Loss					
			Total Net Result: Loss	**0.00**	**0.00**	**0.00**		*6*
			Total Profit/Loss for Current Year	**0.00**	**0.00**	**0.00**		*5*
			Total Retained Earnings	**0.00**	**0.00**	**0.00**		*4*
			Common Equity	**432,552.01-**	**0.00**	**432,552.01-**		*3*
			Total Stockholders Equity	**432,552.01-**	**0.00**	**432,552.01-**		*2*
			Total Liabilities & Stockholders Equity	**6,510,057.35-**	**0.00**	**6,510,057.35-**		*1*

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Available for Common					
			Net Income					
			Income-Continuing Operations After Tax					
			Income-Continuing Operations Before Tax					
			Income From Operations					
			Net Margin					
			Gross Margin					
			Cost of Goods Sold					
			Fuel Expense					
			Fuel Expense - External					
	2015		361010 Prepurchased Steam Income	390,096.18-	0.00	390,096.18-		
	2015		361099 Steam Income - Credit	390,096.18	0.00	390,096.18		
			Total Fuel Expense - External	**0.00**	**0.00**	**0.00**		***10***
			Total Fuel Expense	**0.00**	**0.00**	**0.00**		***9***
			Total Cost of Goods Sold	**0.00**	**0.00**	**0.00**		***8***
			Total Gross Margin	**0.00**	**0.00**	**0.00**		***7***
			Total Net Margin	**0.00**	**0.00**	**0.00**		***6***
			Total Income From Operations	**0.00**	**0.00**	**0.00**		***5***
			Income-Continuing Operations Before Tax	**0.00**	**0.00**	**0.00**		***4***
			Income-Continuing Operations After Tax	**0.00**	**0.00**	**0.00**		***3***
			Net Income	**0.00**	**0.00**	**0.00**		***2***
			Earnings Available for Common	**0.00**	**0.00**	**0.00**		***1***

Company code **** **Business area** ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Contribution					
			Earnings Contribution	**0.00**	**0.00**	**0.00**		***1***

Energy West Mining Company
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Fuel Purchased / Sold	151.1	$ 131,128,972.18	$ -	$ 131,128,972.18
Total		**$ 131,128,972.18**	**$ -**	**$ 131,128,972.18**

Company code **** Business area ****

Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Assets					
			Current Assets					
			Cash and Temporary Cash Investments					
	2050		102050 EW Cash Payroll - Non Recon.	1,000.00	326.50	673.50	206.3	
	2050		103050 EW Cash Supplemental Unemployment - Non	10,473.36	10,473.36	0.00		
	2050		104050 EW Cash Accounts Payable - Non Recon.	274,892.17-	112,290.99	387,183.16-	344.8-	
	2050		107050 EW Payroll Control - Non Recon.	10,081.15	8,208.18	1,872.97	22.8	
			Total Other Cash	**253,337.66-**	**131,299.03**	**384,636.69-**	**292.9-**	*4*
			Total Cash and Temporary Cash Investments	**253,337.66-**	**131,299.03**	**384,636.69-**	**292.9-**	*3*
			Accounts and Notes Receivable					
	2050		116412 Emp Pmt Deduction-Miscellaneous Receiva	789.98-	53.81-	736.17-	1368.1-	
	2050		116415 Employee Advances	400.00	1,646.00	1,246.00-	75.7-	
	2050		116850 Accounts Receivable - Other	25,793.96	221,111.17	195,317.21-	88.3-	
			Total Other Accounts Receivable	**25,403.98**	**222,703.36**	**197,299.38-**	**88.6-**	*4*
			Total Accounts and Notes Receivable	**25,403.98**	**222,703.36**	**197,299.38-**	**88.6-**	*3*
			Accounts and Notes Receivable-Affiliates					
	2050		116000 Intercompany A/R - Current	7,016,475.75-	4,009,027.87	11,025,503.62-	275.0-	
			Total Accounts Receivable - Affiliates	**7,016,475.75-**	**4,009,027.87**	**11,025,503.62-**	**275.0-**	*4*
			Total Accnts and Notes Receivable-Affiliates	**7,016,475.75-**	**4,009,027.87**	**11,025,503.62-**	**275.0-**	*3*
			Material and Supplies					
	2050		120001 Other Materials & Supplies/General Stoc	3,583,905.42	2,710,855.28	873,050.14	32.2	
			Total Material and Supplies	**3,583,905.42**	**2,710,855.28**	**873,050.14**	**32.2**	*3*
			Fuel Inventory					
			Fuel Inventory External					
	2050		120201 Delivered Coal Inventory	16,407,069.74	8,687,849.95	7,719,219.79	88.9	
			Total Inventory External	**16,407,069.74**	**8,687,849.95**	**7,719,219.79**	**88.9**	*4*
			Total Fuel Inventory	**16,407,069.74**	**8,687,849.95**	**7,719,219.79**	**88.9**	*3*
			Prepayments					
	2050		132000 Prepayments - Insurance	3.00-	0.00	3.00-		
	2050		132900 Prepayments - Other	62,717.66	62,381.92	335.74	0.5	
			Total Prepayments - External	**62,714.66**	**62,381.92**	**332.74**	**0.5**	*4*
			Total Prepayments	**62,714.66**	**62,381.92**	**332.74**	**0.5**	*3*
			Total Current Assets	**12,809,280.39**	**15,824,117.41**	**3,014,837.02-**	**19.1-**	*2*
			Other Assets					
			Deferred Charges and Others					
	2050		134200 Deferred Longwall Costs	930,439.33	598,127.00	332,312.33	55.6	
	2050		134300 Other Current Deferred Charges	245,438.05	230,674.04	14,764.01	6.4	
			Total Other Deferred Charges	**1,175,877.38**	**828,801.04**	**347,076.34**	**41.9**	*4*
			Total Deferred Charges and Others	**1,175,877.38**	**828,801.04**	**347,076.34**	**41.9**	*3*
			Total Other Assets	**1,175,877.38**	**828,801.04**	**347,076.34**	**41.9**	*2*
			Total Assets	**13,985,157.77**	**16,652,918.45**	**2,667,760.68-**	**16.0-**	*1*

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Liabilities & Stockholders Equity					
			Liabilities					
			Current Liabilities					
			Accounts Payable					
	2050		210614 Accrued Accounts Payable - Mining	747,300.63-	1,593,516.45-	846,215.82	53.1	
			Total Accounts Payable - Trade	**747,300.63-**	**1,593,516.45-**	**846,215.82**	**53.1**	*5*
	2050		210599 Accrued Liabilities	1,813,969.59-	1,905,153.25-	91,183.66	4.8	
	2050		215124 Mining Division - Reclamation Fee	193,230.17-	156,477.47-	36,752.70-	23.5-	
	2050		220000 Accounts Payable - Other	484,380.69-	1,184,770.78-	700,390.09	59.1	
	2050		235230 Accrual - Royalties	0.00	1,209,942.77-	1,209,942.77	100.0	
			Total Accounts Payable - Other Accruals Ext	**2,491,580.45-**	**4,456,344.27-**	**1,964,763.82**	**44.1**	*5*
			Total Accounts Payable	**3,238,881.08-**	**6,049,860.72-**	**2,810,979.64**	**46.5**	*4*
			Accrued Employee Expenses					
	2050		211111 Savings Bonds Withholdings	100.00-	300.00-	200.00	66.7	
	2050		211149 Other Payroll Liability	323.13-	0.00	323.13-		
	2050		215104 Mining Division - Payroll Accrual	2,173,561.59-	2,138,808.91-	34,752.68-	1.6-	
	2050		215122 Accrued UMWA Royalties	62,648.58-	75,086.91-	12,438.33	16.6	
	2050		215125 Mining Division - Vac Pay & Fixed Ovhd	1,946,719.35-	1,939,250.32-	7,469.03-	0.4-	
	2050		215127 Mining Division - Fica	281,327.31-	280,247.83-	1,079.48-	0.4-	
	2050		215510 Med/Dent/Vision - Energy West	1,017,076.30-	937,193.64-	79,882.66-	8.5-	
	2050		215514 K Plus Co. Match & Admin Energy West	6,200.05-	5,826.29-	373.76-	6.4-	
	2050		215515 Esop - Fixed Energy West	5,036.70-	4,639.71-	396.99-	8.6-	
			Total Employee Payroll & Benefits Payable	**5,492,993.01-**	**5,381,353.61-**	**111,639.40-**	**2.1-**	*5*
	2050		248107 Sick Leave Liability-Utah	702,154.34-	646,531.48-	55,622.86-	8.6-	
			Total Vacation, PT & Sick Leave Accruals	**702,154.34-**	**646,531.48-**	**55,622.86-**	**8.6-**	*5*
			Total Accrued Employee Expenses	**6,195,147.35-**	**6,027,885.09-**	**167,262.26-**	**2.8-**	*4*
			Taxes Accrued					
	2050		233004 UT - Property Tax	300,000.00-	292,749.00-	7,251.00-	2.5-	
			Total Accrued Property Taxes	**300,000.00-**	**292,749.00-**	**7,251.00-**	**2.5-**	*5*
	2050		240310 Provision for Unemployment Taxes	72,476.11-	73,078.10-	601.99	0.8	
			Total Accrued Payroll Taxes	**72,476.11-**	**73,078.10-**	**601.99**	**0.8**	*5*
	2050		235301 Federal Excise Tax On Coal - Deer Creek	277,964.50-	256,520.30-	21,444.20-	8.4-	
			Total Accrued Taxes - Other	**277,964.50-**	**256,520.30-**	**21,444.20-**	**8.4-**	*5*
			Total Taxes Accrued	**650,440.61-**	**622,347.40-**	**28,093.21-**	**4.5-**	*4*
			Other Current Liabilities					
	2050		211200 Payroll Taxes Payable	87,861.43-	91,675.32-	3,813.89	4.2	
			Total Payroll Related Tax Withholdings	**87,861.43-**	**91,675.32-**	**3,813.89**	**4.2**	*5*
	2050		245949 Ut St Mineral Rylty Wthlding Tax-Peabod	0.00	27,786.23-	27,786.23	100.0	
	2050		245950 Ut St Minerl Rylty Wthhlding Tx-Mckinno	0.00	18,524.15-	18,524.15	100.0	
			Total Franchise, Sales & Other Taxes	**0.00**	**46,310.38-**	**46,310.38**	**100.0**	*5*
			Total Other Current Liabilities	**87,861.43-**	**137,985.70-**	**50,124.27**	**36.3**	*4*
			Total Current Liabilities	**10,172,330.47-**	**12,838,078.91-**	**2,665,748.44**	**20.8**	*3*
			Deferred Credits					
			Regulatory Liabilities					
	2050		288503 ARO/Reg Diff - Deer Creek Mine Reclamat	451,417.70-	352,535.43-	98,882.27-	28.0-	
			Total FAS 143 ARO Regulatory Liabilities	**451,417.70-**	**352,535.43-**	**98,882.27-**	**28.0-**	*5*
	2050		288307 Reg Liab - Mine Reclamation Costs	1,146,738.29-	1,146,738.29-	0.00		
			Total Reg Liability Non-ARO Removal Costs	**1,146,738.29-**	**1,146,738.29-**	**0.00**		*5*
			Total Regulatory Liabilities	**1,598,155.99-**	**1,499,273.72-**	**98,882.27-**	**6.6-**	*4*
			Other Deferred Credits					
	2050		289511 Deseret Mine Reclamation	603,373.95-	750,825.46-	147,451.51	19.6	
			Total Mining Provisions	**603,373.95-**	**750,825.46-**	**147,451.51**	**19.6**	*5*
	2050		284915 ARO Liab - Deer Creek Mine Reclamation	1,610,297.36-	1,563,740.36-	46,557.00-	3.0-	
			Total ARO & Decommissioning Liabilities	**1,610,297.36-**	**1,563,740.36-**	**46,557.00-**	**3.0-**	*5*
			Total Other Deferred Credits	**2,213,671.31-**	**2,314,565.82-**	**100,894.51**	**4.4**	*4*
			Total Deferred Credits	**3,811,827.30-**	**3,813,839.54-**	**2,012.24**	**0.1**	*3*

Company code **** **Business area** **** **Amounts in** USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Total Liabilities	**13,984,157.77-**	**16,651,918.45-**	**2,667,760.68**	**16.0**	***2***
			Stockholders Equity					
			Common Equity					
			Common Stock					
	2050		**293000 Common Shares Issued**	1,000.00-	1,000.00-	0.00		
			Total Common Stock	**1,000.00-**	**1,000.00-**	**0.00**		***4***
			Retained Earnings					
			Profit/Loss for Current Year					
			Net Result: Profit					
			Total Net Result: Profit	**0.00**	**0.00**	**0.00**		***6***
			Net Result: Loss					
			Total Net Result: Loss	**0.00**	**0.00**	**0.00**		***6***
			Total Profit/Loss for Current Year	**0.00**	**0.00**	**0.00**		***5***
			Total Retained Earnings	**0.00**	**0.00**	**0.00**		***4***
			Common Equity	**1,000.00-**	**1,000.00-**	**0.00**		***3***
			Total Stockholders Equity	**1,000.00-**	**1,000.00-**	**0.00**		***2***
			Total Liabilities & Stockholders Equity	**13,985,157.77-**	**16,652,918.45-**	**2,667,760.68**	**16.0**	***1***

Company code **** Business area **** Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Available for Common					
			Net Income					
			Income-Continuing Operations After Tax					
			Income-Continuing Operations Before Tax					
			Income From Operations					
			Net Margin					
			Operations, Maintenance, Admin & General					
			Salary Expense					
	2050		500100 Regular/Ordinary Time	15,472,684.92	13,931,535.40	1,541,149.52	11.1	
			Subtotal Regular/Ordinary Time	**15,472,684.92**	**13,931,535.40**	**1,541,149.52**	**11.1**	*9*
	2050		500200 Overtime	2,756,784.42	2,487,594.14	269,190.28	10.8	
			Subtotal Overtime Pay	**2,756,784.42**	**2,487,594.14**	**269,190.28**	**10.8**	*9*
	2050		500400 Bonus/Incentive	997,552.00	869,245.59	128,306.41	14.8	
			Subtotal Bonus/Incentive	**997,552.00**	**869,245.59**	**128,306.41**	**14.8**	*9*
	2050		500600 Temporary/Contract Labor	13,954.50	14,777.50	823.00-	5.6-	
	2050		500860 Supplemental Unemployment Benefit Payme	0.00	1,828.34	1,828.34-	100.0-	
			Subtotal Other Salary Expense	**13,954.50**	**16,605.84**	**2,651.34-**	**16.0-**	*9*
			Total Salary Expense	**19,240,975.84**	**17,304,980.97**	**1,935,994.87**	**11.2**	*8*
			Salary Overhead/Benefits					
	2050		500500 Leave/PT/Vacation/Sick	3,339,237.86	2,907,933.95	431,303.91	14.8	
	2050		501102 Pension Administration	1,169,726.26	1,103,554.19	66,172.07	6.0	
	2050		501125 Medical	5,179,452.44	3,933,996.01	1,245,456.43	31.7	
	2050		501150 Post Retirement	4,126,001.06	3,229,508.14	896,492.92	27.8	
	2050		501225 Life	243,509.41	188,248.05	55,261.36	29.4	
	2050		501250 Stock/401(k)/ESOP	280,498.16	256,118.18	24,379.98	9.5	
	2050		501325 Physical Exams	7,021.09	9,551.75	2,530.66-	26.5-	
	2050		501650 Worker's Comp/WorkCover Levy	1,752,605.39	1,549,243.52	203,361.87	13.1	
	2050		501670 Black Lung Benefit	700,060.68	473,531.98	226,528.70	47.8	
	2050		502900 Other Salary Overheads/Oncosts	932,343.91	835,476.89	96,867.02	11.6	
	2050		580501 Payroll Tax Expense - Mines	1,141,082.41	936,430.53	204,651.88	21.9	
			Total Salary Overhead/Benefits	**18,871,538.67**	**15,423,593.19**	**3,447,945.48**	**22.4**	*8*
			Employee Expenses					
	2050		503110 Lodging	13,598.76	23,197.73	9,598.97-	41.4-	
	2050		503120 Meals & Entertainment	27,011.06	47,058.60	20,047.54-	42.6-	
	2050		503125 Vehicle Rental and Expense	69.00	0.00	69.00		
	2050		503130 Other Ground Transportation - Commercia	9,905.88	19,947.52	10,041.64-	50.3-	
	2050		503135 Auto Expense/Parking/Mileage	33,270.16	15,913.25	17,356.91	109.1	
	2050		503140 Cellular Telephones Expense	0.00	585.27	585.27-	100.0-	
	2050		503150 Training	40,555.99	42,525.60	1,969.61-	4.6-	
	2050		503400 Other Employee Related Expenses	0.00	442.00	442.00-	100.0-	
			Total Employee Expenses	**124,410.85**	**149,669.97**	**25,259.12-**	**16.9-**	*8*
			Materials & Supplies					
	2050		516040 Cement & Concrete Products	470,949.18	416,434.54	54,514.64	13.1	
	2050		516050 Chemicals	2,641.82	4,324.80	1,682.98-	38.9-	
	2050		516070 Computer Hardware	52,512.65	49,176.23	3,336.42	6.8	
	2050		516080 Computer Software, Licenses	132,231.29	60,696.88	71,534.41	117.9	
	2050		516110 Conveyor Supplies	480,551.43	544,520.64	63,969.21-	11.7-	
	2050		516140 Drills, Bits and Augers	752,106.49	623,262.21	128,844.28	20.7	
	2050		516150 Electric Motors and Generators	2,557.47	418.92	2,138.55	510.5	
	2050		516180 Explosives	107,458.84	48,077.46	59,381.38	123.5	
	2050		516190 Gravel & Rock	120,980.27	160,601.82	39,621.55-	24.7-	
	2050		516200 Uniform / Safety Equipment	720,996.70	639,520.48	81,476.22	12.7	
	2050		516220 Roof Control	4,755,922.91	3,868,648.20	887,274.71	22.9	
	2050		516230 Lubricants, Oil, Grease	454,351.12	328,366.48	125,984.64	38.4	
	2050		516260 Electronic Supplies	489,369.28	435,682.64	53,686.64	12.3	
	2050		516290 Office Furniture & Equipment	1,035.66	3,989.92	2,954.26-	74.0-	
	2050		516300 Office Supplies	49,682.23	51,989.50	2,307.27-	4.4-	

Company code **** Business area ****

Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
	2050		516310 Other Electrical Equipment/Supplies	140,631.93	111,069.29	29,562.64	26.6	
	2050		516320 Pipe, Valves and Fittings	402,160.33	245,777.87	156,382.46	63.6	
	2050		516330 Wood Products	141,735.36	111,631.12	30,104.24	27.0	
	2050		516360 Tires, Tubes, and Wheels	314,134.46	254,538.88	59,595.58	23.4	
	2050		516380 HVAC	360,737.63	326,136.88	34,600.75	10.6	
	2050		516410 Tools	116,073.99	111,832.45	4,241.54	3.8	
	2050		516430 Hydraulic Components	139,129.63	112,080.14	27,049.49	24.1	
	2050		516440 Fuel-Veh/Mobile Equip	563,011.20	365,368.55	197,642.65	54.1	
	2050		516460 Heavy Equipment Mat'l & Supplies	463,242.35	410,970.10	52,272.25	12.7	
	2050		516490 Pumps	794,230.34	563,975.90	230,254.44	40.8	
	2050		516900 Miscellaneous Materials & Supplies	2,564,143.32	2,030,831.72	533,311.60	26.3	
	2050		516910 Material Price Variance Account	5,996.76	7,765.77	1,769.01-	22.8-	
	2050		516930 Diesel Fuel Hedge	184,217.80-	107,738.17-	76,479.63-	71.0-	
			Total Materials & Supplies	**14,414,356.84**	**11,779,951.22**	**2,634,405.62**	**22.4**	*8*
			Contracts & Services					
	2050		530045 Constr & Maint Contracts-Labor	450,141.15	349,679.13	100,462.02	28.7	
	2050		530049 Building/Facilities Maint. Contracts	142.00	0.00	142.00		
	2050		530050 Constr & Maint Contracts-Other	2,663,611.91	2,308,069.23	355,542.68	15.4	
	2050		530055 Consulting/Technical Services	11,125.04	600.00	10,525.04	1754.2	
	2050		530073 Freight/Hauling Services	233,048.94	162,076.11	70,972.83	43.8	
	2050		530095 Legal Fees & Services	76,376.51	154,668.64	78,292.13-	50.6-	
	2050		530105 Mining Services	1,621,773.60	1,835,201.25	213,427.65-	11.6-	
	2050		530190 Miscellaneous Contracts & Services	350,640.50	236,559.35	114,081.15	48.2	
			Total Contracts & Services	**5,406,859.65**	**5,046,853.71**	**360,005.94**	**7.1**	*8*
			Utilities					
	2050		535000 Electricity	2,939,437.09	2,406,456.57	532,980.52	22.1	
	2050		535100 Telephone	61,132.65	65,141.25	4,008.60-	6.2-	
	2050		535225 Water	4,972.03	5,751.18	779.15-	13.5-	
			Total Utilities	**3,005,541.77**	**2,477,349.00**	**528,192.77**	**21.3**	*8*
			Other O&M and A&G Expense					
	2050		513100 Fuel Handling	0.00	168,564.62	168,564.62-	100.0-	
	2050		541000 Equipment Rent	1,296.61-	98,412.83	99,709.44-	101.3-	
	2050		543000 Other Rent/Leases	343.00	3,362.42	3,019.42-	89.8-	
	2050		544000 Coal Leases	2,652.00-	77,966.00-	75,314.00	96.6	
	2050		545000 Liability Insurance Costs	122,502.46	180,219.33	57,716.87-	32.0-	
	2050		545100 Royalties	374,921.70	327,616.99	47,304.71	14.4	
	2050		545150 Miscellaneous Administ/General Expenses	105,367.98	71,821.56	33,546.42	46.7	
	2050		545245 Accretion Expense - Elec Util. Plant -	76,920.00	79,356.78	2,436.78-	3.1-	
	2050		545250 Management Fees	1,064,046.00	1,472,074.59	408,028.59-	27.7-	
	2050		545310 Other O&M Expense	0.00	2,292,321.00	2,292,321.00-	100.0-	
	2050		545400 Bank Charges & Fees	3,529.69	3,947.89	418.20-	10.6-	
	2050		545450 Filing Fees	12.00	467.00	455.00-	97.4-	
	2050		545550 Club/Organization Membership and Expens	51,094.94	48,735.60	2,359.34	4.8	
	2050		546960 O&M and A&G - Credit	65,567,497.43-	60,387,295.21-	5,180,202.22-	8.6-	
	2050		546961 Mining - ARO Accretion Exp - Credit	76,920.00-	79,356.78-	2,436.78	3.1	
	2050		553500 Customer & Marketing Costs-Other	5,119.40	11,518.97	6,399.57-	55.6-	
	2050		566901 Other Amortization Mines	2,673,438.00	3,504,614.75	831,176.75-	23.7-	
	2050		582300 Permits & Licenses	107,387.25	99,185.60	8,201.65	8.3	
			Total Other O&M and A&G Expense	**61,063,683.62-**	**52,182,398.06-**	**8,881,285.56-**	**17.0-**	*8*
			Total Operations,Maintenance, Admin & General	**0.00**	**0.00**	**0.00**		*7*
			Total Net Margin	**0.00**	**0.00**	**0.00**		*6*
			Depreciation and Amortization					
			Depletion					
	2050		560000 Depletion	1,882,248.16	1,299,869.78	582,378.38	44.8	
			Total Depletion	**1,882,248.16**	**1,299,869.78**	**582,378.38**	**44.8**	*7*
			Depreciation					
	2050		565136 Depreciation - Production- Mines	10,787,777.49	10,110,410.78	677,366.71	6.7	

Company code **** Business area ****

Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
	2050		565960 Depr and Amort - Credit	12,738,544.92-	11,443,822.40-	1,294,722.52-	11.3-	
			Total Depreciation	**1,950,767.43-**	**1,333,411.62-**	**617,355.81-**	**46.3-**	*7*
			Amortization					
	2050		566541 Reclamation Amortization - Mines	145,439.27	112,898.62	32,540.65	28.8	
	2050		566944 Amortization of ARO Reg Asset/Liab	76,920.00-	79,356.78-	2,436.78	3.1	
			Total Amortization	**68,519.27**	**33,541.84**	**34,977.43**	**104.3**	*7*
			Total Depreciation and Amortization	**0.00**	**0.00**	**0.00**		*6*
			Taxes, Other than Income Taxes					
	2050		579000 Property Tax	1,167,080.51	1,196,251.00	29,170.49-	2.4-	
	2050		583451 Extraction Tax - Mines	5,449,086.26	2,909,768.99	2,539,317.27	87.3	
	2050		583501 Federal Reclamation Tax-Mines	604,839.06	250,588.67	354,250.39	141.4	
	2050		584100 Government Royalties	2,940.00	10,461.00	7,521.00-	71.9-	
	2050		584101 Government Royalties - Mines	6,897,785.43	3,441,314.92	3,456,470.51	100.4	
	2050		584201 Other Royalties - Mines	607,320.28	2,590,955.39	1,983,635.11-	76.6-	
	2050		584960 Taxes Other Non-Income - Credit	14,729,051.54-	10,399,339.97-	4,329,711.57-	41.6-	
			Total Taxes, Other than Income Taxes	**0.00**	**0.00**	**0.00**		*6*
			Total Income From Operations	**0.00**	**0.00**	**0.00**		*5*
			Income-Continuing Operations Before Tax	**0.00**	**0.00**	**0.00**		*4*
			Income-Continuing Operations After Tax	**0.00**	**0.00**	**0.00**		*3*
			Net Income	**0.00**	**0.00**	**0.00**		*2*
			Earnings Available for Common	**0.00**	**0.00**	**0.00**		*1*

Company code **** **Business area** **** **Amounts in** USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Contribution					
			Earnings Contribution	**0.00**	**0.00**	**0.00**		***1***

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ORDER NO. 91-513

ENTERED APR 12 1991

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UI 105

ECONOMIC

APR 17 1991

REGULATION

In the Matter of the Application of PACIFICORP, dba PACIFIC POWER & LIGHT COMPANY, for an order approving a contract for mining services with Energy West Mining Company, an affiliated interest.	ORDER

DISPOSITION: GRANTED

On January 2, 1991, Pacific Power & Light Company, an assumed business name of PacifiCorp (Pacific or company), filed an application with the Public Utility Commission pursuant to ORS Chapter 757 and OAR 860-27-040. The company requested approval of a contract for mining services (contract) with Energy West Mining Company (EWMC), effective for accounting purposes as of October 1, 1990.

The Commission makes the following:

FINDINGS OF FACT

Jurisdiction

Pacific is an Oregon corporation duly qualified to transact business in the state of Oregon. Pacific engages in the generation, purchase, transmission, distribution, and sale of electric energy to the public in the state of Oregon. EWMC is a wholly owned subsidiary of PacifiCorp. Pacific and EWMC have four directors and/or officers in common.

The Proposal

Pacific has entered into a contract with EWMC dated October 1, 1990, to provide mining services at the Cottonwood, Deer Creek, and Des-Bee-Dove coal mines, which are now wholly owned by Pacific. Under the contract, EWMC will operate these coal mines and mine coal in the quantities and according to the specifications requested by Pacific.

EWMC will direct its work force and be solely responsible for the administration and negotiation of any collective bargaining agreements related to its employees.

Other responsibilities of EWMC include the maintenance of safe working conditions and appropriate safety equipment at the mines, and the operation of the mines in accordance with all applicable laws and regulations. Additional services associated with the fueling of the Hunter and Huntington steam plants, as requested by Pacific, will also be performed by EWMC.[1]

Pacific will loan operating capital to EWMC. The outstanding amount of these loaned funds will not exceed $5 million at any time. EWMC will pay interest to Pacific on loaned funds on the terms set forth in and at a rate equal to that established under the Umbrella Loan Agreement dated April 4, 1983, among PacifiCorp and certain of its affiliates. All equipment and facilities reasonably necessary for the performance of EWMC's obligations will be made available without charge by Pacific.

EWMC will not acquire real property or depreciable assets with a value in excess of $1,000. EWMC will be reimbursed only for its actual reasonable expenses, and those expenses will not include a return on investment. EWMC will be responsible for the inspection and maintenance of all equipment and facilities made available by Pacific. EWMC will maintain books and records consistent with generally accepted accounting principles, and will make its books and records available for inspection by Pacific at any time. EWMC is precluded from engaging in any activities unrelated to the contract.

Pacific estimates that the annual cost of performing the agreement functions will be approximately $67 million, based on mining approximately 6.7 million tons of coal, on a total company basis. On an Oregon allocated basis, the annual contract cost estimate is approximately $19 million. The agreement is for the five year period from October 1, 1990, through September 30, 1995, and may be extended by Pacific for successive five year terms.

According to a current strategic energy policy report by outside energy experts, Pacific has recently been successful in reducing costs at its affiliate mines, include the Utah mines operated by EWMC. This has resulted in Pacific's Utah-mined coal being purchased at or below market prices.

EWMC has been established in a manner so that it will not earn a profit. It is unlikely that a third party could provide services at a lower cost.

There is no indication that the proposal will impair Pacific's ability to provide its public utility service.

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[1]Pacific owns 84.7 percent of the Hunter plant and 100 percent of the Huntington plant.

Pacific proposes that, for accounting purposes, the agreement be approved as of October 1, 1990. This will enable Pacific to maintain its books in conformance with regulatory requirements.

The Commission's staff investigated the arrangement between Pacific and EWMC and recommended that the Commission approve the application. At its public meeting on March 19, 1991, the Commission adopted the staff recommendation.

OPINION

The following statutes are applicable to this application:

ORS 747.005 defines a public utility as, inter alia, an entity which owns, operates, manages, or controls all or part of any plant or equipment in this state for the production, transmission, delivery, or furnishing of heat, light, or power, directly or indirectly to the public. Pacific is a public utility subject to the Public Utility Commission's jurisdiction.

ORS 757.015(5) defines an "affiliated interest" as "every corporation which has two or more officers or two or more directors in common with such public utility." EWMC and Pacific have four officers and/or directors in common; therefore an "affiliated interest" relationship exists.

ORS 757.495 provides that no public utility shall contract with an affiliated interest for services without the Commission's approval. The statute was designed to protect utility customers from abuses which may arise from less than arm's length transactions. CP National Corporation, UF 3842, Order No. 82-593 at 2; Portland General Electric Company, UF 3739, Order No. 81-737 at 6. The standard of review is whether the proposed contract is ". . . fair and reasonable and not contrary to the public interest . . . ." See ORS 757.495(3).

The application should be granted. The agreement with EWMC will benefit Pacific's customers because it will promote safe and efficient operation of the Cottonwood and Deer Creek mines and a lower overall generation cost at the Hunter and Huntington steam plants.

Pacific will reimburse EWMC for all reasonable expenses incurred by EWMC in the performance of its obligations. EWMC shall bill Pacific only actual costs for its services.

This cost-based approach and the limitation of EWMC's activities to those arising under the contract minimize the likelihood of cross-subsidization. Due to recent reductions in operating costs at EWMC's Utah mines, Pacific is purchasing coal at or

below market prices. Through the rate-making process, the Commission can ensure that Oregon utility customers do not pay unreasonable expenses. The Commission concludes that the agreement is fair and reasonable and not contrary to the public interest.

Pacific's contract with EWMC is not recognized for rate-making purposes until approved by the Commission in a future rate-making proceeding. ORS 757.495(3). Retroactive approval of the accounting treatment is appropriate due to cost accounting considerations. Expenditures made should be charged to accounts in the manner directed by Federal Energy Regulatory Commission Regulations and the Commission's rules.

CONCLUSIONS OF LAW

1. Pacific is a public utility subject to the jurisdiction of the Public Utility Commission.

2. An affiliated interest relationship exists between Pacific and EWMC.

3. The agreement between Pacific and EWMC is fair and reasonable and not contrary to the public interest.

ORDER

IT IS ORDERED that:

1. The application of Pacific for approval of its contract dated October 1, 1990, with the Energy West Mining Company, is granted. This approval shall be effective for accounting purposes as of October 1, 1990.

2. Pacific shall provide staff access to all books of account, as well as all documents, data, and records of Pacific, and Pacific's affiliated interests which pertain to the transactions between Pacific and EWMC.

3. Pacific shall notify the Commission in advance of any substantive changes to the level, type, terms, or conditions of transactions executed under the subject contract. Any changes which alter the intent or extent of activities under the contract from those approved in this order shall be submitted for approval

in an application for a supplemental order (or other appropriate format) in this docket.

4. Pacific shall comply with the annual reporting requirements for affiliated interest transactions.

5. Pacific shall timely notify the Commission of all management studies and/or analyses, internal or external audit reports, and any related studies or reports pertaining to the agreement between Pacific Electric Operations and Energy West Mining Company, and shall promptly provide such information to the Commission upon request.

6. The Commission reserves the right to review for reasonableness all financial aspects of this arrangement in any subsequent rate proceeding.

Made, entered, and effective APR 12 1991.

BY THE COMMISSION:

Nancy Towslee
Commission Secretary

A party may request rehearing or reconsideration of this order within 60 days from the date of service pursuant to ORS 756.561. A party may appeal this order pursuant to ORS 756.580.

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II-5. PacifiCorp Group Holdings Company

PacifiCorp Group Holdings Company
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
IT Services Allocations	929	$ -	$ 4,301.33	$ 4,301.33
Shared Services Chargebacks	929	-	23,935.33	23,935.33
Labor	922	-	16,123.29	16,123.29
Total		**$ -**	**$ 44,359.95**	**$ 44,359.95**

II-6. PacifiCorp Financial Services, Inc.

PacifiCorp Financial Services, Inc.
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Management Fee	929	$ -	$ 103,740.16	$ 103,740.16
IT Allocations	929	-	6,144.02	6,144.02
IT Services Allocations	929	-	487.45	487.45
PC Supporting Services	929	-	1,714.21	1,714.21
Labor	922	-	205,726.25	205,726.25
Total		**$ -**	**$ 317,812.09**	**$ 317,812.09**

II-7. PPM Energy, Inc.

PPM Energy, Inc.
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Interco Other Electric Revenues	456.2	$ -	$ 1,098,062.04	$ 1,098,062.04
Inter-Company Other Elec Revenue Estimate	456.2	-	19,765.16	19,765.16
Interco Transmission Line Loss Revenue	447.1	-	736,003.09	736,003.09
Inter-Company Tranm Line Loss Revenue Estimate	447.1	-	417,165.27	417,165.27
Interco Transmission Firm Wheeling Revenue	456.1	-	3,200,446.13	3,200,446.13
Interco Transmission Non-Firm Wheeling Revenue	456.1	-	800.04	800.04
Interco Short Term Wheeling Revenue	456.1	-	1,739,230.85	1,739,230.85
Interco Purchased Power Imbalance	555.6	2,679,949.45	-	2,679,949.45
PPW-PPM InterCo Recruiting Fees	921	-	772,328.05	772,328.05
PPM Sub Lease Payments (Liberty Center)	931	269,704.03	-	269,704.03
Management Fee	929	-	1,191,430.96	1,191,430.96
IT Allocations	929	-	385,166.88	385,166.88
IT Services Allocations	929	-	1,507,654.90	1,507,654.90
Shared Services Chargebacks	929	-	259,476.33	259,476.33
PC Supporting Services	929	-	31,628.52	31,628.52
Labor	922	2,225.56	3,669,161.59	3,671,387.15
Total		**$ 2,951,879.04**	**$ 15,028,319.81**	**$ 17,980,198.85**

II-8. West Valley Leasing Company,LLC

West Valley Leasing Company, LLC
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Rent Expense	550	$ 16,357,060.30	$ -	$ 16,357,060.30
Total		**$ 16,357,060.30**	**$ -**	**$ 16,357,060.30**

Enstor Operating Company, LLC
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
IT Allocations	929	$ -	$ 53,495.40	$ 53,495.40
IT Services Allocations	929	-	3,406.90	3,406.90
Shared Services Chargebacks	929	-	13,384.70	13,384.70
PC Supporting Services	929	-	4,392.85	4,392.85
Labor	922	-	1,110.00	1,110.00
Total		**$ -**	**$ 75,789.85**	**$ 75,789.85**

II-10. PPM Colorado Wind Ventures,Inc.

PPM Colorado Wind Ventures, Inc.
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Labor	922	$ -	$ 120.10	$ 120.10
Total		**$ -**	**$ 120.10**	**$ 120.10**

II-11. Eastern Desert Power,LLC

Eastern Desert Power, LLC
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Labor	922	$ -	$ 287.50	$ 287.50
Total		**$ -**	**$ 287.50**	**$ 287.50**

PacifiCorp Trans, Inc.
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Management Fee	929	$ -	$ 1,803.09	$ 1,803.09
Labor	922	-	82,843.35	82,843.35
Total		**$ -**	**$ 84,646.44**	**$ 84,646.44**

PacifiCorp Holdings, Inc.
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Labor	922	$ -	$ 249,282.62	$ 249,282.62
Total		**$ -**	**$ 249,282.62**	**$ 249,282.62**

Pacific Klamath Energy, Inc.
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Management Fee	929	$ -	$ 30,653.27	$ 30,653.27
IT Allocations	929	-	36,682.56	36,682.56
IT Services Allocations	929	-	185,596.61	185,596.61
Shared Services Chargebacks	929	-	20,625.92	20,625.92
PC Supporting Services	929	-	3,012.24	3,012.24
Labor	922	-	522.00	522.00
Total		**$ -**	**$ 277,092.60**	**$ 277,092.60**

II-15. Pacific Minerals, Inc./Bridger Coal Co.

Pacific Minerals, Inc. / Bridger Coal Co.
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Fuel Purchased/Sold	151.1	$ 70,581,765.43	$ -	$ 70,581,765.43
Benefits, Taxes & Misc. Billing	146	-	14,921,167.05	14,921,167.05
Total		**$ 70,581,765.43**	**$ 14,921,167.05**	**$ 85,502,932.48**

March 31, 2006	Pacific Minerals, Inc. Consolidated	Elimination	Pacific Minerals- Parent	Bridger Coal Co.
ASSETS				
Cash & Temporary cash Investments	407,724.13		85,845.44	321,878.69
Accounts receivable	5,520,235.76			5,520,235.76
Due from/to Bridger Coal Co.	0.00	(1,429,793.73)	1,429,793.73	
Due from/to PacifiCorp	10,876,818.77	(46,336.55)	0.00	10,923,155.32
Finished inventories-coal	8,680,311.39			8,680,311.39
Material and supplies	6,681,326.32			6,681,326.32
Lower of cost or market	0.00			
Prepaid expenses	146,357.92			146,357.92
Other current assets	5,884.68		5,884.68	
Total current assets	32,318,658.97	(1,476,130.28)	1,521,523.85	32,273,265.40
STRUCT,EQUIP AND MINE DEVEL				
Closing balance prior year	196,647,727.41			196,647,727.41
Acquis of purch co	0.00			
Additions at cost	46,305,833.19			46,305,833.19
Balance at end of period	242,953,560.60	0.00	0.00	242,953,560.60
CONSTRUCTION WORK IN PROGRESS				
Closing balance prior year	19,875,021.55			19,875,021.55
Additions at cost	71,934,434.90			71,934,434.90
Retirements or sales(+)	46,306,833.19			46,306,833.19
Balance at end of period	45,502,623.26	0.00	0.00	45,502,623.26
RESERVES FOR DEPRECIATION				
Closing balance prior year	104,826,397.70			104,826,397.70
Depreciation	9,351,550.33			9,351,550.33
Balance at end of period	114,177,948.03	0.00	0.00	114,177,948.03
Invest in unconsolidated subsidiaries	0.00	(99,024,243.50)	99,024,243.50	
Other - Reclamation Trust Fund	101,871,483.38			101,871,483.38
Other - Asset Retirement Obligation (net)	11,458,929.96			11,458,929.96
Total Assets	**319,927,308.14**	(100,500,373.78)	100,545,767.35	319,881,914.57

March 31, 2006	Pacific Minerals, Inc. Consolidated	Elimination	Pacific Minerals- Parent	Bridger Coal Co.
LIABILITIES				
Accounts payable-trade	7,734,373.93		0.00	7,734,373.93
Intercompany payables	1,426,048.75	(1,429,793.73)	1,426,048.75	1,429,793.73
Notes payable Affiliates	3,627,370.42		3,627,370.42	0.00
Intersegment payables	0.00	(46,336.55)		46,336.55
ACCRUED LIABILITIES				
Production taxes	5,448,142.98			5,448,142.98
Payroll Accrual	872,752.63			872,752.63
Payroll Payable	27,203.48		27,203.48	
Payroll Taxes Accrual	104,730.32			104,730.32
Payroll Taxes Payable	120,028.17		120,028.17	
Vacation Time Accrued	1,309,625.29		1,309,625.29	
Bonus Accrual	717,920.00			717,920.00
Accrued royalties	3,304,996.55			3,304,996.55
Sales, use and property taxes	610,691.24			610,691.24
Total current liabilities	25,303,883.76	(1,476,130.28)	6,510,276.11	20,269,737.93
OTHER LONGTERM LIABILITIES				
Longterm reclamation	63,171,560.79			63,171,560.79
Longterm production taxes - extraction	4,768,677.75			4,768,677.75
Longterm Coal Lease Bonus	7,165,587.45			7,165,587.45
Other long term liabilities - Earnings on Reclam Trust Fnd	39,159,662.56			39,159,662.56
ARO Regulatory Liability	8,203,577.80			8,203,577.80
ARO Liability	28,606,745.04			28,606,745.04
Deferred income taxes	(1,108,332.00)		(1,108,332.00)	
Minority interest	49,512,121.75	49,512,121.75		
Total Other Longterm Liabilities	199,479,601.14	49,512,121.75	(1,108,332.00)	151,075,811.39

March 31, 2006	Pacific Minerals, Inc. Consolidated	Elimination	Pacific Minerals- Parent	Bridger Coal Co.
RETAINED EARNINGS				
Closing balance prior year	66,139,893.29	(66,912,670.67)	66,139,893.29	66,912,670.67
Current year income(=599)	13,778,794.34	(29,340,992.66)	13,778,794.34	29,340,992.66
Common Stock	1.00		1.00	
Paid in Capital	12,160,000.00		12,160,000.00	
Other (+/-)	0.00	(47,685,000.00)		47,685,000.00
PMI Share of 03/31/06 Recl Trust Market Value Adjustmen	3,065,134.61	(4,597,701.92)	3,065,134.61	4,597,701.92
Balance at end of period	95,143,823.24	(148,536,365.25)	95,143,823.24	148,536,365.25
Total Liabilities and Equity	**319,927,308.14**	(100,500,373.78)	100,545,767.35	319,881,914.57

March 31, 2006	Pacific Minerals, Inc. Consolidated	Elimination	Pacific Minerals- Parent	Bridger Coal Co.
REVENUES				
Coal-production sold-PacifiCorp	90,142,423.63			90,142,423.63
-production sold-outside	45,041,334.32			45,041,334.32
Equity in consolidated subsidaries	0.00	(19,560,661.79)	19,560,661.79	
Gain/Loss on Sale of Assets	(687.40)			(687.40)
Total Revenues	135,183,070.55	(19,560,661.79)	19,560,661.79	135,183,070.55
Cost of operations	62,127,755.27		0.00	62,127,755.27
Deprec, depl and amort	9,351,550.33			9,351,550.33
Royalties	15,573,207.27			15,573,207.27
Taxes other than income	16,773,361.02			16,773,361.02
Management fee	2,016,204.00			2,016,204.00
Total Costs and Expenses	105,842,077.89	0.00	0.00	105,842,077.89
PBMIT	29,340,992.66	(19,560,661.79)	19,560,661.79	29,340,992.66
Intercompany Interest Expense	38,016.91		38,016.91	0.00
Intercompany Interest Income	320,362.86		320,362.86	
Minority interest	9,780,330.89	9,780,330.89		
Total Interest Exp/(Income) and Other	9,497,984.94	9,780,330.89	(282,345.95)	0.00
Income Before Taxes	19,843,007.72	(29,340,992.68)	19,843,007.74	29,340,992.66
Current tax provision	6,064,213.40		6,064,213.40	0.00
Total prov for income taxes	6,064,213.40	0.00	6,064,213.40	0.00
NET INCOME BEFORE EXTRAORDINARY ITEM	13,778,794.32	(29,340,992.68)	13,778,794.34	29,340,992.66
EXTRAORDINARY ITEM	0.00			
NET INCOME AFTER EXTRAORDINARY ITEM	13,778,794.32	(29,340,992.68)	13,778,794.34	29,340,992.66

Trapper Mining, Inc.
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Fuel Purchased/Sold	151.1	$ 8,106,463.12	$ -	$ 8,106,463.12
Total		**$ 8,106,463.12**	**$ -**	**$ 8,106,463.12**

Trapper Mining Inc.

Consolidated Financial Statements as of and for the Years Ended December 31, 2005 and 2004, and Independent Auditors' Report

TRAPPER MINING INC.

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INDEPENDENT AUDITORS' REPORT

To the Members of
Trapper Mining Inc.:

We have audited the accompanying consolidated balance sheets of Trapper Mining Inc. and subsidiary (the "Company") as December 31, 2005 and 2004, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2005 and 2004, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

June 20, 2006

TRAPPER MINING INC.

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2005 AND 2004

ASSETS	2005	2004
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,564,983	$ 3,787,824
Accounts receivable	3,962,492	5,340,696
Supplies	3,454,022	2,716,073
Advance stripping costs	1,518,235	1,421,889
Prepaid and other current assets	417,653	725,456
Total current assets	15,917,385	13,991,938
PROPERTY, EQUIPMENT, AND FACILITIES:		
Surface land and coal leaseholds	18,823,707	23,905,465
Development costs	2,834,815	2,834,815
Equipment and facilities	72,806,905	67,873,604
Total property, equipment, and facilities	94,465,427	94,613,884
Less accumulated depreciation and amortization	(73,425,368)	(73,045,689)
Property, equipment, and facilities—net	21,040,059	21,568,195
RECLAMATION RECEIVABLE FROM BUYERS	7,432,694	9,819,055
ACQUIRED GE ROYALTY	12,272,727	13,636,364
RESTRICTED FUNDS	4,415,313	4,262,175
TOTAL	$ 61,078,178	$ 63,277,727

See notes to consolidated financial statements.

LIABILITIES AND MEMBERS' EQUITY	2005	2004
CURRENT LIABILITIES:		
Accounts payable	$ 1,537,827	$ 1,145,451
Accrued payroll expenses	2,040,191	1,984,817
Accrued production taxes	805,956	855,871
Accrued royalties	363,276	363,658
Deferred reclamation revenue	17,991	25,636
Current portion of long-term debt	3,897,749	3,329,571
Total current liabilities	8,662,990	7,705,004
BLACK LUNG LIABILITY	304,203	295,343
ASSET RETIREMENT LIABILITY	14,115,420	20,268,592
LONG-TERM DEBT	12,818,528	14,906,922
Total liabilities	35,901,141	43,175,861
COMMITMENTS AND CONTINGENCIES (Note 9)		
MEMBERS' EQUITY	25,177,037	20,101,866
TOTAL	$61,078,178	$63,277,727

TRAPPER MINING INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
TONS OF COAL SOLD:		
Contract	1,458,162	1,554,342
Spot	457,809	274,660
Total tons of coal sold	$ 1,915,971	$ 1,829,002
OPERATING REVENUES:		
Coal sales	$39,321,327	$36,035,581
Reclamation	994,534	4,701,850
Ash disposal	1,506,520	1,202,568
Gravel sales	49,881	31,131
Total operating revenues	41,872,262	41,971,130
OPERATING COSTS AND EXPENSES:		
Stripping	16,333,591	18,844,415
Mining	5,856,209	4,806,342
Production and other taxes	2,643,840	2,455,762
Royalties	6,223,667	6,899,345
Reclamation	2,067,687	5,710,430
Ash disposal	1,493,752	1,118,603
General and administrative	2,491,991	2,443,705
Gravel	51,042	32,868
Total operating costs and expenses	37,161,779	42,311,470
Income (loss) from operations	4,710,483	(340,340)
OTHER (EXPENSE) INCOME:		
Interest income	331,021	103,336
Dividend income	265,840	-
Interest expense	(1,112,483)	(564,330)
Current income taxes	(18,516)	(103)
Gain (loss) on sale of assets	898,826	(2,383)
Total other income (expense)	364,688	(463,480)
NET INCOME (LOSS)	$ 5,075,171	$ (803,820)
NET INCOME (LOSS):		
From member activity	$ 4,363,740	$ (592,188)
From non-member activity	711,431	(211,632)
Total net income (loss)	$ 5,075,171	$ (803,820)

See notes to consolidated financial statements.

TRAPPER MINING INC.

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	Allocated Patronage	Deferred Patronage	Capital Reserve	Paid-In Capital	Members' Equity
BALANCE—January 1, 2004	$2,075,205	$(1,055,332)	$(379,412)	$20,324,925	$20,965,386
Net loss	(864,538)	272,350	(211,632)	-	(803,820)
Patronage distributions	(59,700)	-	-	-	(59,700)
BALANCE—December 31, 2004	1,150,967	(782,982)	(591,044)	20,324,925	20,101,866
Net income	2,875,032	1,488,708	711,431	-	5,075,171
BALANCE—December 31, 2005	$4,025,999	$ 705,726	$ 120,387	$20,324,925	$25,177,037

See notes to consolidated financial statements.

TRAPPER MINING INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 5,075,171	$ (803,820)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	5,127,751	5,849,280
Accretion expense	798,986	1,146,826
(Gain) loss on sale of assets	(898,826)	2,383
Change in operating assets and liabilities:		
Accounts receivable	1,378,204	(1,351,476)
Supplies	(737,949)	(241,116)
Reclamation receivable from buyers	(1,656,923)	(2,195,559)
Reclamation liability settled	(513,661)	(616,493)
Advance stripping costs	(96,346)	(706,977)
Prepaid and other current assets	307,803	(391,616)
Accounts payable and accrued liabilities	(353,041)	(526,162)
Black lung liability	8,860	(3,458)
Total adjustments	3,364,858	965,632
Net cash provided by operating activities	8,440,029	161,812
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(4,020,935)	(290,610)
Purchase of GE royalty		(15,000,000)
Proceeds from sale of assets	1,516,191	-
Proceeds from redemption of restricted securities	500,000	-
Purchase of restricted securities	(658,126)	(45,682)
Net cash used in investing activities	(2,662,870)	(15,336,292)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of patronage distributions	-	(59,700)
Principal payments on long-term debt	(3,299,464)	(32,430)
Proceeds from borrowings on long-term debt	299,464	15,032,430
Net cash (used in) provided by financing activities	(3,000,000)	14,940,300
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,777,159	(234,180)
CASH AND CASH EQUIVALENTS—Beginning of year	3,787,824	4,022,004
CASH AND CASH EQUIVALENTS—End of year	$ 6,564,983	$ 3,787,824
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 1,069,596	$ 545,877
Cash paid for income taxes	$ 20,000	$ 4,785
Noncash activity	$ 2,522,097	$ 1,386,493

Noncash equipment acquistions include $1,779,248 and $1,386,493 relating to equipment financing as of December 31, 2005 and December 31, 2004, respectively. Additionally, the balance includes $742,849 and $0 of equipment received but not paid as of December 31, 2005 and December 31, 2004, respectively.

Noncash estimate change in asset retirement obligations include asset reduction of ($2,596,765), asset retirement obligation liability of $6,640,049 and reclamation receivable from buyers of ($4,043,284) as of December 31, 2005. Noncash impact was $0 as of December 31, 2004.

See notes to consolidated financial statements.

TRAPPER MINING INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

1. ORGANIZATION AND OPERATION OF THE COMPANY

Trapper Mining Inc., a Delaware corporation, was formed in December 1997 as a cooperative. Williams Fork Company ("WFC") and its wholly owned operating subsidiary, Trapper Mining, Inc., a Colorado Corporation, were merged into Trapper Mining Inc. on January 1, 1998. Williams Fork Mining Company ("WFMC"), another subsidiary of WFC was not merged and is now a wholly owned subsidiary of Trapper Mining Inc. Trapper Mining Inc. and WFMC are collectively referred to herein as ("Trapper" or the "Company"). Trapper is engaged in the business of mining, selling and delivering coal from the Trapper Mine located near Craig, Colorado to its members under an agreement with the Craig Power Station ("Fuel Agreement"), located adjacent to the Trapper Mine.

Cooperative member interests in Trapper are as follows:

Salt River Project Agricultural Improvement and Power District	32.10 %
Tri-State Generation and Transmission Association, Inc.	26.57
PacifiCorp	21.40
Platte River Power Authority	19.93
	100.00 %

These four entities, together with Xcel Energy, Inc. (collectively, the "Buyers") own and operate the Craig Power Station.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—During the current fiscal year the Company determined that acquisitions of financed property and equipment, which was previously reported as a component of capital expenditures and proceeds from borrowings on long-term debt, should not have been reported in the statements of cash flows. This change has no effect on net income or the amount of cash and cash equivalents reported. The Company's financial statements for the fiscal year ended December 31, 2004 have been adjusted from amounts previously reported to reduce cash flows from investing and financing activities by $1.4 million. Purchases of financed capital expenditures have now been presented as supplemental disclosure of noncash items.

Principles of Consolidation—The accompanying consolidated financial statements include the accounts of Trapper Mining Inc. and its wholly owned subsidiary, Williams Fork Mining Company. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations—The Company is potentially subject to concentration of credit risk related to cash and cash equivalents and accounts receivable. The Company places its cash and cash equivalents with high quality financial institutions. The Company's funds are federally insured up to $100,000 per bank. As of December 31, 2005 and 2004, the funds on deposit exceed this insured amount by $6,465,000 and $3,688,000. The Craig Power Station represented 100% of trade receivables at December 31, 2005 and December 31, 2004, respectively. The Company believes the credit worthiness of this customer minimizes the Company's credit risk.

Members' Equity—Allocated patronage income is the portion of total patronage income which is to be distributed on a tax basis. Deferred patronage represents the remaining amount of patronage income which is not currently taxable or distributable to the members. Capital reserve represents the cumulative net loss from non-member activity. Non-member activity represents that portion of contract sales applicable to Xcel Energy, Inc. ("Xcel"), non-qualifying spot sales, ash disposal, and a portion of the treasury function less direct and allocated costs. Allocated costs are generally determined based on the percentage of revenue generated.

Cash and Cash Equivalents—For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Restricted Funds—The Company accounts for its investments in accordance with Statement of Financial Accounting Standards ("SFAS") No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. At December 31, 2005, Trapper held a held-to-maturity security with a fair market value of approximately $538,000 and an amortized cost of approximately $540,000. This security was purchased December 22, 2005. At December 31, 2004, Trapper held a held-to-maturity security with a fair market value of approximately $516,000 and an amortized cost of approximately $505,000. The security bond is designated for payment under the Black Lung Liability accrual (see Note 4). Trapper also holds a restricted cash management fund with Smith Barney Citigroup for approximately $3,875,000 and $3,758,000 as of December 31, 2005 and 2004 respectively. Travelers Casualty and Surety Company agreed to provide a State required bond for Trapper Mining Inc.'s mining permit as long as Trapper collateralized a portion of the increased bond amount. The Company entered into Travelers' Collateralized Bond Surety Program as of August 2003 and Trapper, as the "Account Holder," has granted Travelers Casualty and Surety Company "Secured Party" a security interest in the fund. Trapper had no available-for-sale securities as of December 31, 2005 and December 31, 2004.

Supplies—Supplies are stated at the lower of weighted average cost or market.

Advance Stripping Costs—Advance stripping costs incurred in removing overburden from coal are inventoried at weighted average costs and the amount that is deferred is based upon the actual coal tonnage uncovered, footage of overburden drilled, and cubic yards of overburden blasted at year end. This policy results in matching of stripping costs with related coal revenues.

Property, Equipment, and Facilities—Equipment and facilities costs are depreciated over the estimated useful lives of the assets using the straight-line or units-of-production methods. Useful lives range from 3 years to 40 years. Development costs and coal leaseholds are being amortized over estimated recoverable quantities of coal using the units-of-production method.

Revenue Recognition—Revenue is recognized when coal shipments are made and title transfers.

Income Taxes—The Company is a non-exempt cooperative and is taxed only on income from non-member activity and any patronage income not allocated to members. Patronage income allocated or

distributed as patronage refunds is deductible in determining taxable income. Deferred taxes associated with non-member activity are not significant.

Impairment of Long-Lived Assets—SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, requires that long-lived assets be measured at the lower of carrying amount or fair value less costs to sell. The adoption of this statement did not have a material effect on the Company's financial position or results of operations. Management does not believe current events or circumstances indicate that its long-lived assets are impaired as of December 31, 2005.

Reclamation—The Company is obligated under terms of its mining permit to reclaim all land impacted by mining operations. The Company recognizes reclamation expenses in accordance with SFAS No. 143. The Company's long-term contract with the Buyers (see Note 5) provides for the reimbursement of current reclamation costs related to coal sales under the long-term contract. Reimbursed costs under the long-term contract are reduced proportionately by spot coal sales made during the year. The Company is reimbursed monthly based upon an estimate of that calendar year's actual cost of reclamation.

The Company's mining permit requires the Company to maintain a performance bond ($25.9 million at December 31, 2005 and 2004) to cover the estimated final reclamation costs that may be required following the termination of mining operations. The long-term contract with the Buyers was amended in April 1992 to include a provision requiring payment by the Buyers of these mine closing costs beyond 2014.

Postemployment Benefits—All hourly employees are entitled to one year of postemployment disability benefits if, after the employees' vacation and sick pay have been exhausted, they are still disabled. The Company recognizes expense on the pay-as-you-go method, as it is not possible to reasonably estimate the annual cost of accruing this benefit to all hourly employees. As of December 31, 2005 and December 31, 2004, there were no employees utilizing this benefit.

Acquired G.E. Royalty—As discussed in Note 3, on March 5, 2004, the Company purchased a royalty agreement between Trapper and G.E. where Trapper was required to pay royalties to G.E. on all coal mined at Trapper Mine. The purchase had an effective date of January 1, 2004. This asset will be amortized using the straight-line method over the course of the estimated remaining life of the mine.

Recent Accounting Pronouncements—The Emerging Issues Task Force of the FASB finalized Issue No. 04-6, *Accounting for Stripping Costs Incurred during Production in the Mining Industry*, during 2005. Issue No. 04-6 concludes that stripping costs incurred during the production phase of a mine are variable production costs that should be included in the costs of the inventory extracted during the period that the stripping costs are incurred. This issue is effective for the first reporting period in fiscal years beginning after December 15, 2005, with early adoption permitted. Trapper adopted this pronouncement on January 1, 2006 which reduced advanced stripping costs by approximately $1,518,000 and reduced beginning Members' Equity by the same amount.

3. ROYALTIES

Until March 5, 2004, Trapper and General Electric Holdings, Inc. ("G.E.") had a royalty agreement pursuant to which the Company would pay G.E. a royalty ranging from 5% to 8% of an agreed-upon value of coal sold or delivered. This value was adjusted quarterly for the effects of inflation. The royalty agreement also specified minimum annual tonnage to be utilized in the royalty calculations. This minimum annual tonnage was fulfilled as long as the Company met the requirements of its long-term contract with the Buyers.

In addition to the royalty payments, the method chosen by Trapper prior to 1989 to calculate the royalty to G.E. resulted in a Deferred Minimum Payment Obligation ("DMPO") due in the year 2016. During 1991, the Company and Buyers negotiated a supplement to the long-term contract pursuant to which the Buyers indemnified the Company for the DMPO arising from coal sales under the long-term contract. This supplement extended beyond the term of the coal sales contract until the DMPO would be satisfied. The DMPO liability was extinguished as part of the royalty buyout agreement in 2004

On March 5, 2004, Trapper Mine purchased a certain Royalty Agreement dated July 23, 1982, pursuant to which Trapper was obligated to pay and G.E. was entitled to receive payment of royalties on all coal mined at Trapper Mine. G.E. and Trapper reached an agreement to terminate the Royalty Agreement effective January 1, 2004. The cost of the buyout was $15,000,000. At December 31, 2005 and 2004, accumulated amortization of this asset was $2,727,272 and $1,363,636, respectively.

The Company is obligated for other royalties on its various coal leases, which range from $0.134 per ton to 12.5% of sales price. Effective January 1, 1998, Trapper and the United States Department of the Interior adjusted the method by which royalties under its federal leases are calculated. Royalties under the federal leases for member coal deliveries under the Fuel Agreement and spot sales are calculated as 12.5% of mining costs, return and tax savings, while coal deliveries to Xcel under the Fuel Agreement remained at 12.5% of sales price. The royalties are a fixed obligation and, accordingly, are billable for tons sold under the long-term contract. Therefore, the Company includes the applicable amounts in operating costs and expenses and operating revenues, respectively, in the accompanying consolidated statements of operations.

4. BLACK LUNG LIABILITY

The Company has an obligation to provide black lung disability benefits under the Federal Coal Mine Health and Safety Act to all coal miners presently employed, as well as retired miners hired subsequent to January 1, 1970.

The Company is self-insured for its black lung liability. As of December 31, 2005 and December 31, 2004, the Company has accrued $304,203 and $295,343, respectively, for this liability and recorded expense of $8,860 for the year ended December 31, 2005 and income of $3,458 for the year ended December 31, 2004. The Company maintains separate investment accounts designated for the Black Lung Insurance Fund (see Note 2).

5. RELATED PARTY TRANSACTIONS

Coal Sales—The Company has a long-term coal sales contract with the Buyers which accounted for the majority of 2005 and 2004 coal sales. The contract provides for a maximum amount of fuel containing 1,830 trillion BTU (approximately 65,000,000 tons) to be delivered to the Buyers through approximately the year 2014. Based on coal reserve estimates prepared by the Company's engineers, it

is the opinion of the Company's management that adequate coal reserves exist to fulfill the long-term contract. The contract provides for periodic escalations to the sales price based on changes in certain cost indices (labor, royalties, etc.), and for periodic audits by the Buyers.

Percentage interests in the long-term coal sales contract held by the Buyers are as follows:

	Percentage of Coal Sales Contract
Salt River Project Agricultural Improvement and Power District	29.00 %
Tri-State Generation and Transmission Association, Inc.	24.00
PacifiCorp	19.28
Platte River Power Authority	18.00
Xcel	9.72
	100.00 %

Ash Disposal—Trapper has contracted with the Buyers to dispose of the coal ash produced by the Buyers' power station adjacent to Trapper Mine. Trapper is paid on a negotiated per truck load basis and this activity is reflected as ash disposal revenue and expense in the accompanying consolidated statements of operations.

6. BENEFIT PLANS

The Company has a salary deferral 401(k) plan for all salaried employees. Employer contributions to the Employer Basic Account generally equal 10.05% of employees' compensation and vest over a five-year period. Employer contributions to the Supplemental Account generally equal 2.5% of employees' compensation and are 100% vested when contributed. Employee contributions are 100% vested when contributed. Contributions to the plans are accrued and expensed in the period in which salaries and wages are earned.

The Company also has a 401(k) plan for hourly employees (hourly employees are also covered under a multi-employer pension plan pursuant to their collective bargaining agreements). The hourly plan is administered by the Company and full time hourly employees are eligible after 1,000 hours of service. No employer contribution to the hourly plan is required and hourly employees may contribute up to 50% of their compensation. Such contributions are 100% vested when contributed.

Total expense under the plans was approximately $923,000 and $939,000 for the years ended December 31, 2005 and 2004, respectively.

7. ASSET RETIREMENT OBLIGATIONS

SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The Company's asset retirement obligation ("ARO") liabilities primarily consist of spending estimates related to reclaiming surface land and support facilities at both surface and underground mines in accordance with federal and state reclamation laws as defined by each mine permit. The obligation and corresponding asset are recognized in the period in which the liability is incurred.

The Company estimates its ARO liabilities for final reclamation and mine closure based upon detailed engineering calculations of the amount and timing of the future cash spending for a third party to perform the required work. Spending estimates are escalated for inflation, then discounted at the credit-adjusted risk-free rate. The Company records an ARO asset associated with the discounted liability for final reclamation and mine closure. The obligation and corresponding asset are recognized in the period in which the liability is incurred. The ARO asset is amortized on the straight-line method over its expected life and the ARO liability is accreted to the projected spending date. As changes in estimates occur (such as mine plan revisions, changes in estimated costs, or changes in timing of the performance of reclamation activities), the revisions to the obligation and asset are recognized at the appropriate credit-adjusted risk-free rate.

A reconciliation of the Company's liability for asset retirement obligations for the years ended December 31, 2005 and 2004, is as follows:

	2005	2004
Balance—January 1, 2005	$20,268,592	$18,682,644
Liabilities incurred	201,552	1,055,615
Liabilities settled	(513,661)	(616,493)
Change in estimate	(6,640,049)	-
Accretion expense	798,986	1,146,826
Balance—December 31, 2005	$14,115,420	$20,268,592

Trapper has an agreement with its Buyers where the Buyers will reimburse Trapper for reclamation activities after the mine closes. At December 31, 2005 and 2004, the Company had recorded a long-term receivable of $7,432,694 and $9,819,055 respectively. These reimbursements increase the revenue that Trapper recognizes for its reclamation activities.

8. DEBT

Debt as of December 31, 2005 and 2004, is as follows:

	2005	2004
Long-term notes and mortgages	$12,818,528	$14,906,922
Current portion of notes and mortgages	3,897,749	3,329,571
Total debt	$16,716,277	$18,236,493

Debt consists of a five year bank loan ($12,000,000), Member Promissory Note ($1,850,000), and an Installment Sales Contracts ($2,866,276) at December 31, 2005.

The long-term bank loan dated March 5, 2004 is with First National Bank of the Rockies in Craig Colorado. Trapper will pay this loan in accordance with the following payment schedule: 19 quarterly consecutive interest payments, beginning March 31, 2004, and continuing on the last day of each June, September, December, and March thereafter, with interest calculated on the then unpaid principal balance based on the Wall Street Journal Prime (at year-end prime rate was 7.25%); 15 quarterly consecutive principal payments of $750,000 each, beginning March 31, 2005, and continuing on the last

day of each June, September, December and March thereafter until December 31, 2008, with a final payment of $3,750,000 due December 31, 2008. The remaining balance on the bank loan as of December 31, 2005 was $12,000,000. This long-term loan was used to fund the G.E. Royalty Buyout and is collateralized by leases, equipment and supplies, all accounts, chattel paper, documents, instruments, general intangibles, deposit account with lender, all minerals, and all rights and proceeds from the Craig Station Fuel Agreement.

The Member Promissory Note dated August 22, 2003 is with Salt River Project ($593,850), Tri-State Generation and Transmission ($491,545), Platte River Power Authority ($368,705), and Pacificorp ($395,900). The note has been extended until February 21, 2007, and the interest rate was based on the February 2005 Mid-Term Applicable Federal Rate Compounded Annually, which is 3.83%.

The installment sales contract is with Caterpillar Financing Agreement dated January 19, 2005 in the amount of $1,418,923. The re-payment schedule is based on 48 equal monthly installments with an interest rate of 4.82% on the unpaid balance. The collateral is the Caterpillar Track-Type Tractor Serial number 7PZ00938. The unpaid balance as of December 31, 2005 was $1,087,028.

New debt during 2005 consists of two installment sales contracts with Caterpillar Financing Agreement dated 12/14/2005 in the amounts of $889,774 and $889,475. The re-payment schedules are based on 36 equal monthly installments with an interest rate of 6.29% on the unpaid balance. The collateral is two Caterpillar 637G Scrapers, Serial numbers CEH00387 and CEH00395. The unpaid balance as of December 31, 2005 was $1,779,249.

As of December 31, 2005, the future principal payments on long-term debt are as follows:

2006	$ 3,897,749
2007	5,806,128
2008	7,012,400
Total	$16,716,277

9. COMMITMENTS AND CONTINGENCIES

In accordance with the Fuel Agreement (see Note 1), cost savings that arise from increased productivity at the Trapper Mine are shared with the Buyers. Trapper passes these savings on to the Buyers via credits on sales invoices. To ensure the credits are appropriately passed on to the Buyers an audit of Trapper sales invoices is performed annually.

The Internal Revenue Service ("IRS") completed a review of the Company's 2000 and 2001 income tax returns. Pursuant to their review, the tax year 2000 was closed with no adjustments. For tax year 2001, the IRS challenged Trapper's deduction of approximately $1,000,000 of expenses related to repairs of one of the dragline booms that failed and fell to the ground. The IRS believes this should have been capitalized instead of deducted as an expense. The Company has appealed this decision and believes it has a strong case for its position.

* * * * * *

ORDER NO. 94-151

ENTERED OCT 12 1994

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UI 140

In the Matter of the Application of PACIFIC POWER & LIGHT COMPANY For an Order Authorizing it to Enter into Agreements with WILLIAMS FORK COMPANY AKA TRAPPER MINING, INC., An Affiliated Interest.	))))))	ORDER

DISPOSITION: APPLICATION APPROVED WITH CONDITIONS

On July 25, 1994, Pacific Power & Light (PP&L or Company), an assumed business name of PacifiCorp, filed an application pursuant to ORS 757.495 and OAR 860-27-040. The company is requesting approval of agreements with Trapper Mining, Inc. (Trapper), an affiliated interest, to purchase coal, obtain final reclamation services and provide shareholder funding. PP&L is requesting an effective date of April 15, 1992, for accounting purposes.

At its public meeting on October 11, 1994, the Commission adopted the staff's recommendation to approve the application with conditions. Staff's report is attached as Appendix A and is incorporated in this order by reference.

Based on the application and its record, the Commission makes the following:

FINDINGS OF FACT

PP&L provides electric service to the public in Oregon. PP&L and Trapper are affiliated interests under ORS 757.015(5) and (6) respectively, in that PP&L owns 19.3 percent of the voting control of Trapper and has two common officers with Trapper.

PP&L acquired its interest in Trapper from Colorado-Ute Electric Association (Colorado-Ute), which, along with three other entities, were the original owners. In 1983, these original owners purchased Trapper and formed Williams Fork Company to hold Trapper's assets. In March, 1990, Colorado-Ute filed a Chapter 11 bankruptcy petition. The court accepted a joint

plan in the bankruptcy proceeding wherein PacifiCorp acquired approximately 67 percent of Colorado-Ute's stock in Williams Fork Company. As a result, PP&L (PacifiCorp) controls 19.28 percent of Trapper.

An explanation of the three agreements covered in this application is provided in Appendix A. Under the Fuel Agreement and its March 1, 1992, second supplement, PP&L's estimated cost for Trapper coal on an Oregon basis for 1994 and 1995 is about $2,290,000 and $2,230,000, respectively. Under the Final Reclamation Services Agreement, PP&L's portion of future costs is 19.28 percent, or about $2,900,000. Under the Shareholder Funding Agreement, PP&L is responsible for 19.28 percent of any operating budget shortages. Ordering condition No. 5 requires prompt and detailed notification to the Commission should any such shortages occur which necessitate capital funding.

The transfer pricing policy for services purchased from an affiliate by a regulated utility likely has been met. However, the transfer price PP&L pays to Trapper seems to include a return component higher than the company's current Oregon-authorized 10.24 percent overall rate of return. Ordering condition No. 4 limits the return component in Trapper's cost of service to PP&L's current Oregon-authorized overall return.

Contract provisions provide the Commission sufficient access to all books of account as well as all documents, data, and records of PP&L and Trapper that pertain to transactions between these affiliated interests.

OPINION

Jurisdiction

ORS 757.005 defines a "public utility" as anyone electric service to the public in Oregon. PP&L is a public utility subject to the Commission's jurisdiction.

Affiliation

An affiliated interest relationship exists between PP&L and Trapper under ORS 757.(5) and (6).

Applicable Law

ORS 757.495 requires public utilities to seek approval of contracts with affiliated interests within 90 days after execution of the contract. The intent of the statute is to protect ratepayers from the abuses which may arise from less than arm's length transactions. *Portland General Electric Company*, UF 3739, Order No. 81-737 at 6. Failure to file within the 90-day time limit may preclude the utility from recovering costs incurred under the contract. *See* ORS 757.495.

ORS 757.495(3) requires the Commission to approve the contract if the Commission finds that the contract is "fair and reasonable and not contrary to the public interest." However, the Commission need not determine the reasonableness of the contract for ratemaking purposes. The Commission may reserve that issue for a subsequent proceeding.

The agreements are subject to the Commission's approval. PP&L's ratepayers should not be harmed by the transaction. The scope and terms of the agreements are fair and reasonable and not contrary to the public interest. PP&L's application substantially complies with the Commission's transfer pricing policy for services purchased from an affiliate by a regulated utility.

Contract provisions provide the Commission sufficient access to all books of accounts as well as all documents, data, and records of PP&L and Trapper that pertain to transactions between these affiliated interests.

CONCLUSIONS

1. PP&L is a public utility subject to the jurisdiction of the Commission.

2. An affiliated interest relationship exists between PP&L and Trapper.

3. The agreements between PP&L and Trapper are fair, reasonable, and not contrary to the public interest.

4. The Commission should grant the application, subject to conditions.

ORDER

IT IS ORDERED that:

1. The application of Pacific Power & Light (PP&L), an assumed business name of PacifiCorp, to enter into a Fuel Agreement, a Final Reclamation Agreement and a Shareholder Funding Agreement with Trapper Mining, Inc. (Trapper), an affiliated interest, is granted, subject to the conditions set forth in this order. The effective date for accounting purposes only is April 15, 1992.

2. PP&L shall provide the Commission access to all books of account as well as all documents, data, and records of PP&L and Trapper which pertain to the affiliated interest transactions between PP&L and Trapper.

3. The Commission reserves the right to review for reasonableness all financial aspects of this arrangement in any subsequent rate proceeding or earnings review under an alternative form of regulation.

4. PP&L must notify the Commission in advance of any substantive changes to the agreements, including any material changes in any cost. Any changes to the agreement terms which alter the intent and extent of activities under the agreements from those approved in this order shall be submitted for approval in an application for supplemental order, or other appropriate format, in this docket.

5. For accounting purposes, the return component used in calculating PP&L's Oregon cost of services received from Trapper shall be limited to PP&L's current Oregon-authorized overall rate of return, effective April 15, 1992.

6. PP&L shall promptly notify the Commission with full details of any capital funding necessary under the Shareholder Funding Agreement.

Made, entered, and effective OCT 12 1994.

BY THE COMMISSION:

Nancy Towslee

Nancy Towslee
Commission Secretary

A party may request rehearing or reconsideration of this order within 60 days pursuant to ORS 756.561. A party may appeal this order pursuant to ORS 756.580.

94-1550 ITEM NO. CA 6

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 11, 1994

REGULAR AGENDA___ CONSENT AGENDA_X_ EFFECTIVE DATE _____

DATE: October 5, 1994

TO: Mike Kane through Phil Nyegaard and Mike Myers

FROM: Tom Riordan

SUBJECT: UI 140--Pacific Power & Light Company (PP&L), abn of PacifiCorp, Application for Approval of a Fuel Agreement, Final Reclamation Agreement and Shareholder Funding Agreement with Trapper Mining, Inc. (Trapper), an Affiliated Interest (AI)

SUMMARY RECOMMENDATION:

Staff recommends approval, with conditions, of the company's AI application.

DISCUSSION:

Introduction

On July 25, 1994, PP&L filed an AI application for approval of agreements with Trapper to purchase fuel (coal), obtain final reclamation services and provide shareholder funding. PP&L and Trapper are affiliated interests under ORS 757.015(5) and (6), respectively, in that PP&L owns 19.3 percent of the voting control of Trapper and has two common officers with Trapper. PP&L requests that the Commission approve the agreements for accounting purposes, effective April, 1992, when PP&L acquired its interest in Trapper.

History and Background

PP&L acquired its interest in Trapper Mining, Inc. from Colorado-Ute Electric Association (Colorado-Ute), which along with three other entities were the original owners. These parties on March 1, 1973 executed the Craig Station Fuel Agreement (Fuel Agreement) with Utah International, Inc. The Fuel Agreement, which will end July 1, 2014, covered coal provision from Trapper mine to the Craig Generating Station in Utah. In 1983, these original owners purchased Trapper and formed Williams Fork Company to hold Trapper's assets. Colorado-Ute in March, 1990 filed a Chapter 11 bankruptcy petition. Under a Joint Plan in the bankruptcy proceeding which the court accepted, PacifiCorp acquired approximately 67 percent of Colorado-Ute's stock in Williams Fork Company. As a result of this transaction, PP&L (PacifiCorp) controls 19.28 percent of Trapper.

PP&L, under the Fuel Agreement, second supplement, March 1, 1992, pays Trapper about $18 per ton or approximately $7.5 million annually on a total company basis and about $2.26 million on an Oregon basis. The estimated cost to PP&L for Trapper coal for 1994 and 1995 is about $2.29 and $2.23 million, respectively, on an Oregon basis. A system energy factor is used to allocate the coal cost which is recorded in FERC account 151, Fuel Stock.

In addition to the Fuel Agreement, there is the Final Reclamation Services Agreement, which establish a mechanism to reimburse Trapper for costs of performing the reclamation work that may be required at Trapper mine following the termination of surface mining operations and to establish a fair method for allocating such costs when they are known and incurred. PP&L's portion of such costs is likewise 19.28 percent, based on the Fuel Agreement Currently, it is estimated that PP&L's share of these future costs would be about $2.9 million.

The last agreement, dated March 1, 1992, is the Shareholder Funding Agreement which provides a mechanism for providing capital necessary to cover operating budget shortages of Trapper. To date, no such shortages have occurred. PP&L would be responsible for 19.28 percent of the shortages, if they occur. Proposed order condition no. 5 requires PP&L to promptly notify the Commission of the full details of any such occurrence.

Issues

Staff has investigated the following issues:

1. Scope of Services
2. Transfer Pricing and Cost Allocation
3. Demonstration of Public Interest Compliance
4. Records Availability, Audit Provisions, and Reporting Requirements

Scope of Services--The agreements' services of providing fuel (coal) and final reclamation, although essential to PP&L's proper provision of electric utility service at its Craig Generating Station, are not considered to be a transfer of any of PP&L's basic management functions to Trapper. These agreement services will only enhance PP&L's ability to adequately perform its utility functions.

Transfer Pricing and Cost Allocation Procedures--The Commission's transfer pricing policy for goods or services purchased from an affiliate by a regulated utility is that the goods or services shall be priced at the lower of cost or market. This policy likely has been met in this agreement between PP&L and Trapper, because the Fuel

Agreement was originally negotiated as an " arms length " contract and presently operates under the same terms and conditions. However, the transfer price PP&L pays to Trapper for coal seems to include a return component higher than PP&L's current Oregon-authorized 10.24 percent overall rate of return. This issue is diminished by fuel cost reductions resulting from Trapper's operating efficiencies at its mine. The reductions are passed on to PP&L and the other owners. To alleviate any transfer price concern, I have proposed order condition no. 4 which requires PP&L to limit the return component in Trapper's cost of service to PP&l's current Oregon-authorized overall return.

In addition, staff believes, due to the nature of the services and the cost of the arrangement with Trapper, that it is reasonable that PP&L would select Trapper rather than an external source.

Demonstration of Public Interest Compliance--PP&L's ratepayers are likely not harmed by this transaction because the utility will be paying a cost of service rate that is a market rate for the services from Trapper. Also, PP&L's total operating cost with the adjusted return component for the services is not more than what PP&L's cost would be to provide the same services on its own. Trapper's larger operation attains economies of scale and results in a lower cost of service than PP&L would alone.

Records Availability, Audit Provisions, and Reporting Requirements--Staff believes that the basic agreements contain provisions that allow the Commission adequate access to records and provision for auditing transactions between PP&L and Trapper. Also, condition No. 1 provides staff full records access.

Conclusion

Based upon staff's investigation and review of this request, I conclude the following:

1. Pacific Power & Light Company is a public utility subject to the jurisdiction of the Oregon Public Utility Commission.

2. An affiliated interest relationship exists between Pacific Power, and Light Company and Trapper Mining, Inc.

This application appears fair and reasonable and not contrary to the public interest.

STAFF RECOMMENDATION:

Therefore, based upon the discussion and conclusion noted above, I recommend approval of the application of Pacific Power & Light Company to enter into agreements for accounting purposes effective April, 1992 with Trapper Mining, Inc., for fuel and final reclamation services, and shareholder funding subject to the following conditions:

1. PP&L shall provide staff access to all books of account, as well as all documents, data, and records of PP&L and PP&L's affiliated interests which pertain to the transaction(s) between PP&L and its affiliated interest, Trapper.

2. The Commission reserves the right to review for reasonableness all financial aspects of this arrangement in any subsequent rate proceeding or earnings review under an alternative form of regulation.

3. PP&L shall notify the Commission in advance of any substantive changes to the agreement, including any material changes in any cost. Any changes to the agreement terms which alter the intent and extent of activities under the agreement from those approved herein shall be submitted for approval in an application for supplemental order (or their appropriate format) in this docket.

4. For accounting purposes, the return component used in calculating PP&L's Oregon cost of services received from Trapper shall be limited to PP&L's current Oregon-authorized overall rate of return, effective April, 1992.

5. PP&L shall promptly notify the Commission with full details of any capital funding necessary under the Shareholder Funding Agreement.

TPR/1311HH

cc: Bill Warren
Administrative Hearings Division

II-17.PacifiCorp Foundation for Learning

PacifiCorp Foundation For Learning
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Labor	143.6	$ -	$ 150,819.63	$ 150,819.63
Benefits	143.6	-	21,275.95	21,275.95
Misc. Other Expenses	143.6	-	115,407.68	115,407.68
Total		**$ -**	**$ 287,503.26**	**$ 287,503.26**

PacifiCorp Foundation

Statement of Revenue, Expense, and Changes in Net Assets

For the Quarter Ended March 31, 2006

(Unaudited-Internal Use Only)

	Current Quarter			Year to Date		
	Endowment Fund	Operating Funds	Total	Endowment Fund	Operating Funds	Total
REVENUE AND SUPPORT						
Contribution commitment						
Interest - investment account	4,011.07		4,011.07	13,130.84		13,130.84
Dividends - investment account	244,902.47		244,902.47	858,077.18		858,077.18
Realized gain on sale of investmts	305,708.98		305,708.98	(406,196.78)		(406,196.78)
Miscellaneous Income	281.64		281.64	916.83	359.18	1,276.01
Change in unrealized appreciation / depreciation on investment account assets	1,545,769.38		1,545,769.38	5,066,589.36		5,066,589.36
TOTAL REVENUE AND SUPPORT	2,100,673.54		2,100,673.54	5,532,517.43	359.18	5,532,876.61
EXPENSES						
Grants						
Health and welfare		805,463.29	805,463.29		1,041,961.29	1,041,961.29
Education and research		170,006.32	170,006.32		574,885.82	574,885.82
Culture and the arts		7,500.00	7,500.00		253,525.00	253,525.00
Civic and community betterment		67,712.77	67,712.77		339,712.77	339,712.77
Other					2,029.18	2,029.18
Change in grants approved for future periods	9,000.00		9,000.00	(41,000.00)		(41,000.00)
Total grants	9,000.00	1,050,682.38	1,059,682.38	(41,000.00)	2,212,114.06	2,171,114.06
Administrative expenses		107,942.14	107,942.14		273,195.04	273,195.04
Investment management fees	28,684.00	10,925.88	39,609.88	76,382.00	43,156.98	119,538.98
Taxes and other	50.15	2,400.00	2,450.15	253.05	12,417.38	12,670.43
TOTAL EXPENSES	37,734.15	1,171,950.40	1,209,684.55	35,635.05	2,540,883.46	2,576,518.51
NET INCREASE (DECREASE)	2,062,939.39	(1,171,950.40)	890,988.99	5,496,882.38	(2,540,524.28)	2,956,358.10
Net assets beginning of period	41,450,843.66	285,198.34	41,736,042.00	38,844,677.13	443,772.22	39,288,449.35
Transfer from State Street Fund to Operating Fund (1)	(1,025,000.00)	1,025,000.00		(2,235,000.00)	2,235,000.00	
Other Capital				382,223.54		382,223.54
NET ASSETS END OF PERIOD	**42,488,783.05**	**138,247.94**	**42,627,030.99**	**42,488,783.05**	**138,247.94**	**42,627,030.99**

(1) Cash transfers from State Street investment account (Endowment Fund) to General Fund to cover grants paid

PacifiCorp Foundation

Statement of Financial Position

(Unaudited - Internal Use Only)

	At March 31, 2006			At March 31, 2005		
	Endowment Fund	Operating Funds	Total	Endowment Fund	Operating Funds	Total
ASSETS						
Cash balances		138,247.94	138,247.94		443,772.22	443,772.22
Bankers Trust investment account						
Private equity investments	1,685,027.12		1,685,027.12	1,458,191.14		1,458,191.14
Interest and dividend receivable	10,967.01		10,967.01	9,313.69		9,313.69
Other net receivable	77,288.98		77,288.98	64,586.53		64,586.53
Cash equivalents	339,796.98		339,796.98	181,902.33		181,902.33
US Government obligations						
Corporate obligations						
PIMCO	10,034,714.05		10,034,714.05	9,910,316.08		9,910,316.08
Common stock	5,901,279.04		5,901,279.04	6,239,176.86		6,239,176.86
Common stock - Mutual Funds	24,558,910.42		24,558,910.42	21,081,190.50		21,081,190.50
Total investment account	42,607,983.60		42,607,983.60	38,944,677.13		38,944,677.13
TOTAL ASSETS	**42,607,983.60**	**138,247.94**	**42,746,231.54**	**38,944,677.13**	**443,772.22**	**39,388,449.35**
LIABILITIES						
Other net payables	(60,200.55)		(60,200.55)			
Grants approved for future periods	(59,000.00)		(59,000.00)	(100,000.00)		(100,000.00)
NET ASSETS	**42,488,783.05**	**138,247.94**	**42,627,030.99**	**38,844,677.13**	**443,772.22**	**39,288,449.35**

II-18. ScottishPower UK,plc

ScottishPower UK, plc (SPUK)
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Labor	146	$ -	$ 237,393.02	$ 237,393.02
Group Corporate Recharge	146	-	5,865,015.75	5,865,015.75
Misc. Labor	234	2,320,254.24	-	2,320,254.24
Taxes	234	(415,384.83)	-	(415,384.83)
ScottishPower UK Mgmt Fee - (930.2)	930.2	9,142,101.60	-	9,142,101.60
ScottishPower UK Mgmt Fee - (426.5)	426.5	7,495,682.61	-	7,495,682.61
Total		**$ 18,542,653.62**	**$ 6,102,408.77**	**$ 24,645,062.39**

PacifiCorp Energy Canada Ltd. (PECL)
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Labor	146	$ -	$ 92,230.69	$ 92,230.69
Total		**$ -**	**$ 92,230.69**	**$ 92,230.69**

11-20. Dornoch International Insurance Ltd.

Dornoch International Insurance Limited (DIL)
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Property Insurance Expense	924	$ 5,476,856.76		$ 5,476,856.76
Liability Insurance Expense	925	1,498,278.28		1,498,278.28
Total		**$ 6,975,135.04**	**$ -**	**$ 6,975,135.04**

II-21. MEHC Insurance Services Ltd.

MEHC Insurance Services, Ltd. (MISL)
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	PacifiCorp Received Services	PacifiCorp Provided Services	Fiscal Year 2006 Transactions
Prepaid Captive Property Insurance	165.1	$ 5,562,592.75		$ 5,562,592.75
Prepaid Captive Liability Insurance	165.1	1,588,506.79		1,588,506.79
Captive Property Insurance Expense	924	169,497.25		169,497.25
Captive Liability Insurance Expense	925	48,403.21		48,403.21
Total		**$ 7,369,000.00**	**$ -**	**$ 7,369,000.00**

11-22. PPW Holdings LLC

PPW Holdings LLC
Intercompany Transactions
For the Fiscal Year Ended March 31, 2006

Components	FERC Account	Due to PacifiCorp	Due from PacifiCorp	Fiscal Year 2006 Transactions
InterCo Federal Tax Payable - (Even Years)	236	$ -	$ 3,418,837.11	$ 3,418,837.11
InterCo State Tax Payable - (Even Years)	236	-	464,563.18	464,563.18
Total		**$ -**	**$ 3,883,400.29**	**$ 3,883,400.29**

Company code 1500 Business area **** Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Assets					
			Current Assets					
			Cash and Temporary Cash Investments					
	1500		106003 Scnd Deposit-Wires In Clear Acct	5109,500,000.00	0.00	5109,500,000.00		
	1500		106004 Scnd Deposit-Wires Out Clear Acct	5109,500,000.00-	0.00	5109,500,000.00-		
			Total Other Cash	**0.00**	**0.00**	**0.00**		*4*
			Total Cash and Temporary Cash Investments	**0.00**	**0.00**	**0.00**		*3*
			Accounts and Notes Receivable					
	1500		116850 Accounts Receivable - Other	879,000.00	0.00	879,000.00		
			Total Other Accounts Receivable	**879,000.00**	**0.00**	**879,000.00**		*4*
			Total Accounts and Notes Receivable	**879,000.00**	**0.00**	**879,000.00**		*3*
			Total Current Assets	**879,000.00**	**0.00**	**879,000.00**		*2*
			Other Assets					
			Investments in Subsidiaries					
	1500		165100 Investment in PacifiCorp	4008,551,271.82	0.00	4008,551,271.82		
	1500		167100 Equity Earnings in PacifiCorp	3,440,575.00	0.00	3,440,575.00		
			Total Investments in Subsidiaries	**4011,991,846.82**	**0.00**	**4011,991,846.82**		*3*
			Cost in Excess of Net Assets of Bus Acq.					
	1500		176100 Goodwill	1074,267,668.29	0.00	1074,267,668.29		
			Total Cost in Excess of Net Assets of Bus Acq	**1074,267,668.29**	**0.00**	**1074,267,668.29**		*3*
			Regulatory Assets					
	1500		187610 Reg Asset (FV) - Pension Liability	184,459,637.33	0.00	184,459,637.33		
			Total FAS 87/88 Regulatory Assets	**184,459,637.33**	**0.00**	**184,459,637.33**		*4*
	1500		187620 Regulatory Asset (FV) - FAS 106 Liabili	239,911,726.34	0.00	239,911,726.34		
			Total FAS 106 Regulatory Assets	**239,911,726.34**	**0.00**	**239,911,726.34**		*4*
			Total Regulatory Assets	**424,371,363.67**	**0.00**	**424,371,363.67**		*3*
			Long-Term Notes & Interest Receivable					
	1500		156900 Other Receivables-Noncurrent	49,062,000.00	0.00	49,062,000.00		
			Total Long-Term Notes Receivable	**49,062,000.00**	**0.00**	**49,062,000.00**		*4*
			Total Long-Term Notes & Interest Receivable	**49,062,000.00**	**0.00**	**49,062,000.00**		*3*
			Deferred Charges and Others					
	1500		135017 Pension Intangible Asset	16,083,870.00-	0.00	16,083,870.00-		
	1500		185322 SERP Intangible Asset	1,263,748.00-	0.00	1,263,748.00-		
			Total Other Deferred Charges	**17,347,618.00-**	**0.00**	**17,347,618.00-**		*4*
			Total Deferred Charges and Others	**17,347,618.00-**	**0.00**	**17,347,618.00-**		*3*
			Total Other Assets	**5542,345,260.78**	**0.00**	**5542,345,260.78**		*2*
			Total Assets	**5543,224,260.78**	**0.00**	**5543,224,260.78**		*1*

Company code 1500 Business area **** Amounts in USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Liabilities & Stockholders Equity					
			Liabilities					
			Current Liabilities					
			Accounts and Notes Payable - Affiliates					
	1500		210761 InterCo Federal Tax Pay - (Even Years)	3,404,938.11	0.00	3,404,938.11		
	1500		210763 InterCo State Tax Pay - (Even Years)	463,944.18	0.00	463,944.18		
			Total InterCo Accounts Payable	**3,868,882.29**	**0.00**	**3,868,882.29**		*5*
	1500		210731 InterCo Fed Tax Pay-(Even Years)-MEHC	3,404,938.11-	0.00	3,404,938.11-		
	1500		210733 InterCo State Tax Pay-(Even Years)-MEHC	463,944.18-	0.00	463,944.18-		
			Total Accounts Payable - MidAmerican	**3,868,882.29-**	**0.00**	**3,868,882.29-**		*5*
			Total Accounts and Notes Payable - Affiliates	**0.00**	**0.00**	**0.00**		*4*
			Total Current Liabilities	**0.00**	**0.00**	**0.00**		*3*
			Deferred Credits					
			Deferred Income Taxes					
	1500		287328 DTA 720.310 SERP	1,191,680.37	0.00	1,191,680.37		
	1500		287413 DTA 720.550 Accrued CIC Severance	2,033,944.75-	0.00	2,033,944.75-		
			Total Deferred U.S. Income Taxes	**842,264.38-**	**0.00**	**842,264.38-**		*5*
			Total Deferred Income Taxes	**842,264.38-**	**0.00**	**842,264.38-**		*4*
			Other Deferred Credits					
	1500		280340 Pension	168,375,767.33-	0.00	168,375,767.33-		
			Total Provision for Pension Benefits	**168,375,767.33-**	**0.00**	**168,375,767.33-**		*5*
	1500		280321 FAS 106-Pacificorp(Excl. Coal Mines)	239,911,726.34-	0.00	239,911,726.34-		
			Total Prov. for FAS 106 Post-Retire. Benefits	**239,911,726.34-**	**0.00**	**239,911,726.34-**		*5*
	1500		280325 SERP Regulated Liability	1,876,302.00-	0.00	1,876,302.00-		
			Total Provision for SERP Benefits	**1,876,302.00-**	**0.00**	**1,876,302.00-**		*5*
			Total Other Deferred Credits	**410,163,795.67-**	**0.00**	**410,163,795.67-**		*4*
			Total Deferred Credits	**411,006,060.05-**	**0.00**	**411,006,060.05-**		*3*
			Total Liabilities	**411,006,060.05-**	**0.00**	**411,006,060.05-**		*2*
			Stockholders Equity					
			Common Equity					
			Common Stock					
	1500		296000 Additional Paid-In Capital	5120,608,457.22-	0.00	5120,608,457.22-		
			Total Common Stock	**5120,608,457.22-**	**0.00**	**5120,608,457.22-**		*4*
			Retained Earnings					
			Profit/Loss for Current Year					
			Net Result: Profit					
			Total Net Result: Profit	**10,231,526.77-**	**0.00**	**10,231,526.77-**		*6*
			Net Result: Loss					
			Total Net Result: Loss	**0.00**	**0.00**	**0.00**		*6*
			Total Profit/Loss for Current Year	**10,231,526.77-**	**0.00**	**10,231,526.77-**		*5*
			Total Retained Earnings	**10,231,526.77-**	**0.00**	**10,231,526.77-**		*4*
			Accumulated Other Comprehensive Income					
			Minimum Pension Liability Adjustments					
	1500		299100 Pension Accum OCI	881,624.00-	0.00	881,624.00-		
	1500		299101 SERP Accum OCI	5,719,950.00-	0.00	5,719,950.00-		
	1500		299110 Tax on Minimum Pension Liab. Adjustment	334,516.00	0.00	334,516.00		
	1500		299111 Tax on Minimum SERP Liab. Adjustments	2,170,742.00	0.00	2,170,742.00		
			Total Minimum Pension Liability Adjustments	**4,096,316.00-**	**0.00**	**4,096,316.00-**		*5*
			FAS 115 Securities Adjustments					
	1500		298000 FAS 115 M-T-M Unrealized Gain/Loss	3,033,145.28	0.00	3,033,145.28		
	1500		298005 FAS 115 M-T-M Unrealized Gain/Loss - SP	1,349,844.77	0.00	1,349,844.77		
	1500		298011 Tax on FAS 115 Securities Adjustments	1,152,611.20-	0.00	1,152,611.20-		
	1500		298015 Tax on FAS 115 Securities Adjustments -	512,279.59-	0.00	512,279.59-		
			FAS 115 Securities Adjustments	**2,718,099.26**	**0.00**	**2,718,099.26**		*5*

Company code 1500 Business area ****

Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Total Accumulated Other Comprehensive Income	**1,378,216.74-**	**0.00**	**1,378,216.74-**		***4***
			Common Equity	**5132,218,200.73-**	**0.00**	**5132,218,200.73-**		***3***
			Total Stockholders Equity	**5132,218,200.73-**	**0.00**	**5132,218,200.73-**		***2***
			Total Liabilities & Stockholders Equity	**5543,224,260.78-**	**0.00**	**5543,224,260.78-**		***1***

Company code 1500 Business area ****

Amounts in USD

CF	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Available for Common					
			Net Income					
			Income-Continuing Operations After Tax					
			Income-Continuing Operations Before Tax					
			Income From Operations					
			Net Margin					
			Operations, Maintenance, Admin & General					
			Other O&M and A&G Expense					
	1500		545505 Restructuring Expense (FV)	8,824,896.52-	0.00	8,824,896.52-		
			Total Other O&M and A&G Expense	**8,824,896.52-**	**0.00**	**8,824,896.52-**		*8*
			Total Operations,Maintenance, Admin & General	**8,824,896.52-**	**0.00**	**8,824,896.52-**		*7*
			Total Net Margin	**8,824,896.52-**	**0.00**	**8,824,896.52-**		*6*
			Total Income From Operations	**8,824,896.52-**	**0.00**	**8,824,896.52-**		*5*
			Interest Expense and Other					
			Minority Interest & Other					
			Equity in Subsidiary Earnings					
	1500		375100 Equity Earnings - PacifiCorp	3,440,575.00-	0.00	3,440,575.00-		
			Total Equity in Subsidiary Earnings	**3,440,575.00-**	**0.00**	**3,440,575.00-**		*7*
			Total Minority Interest & Other	**3,440,575.00-**	**0.00**	**3,440,575.00-**		*6*
			Total Interest Expense and Other	**3,440,575.00-**	**0.00**	**3,440,575.00-**		*5*
			Income-Continuing Operations Before Tax	**12,265,471.52-**	**0.00**	**12,265,471.52-**		*4*
			Income Tax Expense					
			U.S. Income Tax Expense					
			Income Tax Expense Federal					
	1500		571001 Deferred Tax Exp-Dr-Federal-Electric	1,790,628.13	0.00	1,790,628.13		
			Total Deferred Federal	**1,790,628.13**	**0.00**	**1,790,628.13**		*7*
			Total Income Tax Expense Federal	**1,790,628.13**	**0.00**	**1,790,628.13**		*6*
			Income Tax Expense State					
	1500		576001 Deferred Tax Expense - DR - State -Elec	243,316.62	0.00	243,316.62		
			Total Deferred State	**243,316.62**	**0.00**	**243,316.62**		*7*
			Total Income Tax Expense State	**243,316.62**	**0.00**	**243,316.62**		*6*
			Total U.S. Income Tax Expense	**2,033,944.75**	**0.00**	**2,033,944.75**		*5*
			Total Income Tax Expense	**2,033,944.75**	**0.00**	**2,033,944.75**		*4*
			Income-Continuing Operations After Tax	**10,231,526.77-**	**0.00**	**10,231,526.77-**		*3*
			Net Income	**10,231,526.77-**	**0.00**	**10,231,526.77-**		*2*
			Earnings Available for Common	**10,231,526.77-**	**0.00**	**10,231,526.77-**		*1*

Company code 1500 **Business area** **** **Amounts in** USD

C F	Comp code	Bus. area	Texts	Reporting period (01.2006-12.2006)	Comparison period (01.2005-12.2005)	Absolute difference	Rel dif	Sumtn level
			Earnings Contribution					
			Earnings Contribution	**10,231,526.77**	**0.00**	**10,231,526.77**		***1***

III. Loans

III. Loans

For intercompany loans to or from affiliates and separately for short-term and long-term loans:

A. The month-end amounts outstanding.

B. The highest amount during the year.

C. A description of the terms and conditions, including basis for interest rates.

D. The total amount of interest charged or credited and the weighted average interest rate.

LOAN SUMMARY

2005-2006

REQUIREMENTS	COMBINED NET INTERCOMPANY BALANCES	PACIFICORP GROUP HOLDINGS	PACIFIC MINERALS INC.
III. For inter-company loans to or from affiliates:			
A. The month-end amounts outstanding for short-term and long-term loans:			
Short-term loans:			
April	See Accompanying Detail	See Accompanying Detail	See Accompanying Detail
May	"	"	"
June	"	"	"
July	"	"	"
August	"	"	"
September	"	"	"
October	"	"	"
November	"	"	"
December	"	"	"
January 06	"	N/A*	"
February 06	"	N/A*	"
March 06	"	N/A*	"
Long-term loans:	N/A	N/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	$8,578,093	$0	$8,578,093
Date	February 15, 2006	VARIOUS	February 15, 2006
Maximum loan to affiliate:			
Long-term loans:			
Amount	N/A	N/A	N/A
Date	N/A	N/A	N/A
Maximum loan from affiliate:			
Short-term loans:			
Amount	$29,637,207	$16,000,000	$22,019,207
Date	9/21/05	9/21/05	4/19/2005
Maximum loan from affiliate:			
Long-term loans:			
Amount	N/A	N/A	N/A
Date	N/A	N/A	N/A
C. A description of the terms and conditions for loans including the basis for interest rates:	See Umbrella Loan Agreement on file at the commission	See Umbrella Loan Agreement on file at the commission	See Umbrella Loan Agreement on file at the commission
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	$324,778.67	$4,060.56	$320,718.11
Interest received	$40,022.06	$0.00	$40,022.06
Interest rates:			
April	See Accompanying Detail	See Accompanying Detail	See Accompanying Detail
May	"	"	"
June	"	"	"
July	"	"	"
August	"	"	"
September	"	"	"
October	"	"	"
November	"	"	"
December	"	"	"
January 06	"	N/A*	"
February 06	"	N/A*	"
March 06	"	N/A*	"
Long-term loans			
Interest charged or credited	N/A	N/A	N/A
Weighted average interest rate	N/A	N/A	N/A

* Loan cancelled January 1, 2006

PACIFICORP-PACIFICORP GROUP HOLDINGS COMPANY

UMBRELLA LOAN AGREEMENT TRANSACTIONS STATEMENT
PACIFICORP GROUP HOLDINGS COMPANY ("PGHC")
APRIL 2005 THRU MARCH 2006

MONTH	NET PRINCIPAL ADVANCED TO PACIFICORP	NET PRICIPAL REPAID BY PACIFICORP	PRINCIPAL ADVANCED TO PGHC	PRINCIPAL REPAID BY PGHC	OUTSTANDING MONTH-END BALANCE*	INTEREST RATE RANGE	ACCRUED INTEREST PAID BY PACIFICORP	ACCRUED INTEREST REC'D BY PACIFICORP
Apr-05	$ -	$ -	$ -	$ -	$ -	2.89-3.17	$ -	$ -
May-05	$ -	$ -	$ -	$ -	$ -	3.05-3.30	$ -	$ -
Jun-05	$ -	$ -	$ -	$ -	$ -	3.0-3.35	$ -	$ -
Jul-05	$ 8,400,000.00	$ 8,400,000.00	$ -	$ -	$ -	3.35-3.50	$ 816.67	$ -
Aug-05	$ -	$ -	$ -	$ -	$ -	3.35-3.74	$ -	$ -
Sep-05	$ 16,000,000.00	$ 16,000,000.00	$ -	$ -	$ -	3.71-3.89	$ 1,720.00	$ -
Oct-05	$ -	$ -	$ -	$ -	$ -	2.87-4.09	$ -	$ -
Nov-05	$ 13,000,000.00	$ 13,000,000.00	$ -	$ -	$ -	4.09-4.35	$ 1,523.89	$ -
Dec-05	$ -	$ -	$ -	$ -	$ -	4.1-4.42	$ -	$ -
TOTAL	$ 37,400,000.00	$ 37,400,000.00	$ -	$ -	$ -	$ -	$ 4,060.56	$ -

*Outstanding month-end balances advanced to PacifiCorp are shown in parentheses ( )

NO NOTE BETWEEN PGHC AND PACIFICORP AFTER 12/31/05

PACIFICORP-PACIFIC MINERALS, INC.

UMBRELLA LOAN AGREEMENT TRANSACTIONS STATEMENT
PACIFIC MINERALS, INC. ("PMI")
APRIL 2005 THRU MARCH 2006

MONTH	NET PRINCIPAL ADVANCED TO PACIFICORP	NET PRICIPAL REPAID BY PACIFICORP	PRINCIPAL ADVANCED TO PMI	PRINCIPAL REPAID BY PMI	OUTSTANDING MONTH-END BALANCE*	INTEREST RATE RANGE	ACCRUED INTEREST PAID BY PACIFICORP	ACCRUED INTEREST REC'D BY PACIFICORP
Apr-05	$ 4,868,000.00	$ 4,960,000.00	$ -	$ -	$ (20,319,206.66)	2.89-3.17	$ 50,329.88	$ -
May-05	$ 4,037,000.00	$ 7,920,000.00	$ -	$ -	$ (16,436,206.66)	3.05-3.30	$ 46,649.43	$ -
Jun-05	$ 6,056,000.00	$ 7,070,000.00	$ -	$ -	$ (15,422,206.66)	3.0-3.35	$ 40,714.93	$ -
Jul-05	$ 2,897,000.00	$ 3,150,000.00	$ -	$ -	$ (15,169,206.66)	3.35-3.50	$ 41,197.05	$ -
Aug-05	$ 4,575,000.00	$ 6,030,000.00	$ -	$ -	$ (13,714,206.66)	3.35-3.74	$ 43,813.08	$ -
Sep-05	$ 3,433,000.00	$ 6,870,000.00	$ -	$ -	$ (10,277,206.66)	3.71-3.89	$ 40,256.11	$ -
Oct-05	$ 7,671,700.00	$ 11,870,000.00	$ -	$ -	$ (6,078,906.66)	2.87-4.09	$ 26,684.03	$ -
Nov-05	$ 3,977,000.00	$ 3,880,000.00	$ -	$ -	$ (6,175,906.66)	4.09-4.35	$ 17,463.84	$ -
Dec-05	$ 2,600,000.00	$ 7,180,000.00	$ -	$ -	$ (1,595,906.66)	4.1-4.42	$ 10,697.40	$ -
Jan-06	$ 1,871,906.66	$ 2,445,906.66	$ 2,384,093.34	$ 2,384,093.34	$ (1,021,906.66)	4.35-4.57	$ 2,912.36	$ 2,005.15
Feb-06	$ -	$ 1,021,906.66	$ 8,578,093.34	$ 5,480,000.00	$ 3,098,093.34	4.57-4.66	$ -	$ 18,739.83
Mar-06	$ -	$ -	$ 4,600,000.00	$ 4,090,000.00	$ 3,608,093.34	4.66-4.8475	$ -	$ 19,277.08
TOTAL	$ 41,986,606.66	$ 62,397,813.32	$ 15,562,186.68	$ 11,954,093.34			$320,718.11	$ 40,022.06

*Outstanding month-end balances advanced to PacifiCorp are shown in parentheses ( )

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 and the balance as of the end of the year.

PacifiCorp does not guarantee the debt of its subsidiaries.

V. Other Transactions

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.

All transactions between PacifiCorp and its affiliates are reported in other sections of this report.

VI. Employee Transfers

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

In FY Ending March 31, 2006

Executive, Management, and Professional/Technical Employees

Affiliate	Job Title	Count
PPM Energy, Inc.	Accountant	2
	Administrative Assistant	2
	Analyst	10
	Attendant, Facilities	1
	Attorney	5
	Buyer	1
	Consultant	2
	Director	11
	Manager	5
	Vice President	3
Total		42

Report of Employee Transfers from Affiliates

In FY Ending March 31, 2006

Executive, Management, and Professional/Technical Employees

Affiliate	Job Title	Count
PPM Energy, Inc.	Analyst	1
	Trader	1
Total		2

VII. cost Allocations

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.

During the period April 1, 2005, through March 21, 2006, PacifiCorp operated under the Group Corporate Cost Recharge Policy ("GCCRP") and service agreements with its affiliated interests. The GCCRP provided a methodology and rationale to support the allocation of Group Corporate charges across the four ScottishPower UK, plc divisions (this included PPM Energy, Inc., PacifiCorp and the two UK business units: UK Infrastructure and UK Division). The service agreements governed the provision of necessary corporate services to and from PacifiCorp including legal, government and corporate affairs, tax, financial, risk management, human resources and environmental.

Following the acquistion of PacifiCorp by MidAmerican Energy Holdings Company ("MEHC") on March 21, 2006, PacifiCorp became a subidiary of MEHC thus terminating the GCCRP and use of the Three Factor Formula allocating PacifiCorp expenses among:

a) PacifiCorp
b) PPM Energy, Inc.
c) Pacific Klamath Energy, Inc.
d) PacifiCorp Financial Services, Inc.
e) PacifiCorp Environmental Remediation Company
f) PacifiCorp Trans, Inc.

On March 31, 2006, PacifiCorp entered into an Intercompany Administrative Services Agreement ("IASA") between MEHC and its subsidiaries. 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 negotiaion and adminstration 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.

There were no services provided by MEHC or its subsidiaries to or from PacifiCorp prior to March 31, 2006.

The following pages contain:

a) PacifiCorp Corporate Group Expense Allocation and supporting documents
b) ScottishPower Group Corporatee Costs Allocation for fiscal year ending March 31, 2006
c) ScottishPower Group Corporate Cost Recharge Policy
d) MEHC Intercompany Administrative Services Agreement

PacifiCorp
CORPORATE GROUP EXPENSE ALLOCATION
FY Ending March 31, 2006

PERCENT (1)	ORGANIZATION	FY 2006 Actual Allocation
Corporate Group Expenses Excluding Shareholder Services:		
92.51%	Electric Operations	$ 16,711,873.91
0.14%	PacifiCorp Environmental Remediation Company	26,085.94
0.57%	PacifiCorp Financial Services, Inc.	103,740.16
6.60%	PPM Energy, Inc.	1,191,430.96
0.17%	Pacific Klamath Energy, Inc.	30,653.27
0.01%	PacifiCorp Trans, Inc.	1,803.09
100.00%	Total (2)	$ 18,065,587.33

(1) Percentages for allocation purposes are derived from the three factor formula.

(2) The subsidiaries are billed an estimated allocation during the year. A true-up of this estimate is done in the following year to adjust the amount billed to the subsidiary to actual expenses.

Management Fee Allocation FY2006

Co Code	Sending Cost Center	Cost Center Description	2006 FISCAL Total YTD
10068	10068	Internal Communications	$ 699,116.97
11622	11622	Controller's Admin	2,716,733.55
11631	11631	External & Performance Reporting	4,006,650.82
11638	11638	Investor Relations	284,045.59
11648	11648	Human Resources Management	1,546,180.96
11651	11651	Human Resources EEO	596,680.66
11653	11653	Human Resources Staffing/Employment	691,648.65
11655	11655	Human Resources Employee Benefits	715,637.32
11656	11656	Human Resources Compensation	1,158,828.75
11657	11657	Government Affairs Management	1,681,821.39
13026	13026	Chief Financial Officer Administration	1,110,372.81
13369	13369	Tax Dept (Group Wide)	2,857,869.86
Total FY 2006 Management Fee Senders			$ 18,065,587.33

PacifiCorp

Three Factor Formula
Expense Allocation Basis
For Fiscal Year 2006 Allocations

	Based on US GAAP Amounts For the Fiscal Year Ended March 31, 2005		At March 31, 2005				Average of Three Factors
	Operating Expenses		Employees		Assets		
	(Millions)	%	(Number)	%	(Millions)	%	%
PacifiCorp (1)	$ 2,038.7	91.61%	6,590.5	96.00%	$ 11,645.1	89.39%	**92.33%**
PPM Energy, Inc. (2) (3)	$ 189.2	8.50%	243.0	3.54%	$ 1,126.0	8.64%	**6.89%**
Pacific Klamath Energy, Inc.	$ 2.6	0.12%	22.0	0.32%	$ 9.7	0.07%	**0.17%**
PacifiCorp Financial Services, Inc.	$ (1.7)	-0.08%	1.0	0.01%	$ 215.7	1.66%	**0.53%**
PacifiCorp Environmental Remediation Company	$ (3.6)	-0.16%	8.0	0.12%	$ 30.8	0.24%	**0.07%**
PacifiCorp Trans, Inc.	$ 0.3	0.01%	1.0	0.01%	$ 0.1	0.00%	**0.01%**
	$ 2,225.5	100.00%	6,865.5	100.00%	$ 13,027.4	100.00%	**100.00%**

(1) Operating expenses exclude purchased power $371M and FAS 133 net gains ($8M).
Assets include 2/3 of PMI/Bridger assets of $268M, and exclude investment in subsidiaries of $76M and FAS 133 assets of $783M.

(2) Operating expenses exclude purchased power $453M and FAS 133 net gains $1M.
Assets exclude any investments in subsidiaries of $0M, FAS 133 assets of $348M and negative inter-company payables of $2M.

(3) PPM excludes PECL, a SPUK subsidiary, from expenses, assets and headcount.

Note: PGHC and PHI were excluded because there are no significant management activities related to the assets held.

Employees represent Full Time plus 50% of Part Time. Part Timers: Electric is 111, PPM is 2, Klamath is 0.

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ScottishPower UK, plc
Group Corporate Cost Allocation FY 2006

Percent (1)	ScottishPower Org	Percent (2)	PacifiCorp Org	FY 2006 Allocation	Net PacifiCorp Above the Line
40.3%	**PacifiCorp**				
		99.23%	PacifiCorp		
			Above the Line	**9,142,101.60**	**9,142,101.60**
			Below the Line	7,495,682.61	
			Total	16,637,784.21	
			Less: PacifiCorp Group costs charged to SP (Below the Line)	(5,865,015.75)	
			Net Group Recharge - Above & Below the Line	10,772,768.46	
			Net ScottishPower Group Corporate Costs FY 2006		**9,142,101.60**
		0.58%	PacifiCorp Financial Services, Inc.	97,368.02	
		0.18%	PacifiCorp Environmental Remediation Company	29,819.46	
		0.01%	PacifiCorp Trans, Inc.	1,676.63	
		100.00%	Total PacifiCorp Allocation of Group Corp Costs	16,766,648.32	
25.8%	**UK Division**			**N/A**	
21.9%	**UK Infrastructure**			**N/A**	
4.8%	**PPM Energy, Inc.**			**N/A**	
7.2%	**SP plc**			**N/A**	
100.0%	**Total SP Group Corp Cost Allocation**			**N/A**	

(1) ScottishPower %'s to Affiliates based on 4-factor formula
(2) PacifiCorp %'s of SP Allocation to Affiliates based on 4-factor formula

ScottishPower UK, plc

Four Factor Formula for Allocating ScottishPower Corporate Costs

FY 2006

	Turnover		Operating Profit		Net Assets		No. of Employees		Respread %
	£m	%	£m	%	£m	%	Number	%	
UK Division	2,286.6	40.4%	180.5	15.0%	1,734.3	12.7%	5,667	35.1%	**25.8%**
UK Infrastructure	728.1	12.9%	416.3	34.7%	2,479.8	18.1%	3,541	21.9%	**21.9%**
PacifiCorp	2,132.6	37.7%	541.7	45.2%	5,071.3	37.1%	6,656	41.2%	**40.3%**
PPM Energy, Inc.	511.5	9.0%	58.6	4.9%	469.3	3.4%	278	1.8%	**4.8%**
Subtotal per Annual Report & Accounts	5,658.8	100.0%	1,197.1	99.8%	9,754.7	71.3%	16,142	100.0%	
SP plc	-	0.0%	1.8	0.2%	3,921.3	28.7%	7	0.0%	**7.2%**
Total for recharge calculation	5,658.8	100.0%	1,198.9	100.0%	13,676.0	100.0%	16,149	100.0%	100.0%

GROUP CORPORATE COST RECHARGE POLICY

Approved by the Executive Team on 28 August 2003

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- Objective
- Decision Tree
- Direct Charging of External Costs
- Directly Allocated Costs
- Apportioned Costs
- IT Costs
- PacifiCorp Specific Requirements
- Accounting Policies
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- Change Control Process
- Divisional Costs being transferred to Group Corporate
- Joint Purchasing
- Key Contacts

Appendices

1. Billing Addresses
2. Basket of Indicators
3. Business employees who have a Group role
4. UK based Group employees – T& E card listing

Policy

This policy provides a methodology and rationale to support the allocation of Group Corporate charges across the four divisions; PacifiCorp, Infrastructure, UK Division and PPM. The policy objectives are that it:

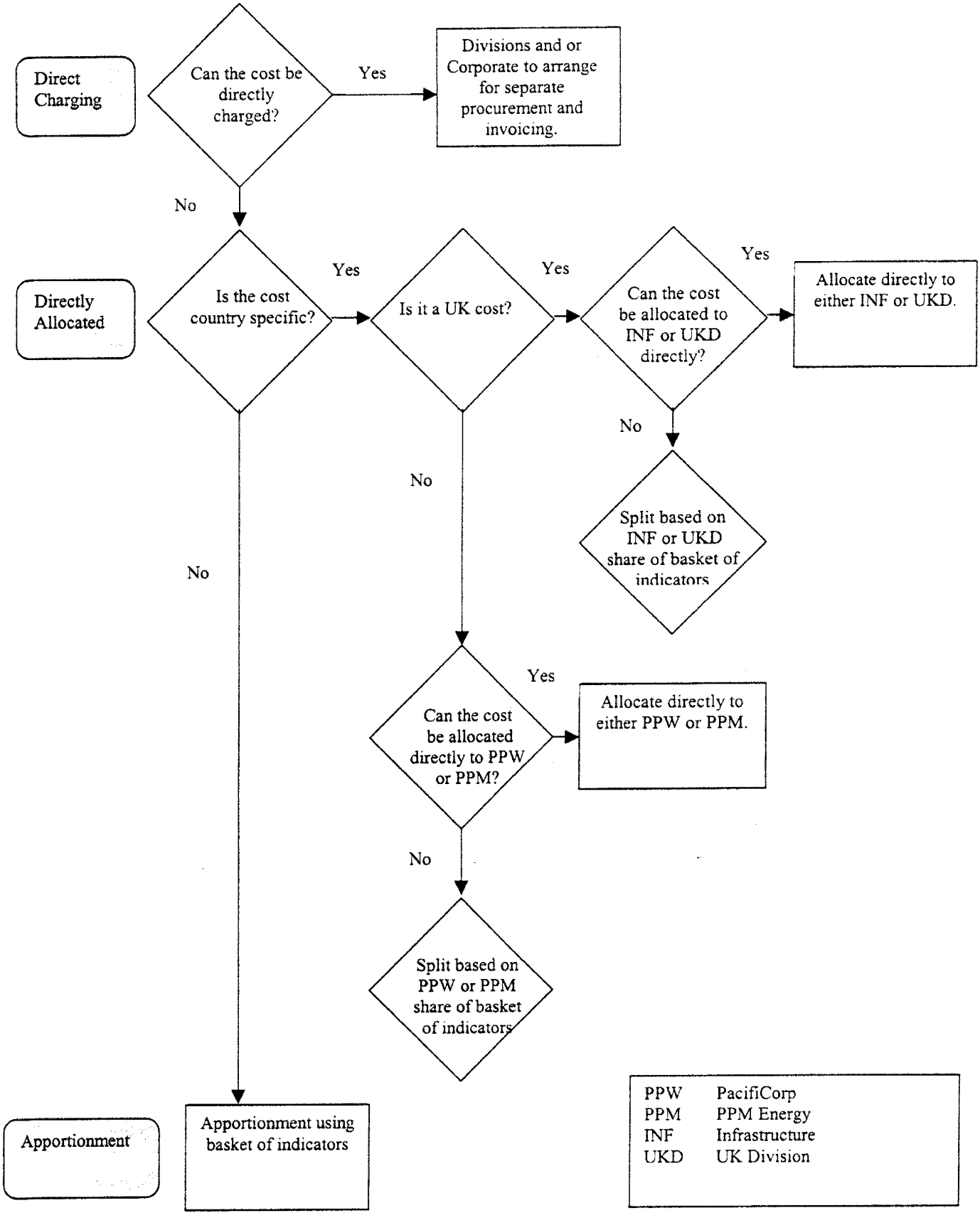
- Supports a fair and equitable allocation of the costs to the divisions;
- Takes full cognisance of all UK and US regulatory rules and merger commitments.

In addition to the benefit of allocating the costs on a more equitable basis, divisions will have enhanced control over their costs since more will be subject to direct charging.

Each division has the responsibility to develop their own policy to further allocate these costs across their businesses as appropriate. The divisional policies must ensure compliance with regulatory legislation and be consistent with the group objectives as stated above.

The policy will be noted within the Sensitive Affiliate Disclosure Section of PacifiCorp's 10Q/10K and compliance with it will be subject to audit and regulatory scrutiny,

Decision Tree



I. Direct Charging of External Costs

The key principle is that direct charging will take place where applicable. Costs directly attributable to a division are therefore directly charged. This reduces the total value of costs that require to be respread.

This will include costs which have historically been charged to Group Corporate e.g. the external audit fee or where Group Corporate have undertaken any activity which is directly applicable to one division, in both cases the associated charges will now be directly charged.

It is the responsibility of the originating function to highlight prior to the commencement of a specific activity if direct charging is applicable. If direct charging occurs the originating function should take the necessary steps when procuring goods or services to ensure that suppliers issue separate bills based on contracts which are signed and approved in accordance with each division's governance procedures.

Invoices should be addressed to the divisions as detailed in Appendix 1.

II. Directly Allocated Costs

When direct charging is not deemed appropriate the opportunity to undertake direct allocation will be reviewed e.g. LTIP costs allocated via actual scheme membership, support costs for the SMG conference allocated via SMG population and staff magazine costs which are allocated based on circulation lists.

As detailed on page 2, costs will be split either directly to one of the four divisions or geographically prior to further split across either PacifiCorp/PPM or INF/UKD. Costs will be split in accordance with the basket of indicators e.g. if the INF and UKD split within the basket was 30/20 the apportionment across the UK businesses would therefore be on a 3:2 ratio.

III. Apportioned Costs

Group Corporate costs including salary and non salary expenditure that are not subject to either direct charging or direct allocation will be apportioned, using the basket of indicators as detailed in Appendix 2.

The four elements currently included in the basket of indicators are:

- Share of total turnover
- Share of operating profit (pre goodwill and exceptionals)
- Share of net assets
- Share of employee numbers

Review of the appropriateness of this basket of indicators will be carried out on an annual basis.

IV. IT Costs

Information Technology Business Services (ITBS) are responsible for the procurement and charging of all UK incurred IT expenditure. As appropriate these are charged directly to INF, UKD and Group Corporate.

Any IT expenditure incurred by PacifiCorp or PPM for UK based activities should be recharged to ITBS directly. Prior approval should be sought from ITBS and PacifiCorp before any rechargeable IT costs are incurred.

The procurement and recharging of IT costs are covered by the joint PacifiCorp/ITBS policy 'Requesting IT staff resources between the UK and US'.

V. PacifiCorp Specific Requirements

- **Regulatory Review**

All US regulatory issues will be controlled and managed by the US Regulatory team within PacifiCorp. It is the responsibility of the PacifiCorp regulatory team to advise Group Corporate of any changes in their requirements.

The US Regulatory Team will review all corporate cross charges to determine the applicability to ratemaking and the benefits derived by US customers and guide the appropriate accounting for such costs.

Group Corporate costs recharged to the US will be tracked at the level of detail required by US regulators, as detailed in the following section 'Supporting Documentation'.

- **Affiliate Rules**

If PacifiCorp obtains specific regulatory approval to provide or receive services from an affiliate, cross charges may occur on a basis consistent with the regulatory order authorising the transactions. Washington State regulations and a Utah merger commitment require commission approval prior to new affiliate transactions. The policy becomes fully effective upon regulatory approval by the state regulatory commissions.

- **Direct charges**

Oregon legislation prohibits affiliates paying bills from third party vendors for each other and then cross charging the responsible affiliate unless they have a commission order approving the activity, therefore direct charging is required. If a company receives a bill that is the responsibility of an affiliate, the vendor should be instructed to issue an invoice to the correct affiliate.

Where direct charges for the US divisions arise the vendor should be instructed to invoice either PacifiCorp or PPM directly. The contract must meet either PacifiCorp and PPM procurement policy terms and must be approved according to PacifiCorp and PPM governance.

- **Requirements of the US Public Utilities Holding Company Act of 1935.**

Under section 13(b) of PUHCA, Scottish Power plc may not charge its subsidiary companies for services performed on their behalf. Those costs are to be borne by ScottishPower's shareholder. However, pursuant to the Financing Order issued by the SEC on December 6, 2000, employees or officers of SPUK may charge for services provided to SPUK associate companies (including PacifiCorp). Recharges between SPUK and US companies would take place at cost, not the lower of cost or market. In the context of ratemaking, PacifiCorp will have to demonstrate and reconcile the lower of cost or market value, but cost must be used for the charge.

- **International travel and expenses**

Where Group Corporate staff undertake regular travel to the US, their travel and expenses will be charged directly to the US divisions via a travel and expenses (T&E) card.

Employees in receipt of a T&E card should comply with the rules detailed in PacifiCorp Management Rules and Guidelines and the PacifiCorp Business Expense Policy. A dedicated resource from Corporate Business Services (CBS) will arrange for the cards to be issued and will administer their associated costing.

Employees returning from a US trip will need to provide supporting receipts and details of the allocation between the two US divisions PacifiCorp and PPM, which will normally be supported by diary arrangements. The Group Corporate Controller Team will administer co-ordination of the supporting details. In specific cases certain trips will not be charged to the US regulated entity.

Individuals who will receive a T&E card are detailed on Appendix 4, subsequent amendments will be managed through the change control process detailed in Section VIII.

- **Supporting Documentation**

US Regulatory requirements stipulate that supporting documentation must be maintained in the US to support recovery of Group Corporate charges, which are recharged to PacifiCorp.

The information requirements are:

- Copy of the original invoice.
- Written explanation of the charges describing what they are and how PacifiCorp benefited from the activity.
- Details of the allocation method and its appropriateness.
- Key business contact who could respond to questions from the regulatory auditors.

Salary and non salary expenditure apportioned using the 4-factor basket of indicators will be reviewed for reasonableness twice a year and documented appropriately.

- Where costs have been directly allocated on a pre-determined basis, rationale for the split, including support for it is required. This could involve review of the diary and expense details.

- All records are required to be retained for 5 years from the date when the expenditure was incurred.

As detailed in Section I direct charging should take place where applicable which will ensure that all supporting documentation is controlled and retained by PacifiCorp or PPM.

- **International Assignees**

All costs associated with International Assignees will continue to be managed and controlled by Group HR in line with their policy.

VI. Accounting Policies

- **Budgets and Forecasts**

The Group Corporate Controller will provide details of the Group Corporate cost allocation for inclusion in the budget and forecasts.

The basket of indicators split applied to the budget figures will be based on the previous year's reported figures. From 2004/05 onwards during the first forecast of the year the basket of indictors will be updated to reflect the year-end position and this will be applied to the reforecast Group Corporate costs.

Forecast submissions should be updated to reflect changes incurred as a result of charges now being directly charged to the division.

- **Actual Charges**

On a quarterly basis, although not in line with the calendar quarter ends PacifiCorp and PPM will be invoiced with their appropriate share of Group Corporate Costs, with accruals being posted for the interim months. The charges will be reported through their statutory accounts.

INF and UKD will receive notification of their Group Corporate recharge via a quarterly accrual, which will be invoiced on an annual basis.

The invoice will be supported by an analysis of the charge necessary to comply with appropriate regulatory requirements.

Any disputes with the invoiced amounts will be resolved before the next quarter through liaison between the Divisional and Group Corporate finance teams. Unresolved disputes will be arbitrated by the Group Corporate Controller.

- **Apportionment Details**

All apportioned costs both salary and non salary will be respread across the four divisions using the basket of indicators as detailed in Section III.

- **Taxation**

Both the UK and US tax codes contain similar provisions regulating the taxability of cross charges within international groups. Their basic philosophy is that, for tax purposes, the parties should deal with each other on an arms-length basis irrespective of the amount that they actually charge each other.

US regulatory rules
In the context of ScottishPower this means that recharges between the UK and US companies should take place at cost. In the context of ratemaking, the Company will demonstrate the lower of cost or market value.

Taxation rules
The only issue arises in respect of internal labour and other internal costs where the tax rules would look for these to be recharged at market value. It is, however, recognised that the application of a mark up to produce an approximation to market value would produce a conflict with the requirements of the US regulatory regime. Since regulatory or other constraints prevent the charging of a mark up an adjustment may be necessary in the tax computation of the charging company to add it to taxable profits to produce a corresponding increase in the tax charge. Similarly if the mark up was too great then the paying company may be denied relief for the amount that is considered to exceed market value. The exact level of mark up for tax computation purposes is a matter for negotiation with the relevant fiscal authorities.

VII. Corporate Cost Control

Ongoing control, reporting and quarterly recharging of all Group Corporate costs are managed by the Group Corporate Controller.

Application of this policy and ongoing compliance with its content will be administered and managed by the Group Corporate Controller.

VIII. Change control process

The Group Corporate Controller will be responsible for the ongoing administration of this policy. **Individuals within Group Corporate and the divisions have a duty to advise of any alterations to their own or team details.**

Any changes to the individuals listed on the attached appendices should be advised to the Group Corporate Controller who will seek approval from the Director, Performance Management and Control.

IX. Divisional costs being transferred to Group Corporate

Costs incurred by the divisions will not be reallocated to the Group Corporate Centre.

Exceptions to this are where employees are identified as having a Group role but reside within a US division. Only their UK portion of their salary costs and any other related costs, which have received prior approval from the Group Corporate Controller, will be transferred to Group Corporate for allocation between the INF and UKD.

A listing of employees identified as undertaking a Group Corporate role but residing within a business is included within Appendix 3.

Subsequent changes to this list will be managed through a change control process detailed in Section VIII.

US based employees who are recognised, as having this Group Corporate role will be issued with UK Credit Cards, to cover their UK travel and expenses.

X. Joint purchasing

This policy does not prohibit or indeed remove the potential benefits derived from joint purchasing. However, joint purchases must comply with all legal, regulatory and governance policies in both the UK and US. In addition, vendors must be instructed to issue the divisions with separate invoices

XI. Key Contacts

Director, Performance Management & Control 44 141 566 4632	Heather Chalmers Heather.Chalmers@ScottishPower.com
Group Corporate Controller 44 141 566 4693	Susan Logan Susan.Logan@ScottishPower.com
Corporate Accountant 44 141 566 4722	Valerie Sim Valerie.Sim@ScottishPower.com
Group Corporate HR – International Assignees 44 141 566 4643	Elaine Campbell Elaine.Campbell@ScottishPower.com
ITBS – Financial Manager 44 141 700 3703	John Kelly John.Kelly@ScottishPower.com
CBS –Financial Controller 9 001 503 813 6001	Kathryn Hymas Kathryn.Hymas@PacifiCorp.com
PPM –Director, Finance 9 001 503 813 5654	Scott Jacobson Scott.Jacobson@PPMEnergy.com

Appendix 1

Billing Addresses

PPW	**PacifiCorp** **Attn: Cost Recovery Accounting, LCT 19** PO Box 3040 Portland, Oregon 97208
PPM	**PPM Energy Inc** 650 NE Holladay, Suite 700 Portland Oregon 97232
UK Wires	**Power Systems Head Office** Accounts Payable Section Avondale House Phoenix Crescent Strathclyde Business Park Bellshill ML4 3NJ
UK Division	**UK Division Shared Service** Accounts Payable Section Cathcart Business Park Spean Street Glasgow, G44 4BE
Group Corporate	**ScottishPower** 1 Atlantic Quay Glasgow, G2 8SP
ITBS	**ITBS** Data Centre Cathcart Business Park Spean Street Glasgow, G44 4BE

Appendix 2

Basket of indicators.

Group Corporate Finance will update this basket on an annual basis following publication of the statutory accounts.

ScottishPower plc
Corporate Costs - calculation of percentages for respreading pool of common costs.

Total turnover is based on 2002/03 actuals
Wholesale Revenue is excluded from Turnover
Operating profit pre goodwill amortisation and exceptionals (based on 2002/03 actuals)
Losses converted to positives to avoid negative cost allocation (e.g. generation)
Net assets at March 2003 based on SSAP25
Allocations calculated on net assets with all negative net assets converted to positives to avoid negative cost allocation (SP Trading Ltd)
Employee numbers based on headcount at Q4 03

Legal Entity	Turnover	%	Op. profit	%	Net assets	%	Emp. Nos	%	Respread %	Recharge
PacifiCorp										
Infrastructure										
SP Distribution Ltd										
SP Transmission Ltd										
SP Gas										
SP Manweb plc										
SP Power Systems Ltd										
UK Division										
SP Generation Ltd										
SP Energy Retail										
SP Dataserve Ltd										
SP Trading Ltd										
PPM (Inc PECL)										
Total for recharge calculation										
PacifiCorp										
Infrastrusture										
UK Division										
PPM (Inc PECL)										

Appendix 3

Employees identified as having a Group role but residing within a business.

Employee	Host Division	Group Function
M Pittman	PacifiCorp	HR
J Fryer	PacifiCorp	Finance – Credit Risk
B Klein	PacifiCorp	Finance- Group Energy
R Sherrard	PacifiCorp	External Communications
D McDonald	PacifiCorp	HR Learning & Development

Appendix 4

UK based employees who will have a T&E card.

Department	Name	PacifiCorp budget centre
Board	Charles Miller Smith	TBA
ET	Ian Russell	TBA
	David Nish	
	James Stanley	
	Dominic Fry	
	Andrew Mitchell	
	Simon Lowth	
External Reporting	Keith Cochrane	David Mendez
	Stuart MacDonald	
Performance Management and Control	Heather Chalmers	Brian Galloway
	Robert McKenzie	
	June Dickson	
Taxation	Heather Self	Larry Martin
	Robert MacDonald	
	Stewart Wood	
Treasury	Adrian Coats	Bruce Williams
	Donald Wright	
Internal Audit	New Director of IA	Stephen Cairns
Human Resources	Steve Dunn	Linda Wah
	Sandy Begbie	
	Nigel Johnson	
	Colin Duthie	
	David Ambercrombie	
	Jack Kelly	
	George Kirk	
Risk / Insurance	Stephen Henderson	Bob Klein
	Jacqueline Redmond	
Communications	Andrew Jamieson	Rachel Sherrard
	Ann Hood	
	Malcolm Scott	
Strategy	Sheelagh Duffield	Andy MacRitchie
	Iain Patterson	
	Rod Morrison	
	Fred Dinning	
Secretarial	Alan McCullough	
	Elaine Ferguson	
	Donald McPherson	
	Gordon Irving	

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

PACIFICORP

COMPLIANCE FILING EXHIBIT NO. 4

Corporate Cost Control

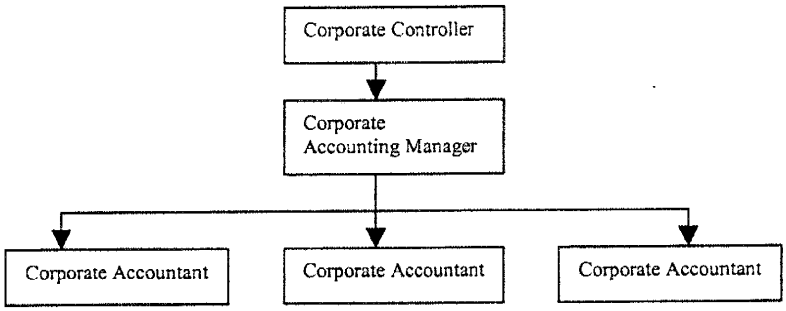
September 2003

Corporate Cost Control

Internal Control Overview

Corporate Controller Team

Corporate Costs are managed by the following team who report to the Director, Performance Management and Control.



Monthly Reports

To support this experienced and qualified team in controlling the Corporate Costs a series of monthly reports, page 3, are produced which provide a regular overview of the costs being incurred.

Ownership of the Corporate Costs is the responsibility of each Executive Team Functional Director, being the key recipients of the monthly reports. The Corporate Controller team support the Corporate Directors manage their costs through regular dialogue to discuss the actual, budget and forecast costs being reported thus a regular and timely analysis of the costs is maintained. Reports to support the costs are always supported by a narrative, which explains the reasons for the variances and the corrective action being taken to address any variances from budget. Regular feedback is requested from the recipients of the reports to ensure they continue to achieve their objective of assisting them in managing the cost profile of their department.

The Executive Team report contains a separate Corporate Centre Cost Report reviewed at the monthly Executive Team meeting which is chaired by the Chief Executive. This report provides the whole Executive Team with an up to date position of the costs incurred reasons for variances and a year-end forecast position.

Corporate Function Scorecards

All Corporate Function scorecards, which are produced monthly, are reported in the Executive Team Report, include a metric, which has the following components:

Value Lever: Control operating expenditure
Objective: Cost effectiveness of the Corporate Function
Metric: Corporate Function Expenditure Vs Budget

This level of review is indicative of the continual focus, which Group Corporate applies to its cost base.

Levels of Authorisation

Two other control policies, which apply to all Corporate Costs, are the Expenses and Authorisation Limits policies, which follow normal company procedures of explaining what type and level of costs can be incurred for expenses and for each individual their level of authorisation.

Prior to processing the payment of all expenses and Corporate Costs authorisations are confirmed by the Banking Section to ensure appropriate manager's approval has been sought and that the costs do not exceed their level of authority.

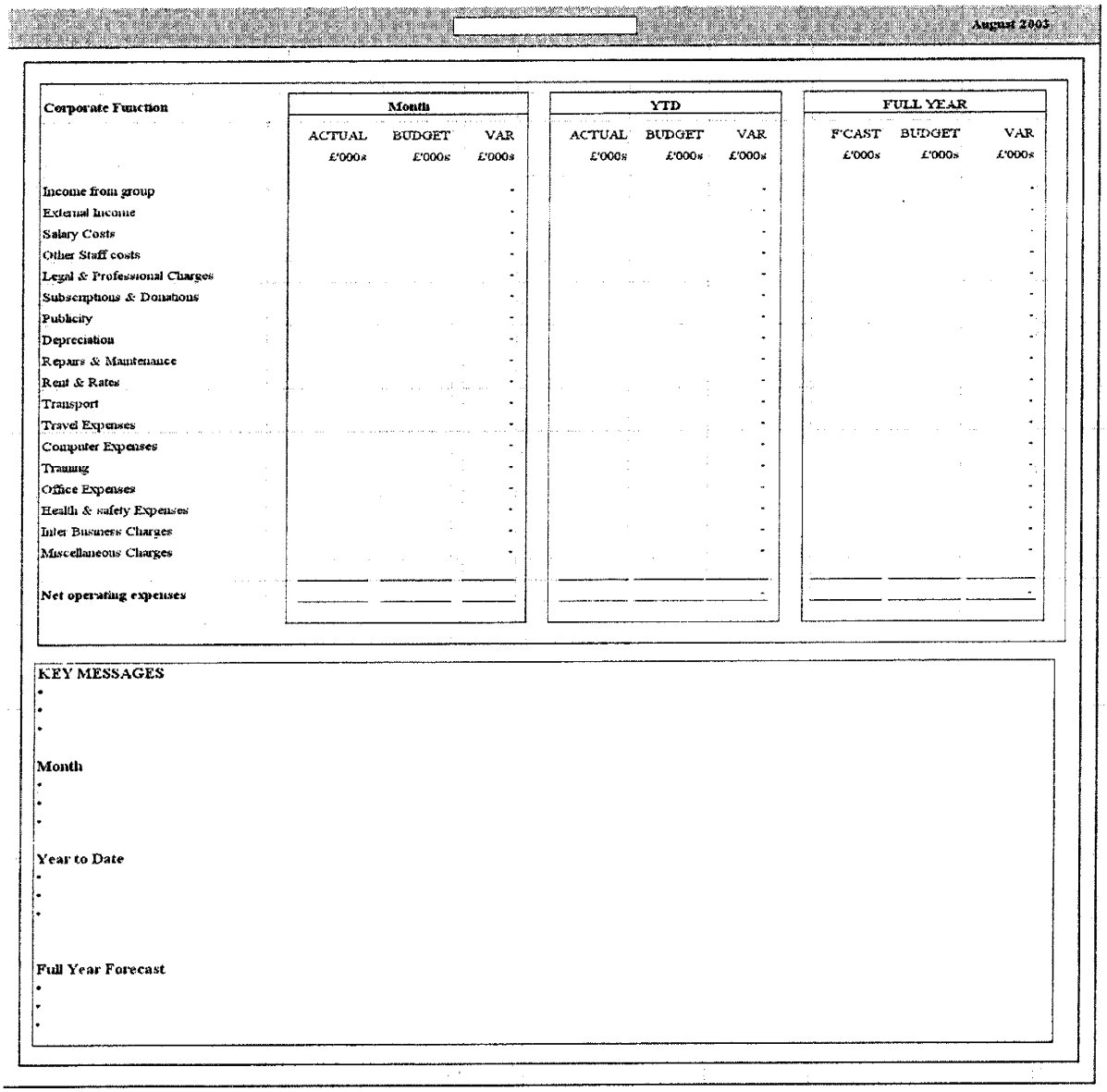
Payroll Costs

Payroll expenses account for around 50% of the Corporate Costs. All payroll charges are controlled by a series of separate monthly reconciliations undertaken by the Corporate Controller team. In addition any changes to the payroll listing are strictly controlled and monitored by the Group Human Resources Department who have an internal level of authorisation which is adhered to depending on the nature of the update.

External Audit Review

On a quarterly basis an External Audit review of the Corporate Centre financial records is undertaken by PWC. Their work covers a review of the whole financial statements of the Corporate Centre to ensure compliance with all the internal and external controls. From an External review perspective the Corporate Centre is treated like a Business Unit, with a dedicated team being responsible for applying the same level of scrutiny.

Attachment 1



August 2003

Corporate Function	Month			YTD			FULL YEAR		
	ACTUAL £'000s	BUDGET £'000s	VAR £'000s	ACTUAL £'000s	BUDGET £'000s	VAR £'000s	F'CAST £'000s	BUDGET £'000s	VAR £'000s
Income from group			-			-			-
External Income			-			-			-
Salary Costs			-			-			-
Other Staff costs			-			-			-
Legal & Professional Charges			-			-			-
Subscriptions & Donations			-			-			-
Publicity			-			-			-
Depreciation			-			-			-
Repairs & Maintenance			-			-			-
Rent & Rates			-			-			-
Transport			-			-			-
Travel Expenses			-			-			-
Computer Expenses			-			-			-
Training			-			-			-
Office Expenses			-			-			-
Health & safety Expenses			-			-			-
Inter Business Charges			-			-			-
Miscellaneous Charges			-			-			-
Net operating expenses			-			-			-

KEY MESSAGES

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Month

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Year to Date

•
•
•

Full Year Forecast

•
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•

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