

June 1, 2007

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Mail Stop: FY-11/7250
Olympia, WA 98504-7250

Attn: Carole Washburn
Executive Secretary

RE: **Docket No. UE-051090**
Compliance Filing Pursuant to Commitment 49 of Stipulation Appendix A,
Consolidated List of Commitments

Dear Ms. Washburn:

MidAmerican Energy Holdings Company ("MEHC") and PacifiCorp submit to the Washington Utilities & Transportation Commission ("Commission") an original and two (2) copies of PacifiCorp's Annual Report of Status of Commitments ("Status Report"). This Status Report is being provided to meet General Commitment 49, pursuant to Order 07 issued in Docket UE-051090 granting approval of the acquisition of PacifiCorp by MidAmerican Energy Holdings Company, issued March 10, 2006, in the referenced proceeding.

The Commission approved the acquisition of PacifiCorp by MEHC, subject to a Consolidated List of Commitments specified in a settlement agreement supported by all parties to the proceeding. Included in this consolidated list is MEHC's and PacifiCorp's commitment regarding the filing of the enclosed Status Report. The commitment states:

49) Reporting on Status of Commitments:

By June 1, 2007 and each June 1 thereafter through June 1, 2011, PacifiCorp will file a report with the Commission regarding the implementation of the Commitments. The report will, at a minimum, provide a description of the performance of each of the commitments that have quantifiable results. If any of the commitments is not being met, relative to the specific terms of the commitment, the report shall provide proposed corrective measures and target dates for completion of such measures. PacifiCorp will make publicly available at the Commission non-confidential portions of the report.

MEHC and PacifiCorp take the acquisition commitments very seriously. Fulfillment of the commitments in a thorough and timely manner is one of our highest priorities. The commitments are monitored for progress and compliance on a routine basis with status reporting provided to senior management.

You will note on the enclosed Status Report that the status of the commitments have been identified as "ongoing compliance" or "complete." Many of those commitments identified as "ongoing compliance" are of an on-going nature and do not have an expiration or completion date. For those commitments PacifiCorp has developed policies, procedures, or processes to ensure compliance as part of the Company's daily operations. Other commitments that are identified as "ongoing compliance" are project-related and the status will be reported as "complete" once the project has been completed. To date, 68 commitments across PacifiCorp's six-states have been completed. Of these 68 completed commitments, 6 are applicable to Washington and have been noted as "complete" on the Status Report.

By copy of this letter, other parties to the proceeding are being provided notice of this filing.

It is respectfully requested that all formal correspondence and Staff requests regarding this filing be address to the following:

By e-mail (preferred): datarequest@pacificorp.com

By facsimile: (503) 813-6060

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

If there are informal inquiries concerning the filing, please contact Shay LaBray, Regulatory Manager, at (503) 813-6176.

Sincerely,



Andrea L. Kelly
Vice President, Regulation

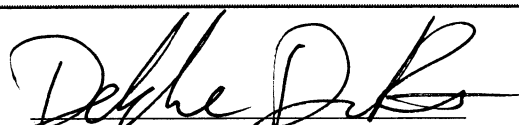
Enclosure

cc: Service List UE-051090 (w/out enclosure)

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of June, 2007, I caused to be served, via E-mail, if address available or U.S. Mail a true and correct copy of the Cover Letter regarding PacifiCorp's Annual Report of Status of Commitments (Commitment 49) in Docket No. UE-051090 to the following:

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Debbie DePetris
Regulatory Analyst

**MidAmerican Energy Holdings Company and PacifiCorp
Annual Report of Status of Commitments
To the Washington Utilities and Transportation Commission
For the Period March 21, 2006 through March 31, 2007**

GENERAL COMMITMENTS

General Commitment Number	Commitment Description	Status	Status Description
1	MEHC and PacifiCorp affirm the continuation (through March 31, 2008) of the existing customer service guarantees and performance standards in each jurisdiction. MEHC and PacifiCorp will not propose modifications to the guarantees and standards prior to March 31, 2008. Refer to Commitment 45 for the extension of this commitment through 2011.	Ongoing compliance	No change will be made to the customer guarantees and performance standards prior to March 31, 2008.
2	Penalties for noncompliance with performance standards and customer guarantees shall be paid as designated by the Commission and shall be excluded from results of operations. PacifiCorp will abide by the Commission's decision regarding payments.	Ongoing compliance	Customer guarantee failure payments are made directly to customers as agreed by commissions and are excluded from results of operation.
3	PacifiCorp will maintain its own accounting system, separate from MEHC's accounting system. All PacifiCorp financial books and records will be kept in Portland, Oregon. PacifiCorp's financial books and records and state and federal utility regulatory filings and documents will continue to be available to the Commission, upon request, at PacifiCorp's offices in Portland, Oregon, Salt Lake City, Utah, and elsewhere in accordance with current practice.	Ongoing compliance	No additional steps required at the PacifiCorp level. Company currently maintains its own SAP accounting system, which is separate from MEHC's systems.
4	MEHC and PacifiCorp will provide the Commission access to all books of account, as well as all documents, data, and records of their affiliated interests, which pertain to transactions between PacifiCorp and its affiliated interests or which are otherwise relevant to the business of PacifiCorp. This commitment is also applicable to the books and records of Berkshire Hathaway, which shall retain its books and records relevant to the business of PacifiCorp consistent with the manner and time periods of the Federal Energy Regulatory Commission's record retention requirements that are applicable to PacifiCorp's books and records.	Ongoing compliance	No additional steps required at the PacifiCorp level. Company currently applies the Federal Energy Regulatory Commission's record retention requirement.
5	MEHC, PacifiCorp and all affiliates will make their employees, officers, directors, and agents available to testify before the Commission to provide information relevant to matters within the jurisdiction of the Commission.	Ongoing compliance	Agreed per signed stipulation.
6	The Commission or its agents may audit the accounting records of MEHC and its subsidiaries that are the bases for charges to PacifiCorp, to determine the reasonableness of allocation factors used by MEHC to assign costs to PacifiCorp and amounts subject to allocation or direct charges. MEHC agrees to cooperate fully with such Commission audits.	Ongoing compliance	The MEHC general ledger and the general ledger of each subsidiary reflect and track all inter-company activity (both direct charges and allocations) and are supported with detail transactions (journal entry, positive time reporting, vouchers, etc.) MEHC and subsidiaries are maintaining support files for allocation factors supporting inter-company billings. The MEHC and subsidiaries general ledgers reflect all inter-company transactions as required by the IASA.
7	MEHC and PacifiCorp will comply with all applicable Commission statutes and regulations regarding affiliated interest transactions, including timely filing of applications and reports.	Ongoing compliance	Agreed per signed stipulation. See also status of General Commitments 8 and 13.

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8	PacifiCorp will file on an annual basis an affiliated interest report including an organization chart, narrative description of each affiliate, revenue for each affiliate and transactions with each affiliate.	Ongoing compliance	Affiliated interest report was filed on August 25, 2006. The next report is due May 30, 2007.
9	PacifiCorp and MEHC will not cross-subsidize between the regulated and non-regulated businesses or between any regulated businesses, and shall comply with the Commission's applicable orders and rules with respect to such matters.	Ongoing compliance	IASA acknowledging this commitment was executed on March 30, 2006; and filed on March 30, 2006.
10	Due to PUHCA repeal, neither Berkshire Hathaway nor MEHC will be registered public utility holding companies under PUHCA. Thus, no waiver by Berkshire Hathaway or MEHC of any defenses to which they may be entitled under <i>Ohio Power Co. v. FERC</i> , 954 F.2d 779 (D.C. Cir.), cert. denied sub nom. <i>Arcadia v. Ohio Power Co.</i> , 506 U.S. 981 (1992), is necessary to maintain the Commission's regulation of MEHC and PacifiCorp. However, while PUHCA is in effect, Berkshire Hathaway and MEHC waive such defenses.	Ongoing compliance	Agreed per signed stipulation.
11	a) Any diversified holdings and investments (e.g., non-utility business or foreign utilities) of MEHC following approval of the transaction will not be held by PacifiCorp or a subsidiary of PacifiCorp. This condition will not prohibit MEHC or its affiliates other than PacifiCorp from holding diversified businesses. b) Ring-fencing provisions for PPW Holdings LLC will include the provisions in Appendix 1. These provisions have been derived from those in effect for NINGC Acquisition, LLC as of December 1, 2005.	Ongoing compliance	a) Agreed per signed stipulation; action not required unless specified activities occur. b) The PPW Holdings LLC agreement with provisions consistent with Appendix 1 was executed on March 15, 2006.
12	PacifiCorp or MEHC will notify the Commission subsequent to MEHC's board approval and as soon as practicable following any public announcement of: (1) any acquisition of a regulated or unregulated business representing 5 percent or more of the capitalization of MEHC; or (2) the change in effective control or acquisition of any material part or all of PacifiCorp by any other firm, whether by merger, combination, transfer of stock or assets.	Ongoing compliance	Agreed per signed stipulation. No such notifications needed to date.
13	The Inter-company Administrative Services Agreement (IASA) will include the corporate and affiliate cost allocation methodologies. The IASA will be filed with the Commission as soon as practicable after the closing of the transaction. Approval of the IASA will be requested if required by law or rule, but approval for ratemaking purposes will not be requested in such filing. Refer to Commitment 14 (f). Amendments to the IASA will also be filed with the Commission.	Ongoing compliance	IASA acknowledging this commitment was executed on March 30, 2006; and filed on March 30, 2006.
14	Any proposed cost allocation methodology for the allocation of corporate and affiliate investments, expenses, and overheads, required by law or rule to be submitted to the Commission for approval, will comply with the following principles: a) For services rendered to PacifiCorp or each cost category subject to allocation to PacifiCorp by MEHC or any of its affiliates, MEHC must be able to demonstrate that such service or cost category is necessary to PacifiCorp	Ongoing compliance	IASA filed in 13 above contained provisions required by 14a-14f.

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	<p>for the performance of its regulated operations, is not duplicative of services already being performed within PacifiCorp, and is reasonable and prudent.</p> <p>b) Cost allocations to PacifiCorp and its subsidiaries will be based on generally accepted accounting standards; that is, in general, direct costs will be charged to specific subsidiaries whenever possible and shared or indirect costs will be allocated based upon the primary cost-driving factors.</p> <p>c) MEHC and its subsidiaries will have in place positive time reporting systems adequate to support the allocation and assignment of costs of executives and other relevant personnel to PacifiCorp.</p> <p>d) An audit trail will be maintained such that all costs subject to allocation can be specifically identified, particularly with respect to their origin. In addition, the audit trail must be adequately supported. Failure to adequately support any allocated cost may result in denial of its recovery in rates.</p> <p>e) Costs which would have been denied recovery in rates had they been incurred by PacifiCorp regulated operations will likewise be denied recovery whether they are allocated directly or indirectly through subsidiaries in the MEHC group.</p> <p>f) Any corporate cost allocation methodology used for rate setting, and subsequent changes thereto, will be submitted to the Commission for approval if required by law or rule.</p>		
15	MEHC and PacifiCorp commit that PacifiCorp will maintain separate debt and preferred stock, if any. PacifiCorp will maintain its own corporate credit rating, as well as ratings for long-term debt and preferred stock, from Moody's and S&P or their successor rating agencies.	Ongoing compliance	PacifiCorp continues to have ratings for long-term debt and preferred stock from Moody's and S&P.
16	MEHC and PacifiCorp will exclude all costs of the transaction from PacifiCorp's utility accounts. Within 90 days following completion of the transaction, MEHC will provide a preliminary accounting of these costs. Further, MEHC will provide the Commission with a final accounting of these costs within 30 days of the accounting close.	COMPLETE	The preliminary report of transaction costs was filed in Washington on June 16, 2006. The final accounting of the transaction costs was filed on January 30, 2007--30 days from the year-end accounting close.
17	MEHC and PacifiCorp will provide the Commission with unrestricted access to all written information provided by and to credit rating agencies that pertains to PacifiCorp or MEHC. Berkshire Hathaway and MEHC will also provide the Commission with unrestricted access to all written information provided by and to credit rating agencies that pertains to MEHC's subsidiaries to the extent such information may potentially impact PacifiCorp.	Ongoing compliance	Rating agency materials are available upon request. See also state-specific commitment Wa21.
18	a) MEHC and PacifiCorp commit that PacifiCorp will not make any dividends to PPW Holdings LLC or MEHC that will reduce PacifiCorp's common equity capital below the following percentages of its Total Capital without Commission approval: 48.25% from the date of the close of the transaction through December 31, 2008; 47.25% from January 1, 2009, through December 31, 2009; 46.25% from January 1, 2010 through December 31, 2010; 45.25% from January 1, 2011 through December 31, 2011;	Ongoing compliance	PacifiCorp Dividend Policy has been implemented to ensure proper procedures are followed with each dividend including verification that the common equity capital requirement is met. Accounting calculates PacifiCorp common equity capital to total capital on a monthly basis and reports to Treasury. No distributions have been made by PacifiCorp to PPW Holdings LLC or MEHC.

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	<p>44.00% after December 31, 2011.</p> <p>b) PacifiCorp's Total Capital is defined as common equity, preferred equity and long-term debt. Long-term debt is defined as debt with a term of more than one year. For purposes of calculating the numerator of the percentage, common equity will be increased by 50% of the remaining balance of preferred stock that was in existence prior to the acquisition of PacifiCorp by MEHC. PacifiCorp and MEHC will work with Commission Staff to determine a percentage of common equity credit to apply to preferred stock issued by PacifiCorp after the acquisition of PacifiCorp by MEHC. In the absence of such an agreement between Commission Staff and the Companies, MEHC and PacifiCorp agree to treat new issuances of preferred stock as 100% debt, unless a Commission order approves a different percentage.</p> <p>c) MEHC and PacifiCorp commit that PacifiCorp will not make any dividends to PPW Holdings LLC or MEHC that will reduce PacifiCorp's common equity capital below 35% of its Total Adjusted Capital without Commission approval. For purposes of calculating the numerator of the percentage, common equity will not include any portion of PacifiCorp preferred stock issued and outstanding. PacifiCorp's Total Adjusted Capital is defined as common equity, preferred equity, long-term debt, short-term debt and capitalized lease obligations.</p> <p>d) The Commission, on its own motion or at the request of any party, may reexamine the minimum common equity percentages as financial conditions or accounting standards warrant.</p>		
19	<p>The capital requirements of PacifiCorp, as determined to be necessary to meet its obligation to serve the public, will be given a high priority by the Board of Directors of MEHC and PacifiCorp.</p>	Ongoing compliance	<p>For 2006, MEHC has made equity infusions totaling \$215 million. Projections for equity infusions for 2007 are to make \$100m capital contributions in June and December.</p>
20	<p>MEHC and PacifiCorp commit that neither PacifiCorp nor its subsidiaries will, without the approval of the Commission, make loans or transfer funds (other than dividends and payments pursuant to the IASA) to MEHC, Berkshire Hathaway or their respective subsidiaries, or assume any obligation or liability as guarantor, endorser, surety or otherwise for MEHC, Berkshire Hathaway or their respective subsidiaries; provided that this condition will not prevent PacifiCorp, to the extent allowed by law, from making loans or transferring funds to a subsidiary of PacifiCorp or assuming any obligation or liability on behalf of a subsidiary of PacifiCorp. MEHC and Berkshire Hathaway will not pledge any of the assets of the business of PacifiCorp as backing for any securities which MEHC, Berkshire Hathaway or their respective subsidiaries, but excluding PacifiCorp and its subsidiaries, may issue.</p>	Ongoing compliance	<p>Agreed per signed stipulation.</p>
21	<p>MEHC and PacifiCorp will not advocate for a higher cost of capital as compared to what PacifiCorp's cost of capital would have been, using Commission standards, absent MEHC's ownership.</p>	Ongoing compliance	<p>The cost of capital in filed testimony in Docket No. UE-061546 was determined on a stand alone basis and was not higher due to the acquisition by MEHC.</p>
22	<p>[This Commitment number has intentionally been left blank. Commitment 22 is not available if a state selects Washington-specific Commitment Wa 7.]</p>	Intentionally left blank	<p>This commitment number has been intentionally left blank.</p>

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23	PacifiCorp will continue a Blue Sky tariff offering in all states. PacifiCorp will continue to support this offering through innovative marketing, by modifying the tariff to reflect the developing green power market and by monitoring national certification standards.	Ongoing compliance	PacifiCorp continues to offer and promote its Blue Sky program. Promotions have been done through twice yearly business reply envelopes for all customers, mailings to new construction customers, targeted mailings, direct contact by regional personnel, press releases, print ads, and annual thank you letters to existing participants. Customer participants receive an acknowledgement/recognition in the form of enrollment letters, window decals, and educational materials for residential participants; non-residential participants received recognition plaques, certificates and window decals. In March 2007, the company affirmed its commitment to the program by filing revised tariffs recognizing the developing green power market by expanding the definition of Renewable Energy based on continual monitoring of national certification standards.
24	PacifiCorp will continue its commitment to gather outside input on environmental matters, such as through the Environmental Forum.	Ongoing compliance	On an on-going basis, PacifiCorp is an active participant in the following which provide opportunities for PacifiCorp to gather outside input on specific environmental matters: Big Sky Carbon Sequestration Partnership (BSCSP), California Climate Action Registry (CCAR), Center for Energy Efficiency and Renewable Technologies (CEERT), Northwest Power & Conservation Council, Oregon Carbon Allocation Task Force (CATF), Oregon Renewable Energy Working Group (REWG), Utah Energy Forum, Utah Clean Energy, Utah Wind working group, Western Regional Air Partnership Stationary Source Joint Forum (WRAP), and the Western Renewable Energy Generation Information System (WREGIS) working group. PacifiCorp leads opportunities that include the Integrated Resource Plan (IRP) public input meetings, the Integrated Gasification Combined-Cycle (IGCC) working group, and the Global Climate Change (GCC) working group. Participants in the Environmental Forum are being notified of PacifiCorp's decision to disband the official Environmental Forum.
25	PacifiCorp will continue to have environmental management systems in place that are self-certified to ISO 14001 standards at all PacifiCorp operated thermal generation plants.	Ongoing compliance	PacifiCorp Energy's Headquarters (North Temple), Carbon plant, Dave Johnston plant, Gadsby plant, Hunter plant, Huntington plant, Jim Bridger plant, Naughton plant and Wyodak plant received ISO 14001 registration on August 8, 2006. On February 15, 2007, ISO 14001 registration was continued for a six-month period. At that time the West Valley Plant was added to the plants included in the registered fleet. External audits are to be conducted every 6 months.
26	MEHC will maintain at least the existing level of PacifiCorp's community-related contributions, both in terms of monetary and in-kind contributions. The distribution of PacifiCorp's community-related contributions among the states will be done in a manner that is fair and equitable to each state.	Ongoing compliance	PacifiCorp maintains its level of support for community-related contributions. Expenditures are tracked throughout the year to ensure that the Company is making equitable allocations. Contributions at the end of the 12-month period April 1, 2005 through

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			<p>March 31, 2006 were \$1,506,926.</p> <p>Contributions for the nine-month period April 1, 2006 through December 31, 2006, were \$1,815,856.</p> <p>From January 1 through March 31, 2007, the contributions have totaled \$522,889.</p>
27	MEHC will continue to consult with regional advisory boards to ensure local perspectives are heard regarding community issues.	Ongoing compliance	The Pacific Power regional advisory board met on July 18, 2006 and January 24, 2007. The next Pacific Power Regional Advisory Board meeting is scheduled for July 25, 2007.
28	MEHC will honor PacifiCorp's existing labor contracts.	Ongoing compliance	<p>Labor relations personnel met with the presidents of Pacific Power, Rocky Mountain Power, and PacifiCorp Energy and reviewed the existing labor agreements. All agreements are being honored.</p> <p>The following Collective Bargaining Agreements were in existence on 3/21/2006 with PacifiCorp:</p> <p>IBEW local 57 power supply (expired 5/25/06). Ratified new collective bargaining agreement November 1, 2006, expires May 25, 2009. COMPLETE</p> <p>IBEW local 57 combustion turbine (expires 5/25/07) - currently in good faith negotiations.</p> <p>IBEW Local 57 power delivery agreement expires 1/26/09.</p> <p>IBEW Local 57 Laramie agreement expires 6/26/09.</p> <p>IBEW Local 125, effective 1/26/2006, expires 1/25/08 with a wage re-opener on 1/26/2007. Voted in favor, wage re-opener implemented. New wages have been implemented COMPLETE</p> <p>IBEW Local 659, effective 4/26/2004, expires 4/25/07. Negotiations commenced 3/5/2007 and continue. Presently the agreement remains in full force and effect.</p> <p>UWUA Local 197, effective 3/26/2007, expires 5/25/2009 due to two year contract extension reached prior to 3/21/2006.</p>
29	After the closing of the transaction, MEHC and PacifiCorp will make no unilateral changes to employee benefit plans prior to May 23, 2007 that would result in the reduction of employee benefits.	Ongoing compliance	Since the close of the transaction, there have been no unilateral changes to the employee benefit plans. Non-represented employees were notified in December of benefit plan changes which will become effective June 1, 2007. The changes are being made in order for the company to be in line with the marketplace as well as to be aligned with other MidAmerican Energy Holdings Company business platforms.

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30	PacifiCorp will continue to produce Integrated Resource Plans according to the then current schedule and the then current Commission rules and orders.	Ongoing compliance	In accordance with Order 01 in Docket UE-070117, Pacific Power will file a draft of PacifiCorp's 2006 Integrated Resource Plan by April 20, 2007 and filed PacifiCorp's final 2007 Integrated Resource Plan by May 30, 2007. PacifiCorp's 2008 IRP will be filed by January 20, 2009.
31	When acquiring new generation resources in excess of 100 MW and with a dependable life of 10 or more years, PacifiCorp and MEHC will issue Requests for Proposals (RFPs) or otherwise comply with state laws, regulations and orders that pertain to procurement of new generation resources for PacifiCorp.	Ongoing compliance	Refer to General Commitment 39.
32	Nothing in these acquisition commitments shall be interpreted as a waiver of PacifiCorp's or MEHC's rights to request confidential treatment for information that is the subject of any commitments.	Ongoing compliance	Agreed per signed stipulation; action not required unless specified activities occur.
33	Unless otherwise specified by Commission regulations or applicable statute, the Commission shall give MEHC and PacifiCorp written notification of any violation by either company of the commitments made in this application. If such failure is corrected within ten (10) business days for failure to file reports, or five (5) business days for other violations, the Commission shall take no action. MEHC or PacifiCorp may request, for cause, an extension of these time periods. If MEHC or PacifiCorp fails to correct such violations within the specified time frames, as modified by any Commission-approved extensions, the Commission may seek to assess penalties for violation of a Commission order, against either MEHC or PacifiCorp, but not both, as allowed under state laws and regulations.	Ongoing compliance	Agreed per signed stipulation; action not required unless specified activities occur.
34	<p>MEHC and PacifiCorp have identified transmission projects that MEHC and PacifiCorp believe will enhance reliability, facilitate the receipt of renewable resources, or enable further system optimization. Subject to permitting and the availability of materials, equipment and rights-of-way, MEHC and PacifiCorp commit to use their best efforts to achieve the following transmission system infrastructure improvements:</p> <ul style="list-style-type: none"> a) <u>Path C Upgrade (~\$78 million)</u> - Increase Path C capacity by 300 MW (from S.E. Idaho to Northern Utah). The target completion date for this project is 2010. MEHC and PacifiCorp assert that this project: <ul style="list-style-type: none"> • enhances reliability because it increases transfer capability between the east and west control areas, • facilitates the delivery of power from wind projects in Idaho, and • provides PacifiCorp with greater flexibility and the opportunity to consider additional options regarding planned generation capacity additions. b) <u>Mona - Oquirrh (~\$196 million)</u> - Increase the import capability from Mona into the Wasatch Front (from Wasatch Front South to Wasatch Front North). This project would enhance the ability to import power from new resources delivered at or to Mona, and to import from Southern California by "wheeling" over the Adelanto DC tie. The target completion date for this project is 2011. MEHC and PacifiCorp assert that this project: 	Ongoing compliance	<ul style="list-style-type: none"> a) In March 2007 a facility study was completed evaluating both a 138 kV and 345 kV project. PacifiCorp has decided to pursue the 345 kV. A request will be submitted for management review to evaluate and select a preferred transmission line route and develop a project estimate for a double-circuit 345-kilovolt line from a future International Substation in Utah to the future Populus substation that will be located near Downey, Idaho. Rights-of-way acquisition activities have been started in the densely populated southern portion of the project. b) Mona - Oquirrh. The West Jordan staff continues to review the Conditional Use Permit application for the Oquirrh substation. PacifiCorp is executing a Memorandum of Understanding with the Bureau of Land Management for the preparation and review of the Environmental Impact Study required for the transmission line. The Bureau of Land Management selected Environmental Planning Group, Inc. (as the third party consultant to write the Environmental Impact Study. c) Walla Walla - Yakima or Mid-C. The facility study is scheduled for completion in April 2007. This study will contain a scope of work, a cost estimate and a schedule to complete the project. Once the report is completed it will be presented to PacifiCorp's merchant group. PacifiCorp will proceed to apply for the necessary right-of-way

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	<ul style="list-style-type: none"> • enhances reliability by enabling the import of power from Southern California entities during emergency situations, • facilitates the acceptance of renewable resources, and • enhances further system optimization since it enables the further purchase or exchange of seasonal resources from parties capable of delivering to Mona. <p>c) Walla Walla - Yakima or Mid-C (~\$88 million) - Establish a link between the "Walla Walla bubble" and the "Yakima bubble" and/or reinforce the link between the "Walla Walla bubble" and the Mid-Columbia (at Vantage). MEHC and PacifiCorp assert that either of these projects presents opportunities to enhance PacifiCorp's ability to accept the output from wind generators and balance the system cost effectively in a regional environment. The target completion date for this project is 2010.</p>		<p>applications with the impacted County departments in Washington with a filing target during May 2007.</p>
35	<p>¹ It is possible that upon further review a particular investment might not be cost-effective, optimal for customers or able to be completed by the target date. If that should occur, MEHC pledges to propose an alternative to the Commission with a comparable benefit.</p> <p>MEHC and PacifiCorp make the following commitments to improve system reliability:</p> <ul style="list-style-type: none"> a) Investment in the Asset Risk Program of \$75 million over the three years, 2007-2009, b) Investment in local transmission risk projects across all states of \$69 million over eight years after the close of the transaction, c) O & M expense for the Accelerated Distribution Circuit Fusing Program across all states will be increased by \$1.5 million per year for five years after the close of the transaction, and d) extension of the O&M investment across all states for the Saving SAIDI Initiative for three additional years at an estimated cost of \$2 million per year. e) MEHC and PacifiCorp will support the Bonneville Power Administration in its development of short-term products such as conditional firm. No less than three months following the close of the transaction, PacifiCorp will initiate a process to collaboratively design similar short-term transmission products and will include stakeholders in this process. PacifiCorp will make every reasonable effort to complete a product by the end of 2008. f) PacifiCorp will continue to offer its Partial Interim Service product, and will make commercially reasonable efforts to offer transmission customers as much firm service as the Company's transmission studies show is available, including weeks within a month. PacifiCorp will also continue its OATT tariff provision that allows transmission customers to alter pre-scheduled transactions up to 20 minutes before the hour as long as such provision is consistent with established scheduling practices and does not jeopardize system reliability. PacifiCorp will notify parties to this proceeding if it proposes changes to these two elements of its OATT. 	Ongoing compliance	<ul style="list-style-type: none"> a) High-priority replacement equipment has been identified and incorporated in the Asset Risk Register and budget plans. For the period January through March 2007, \$15,216,552 of the \$75M commitment has been spent. b) Initial work on high priority N-1 projects has begun. For the period April 2006 through March 2007, \$605,948 of the \$69M commitment has been spent. c) For Fusing Improvement Projects for April through December 2006, actual funds spent were \$1,826,336. For the period January through March 2007, \$380,279 has been spent to date. d) For Saving SAIDI projects for April through December 2006, actual funds spent were \$2,437,125. For the period January through March 2007, \$2,083,357 has been spent to date. e) On June 16, 2006, PacifiCorp provided notice via email and posting on its OASIS describing the process that PacifiCorp intends to utilize to assess customer requirements and its ability to develop and offer a conditional firm product. <p>Stakeholder meetings were subsequently held in Portland October 6, 2006, and in Salt Lake City October 23, 2006. State government representation as well as potential interveners, major customers and transmission dependent utilities participated. In addition to discussing PacifiCorp's system and historical usage on several transmission paths, an overview of the differences between Bonneville Power Administration's system and PacifiCorp's system was discussed.</p> <p>On February 26, 2007, FERC issued Order 890 which requires PacifiCorp</p>

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36	<p>MEHC recognizes that it can and should have a role in addressing the critical importance of transmission infrastructure to the states in which PacifiCorp serves. MEHC also recognizes that some transmission projects, while highly desirable, may not be appropriate investments for PacifiCorp and its regulated customers. Therefore, MEHC commits its resources and leadership to assist PacifiCorp states in the development of transmission projects upon which the states can agree. Examples of such projects would be RMATS and the proposed Frontier transmission line.</p>	Ongoing compliance	<p>to study conditional firm options for customers who request transmission service. The product is mandated by the order. The Company is assessing the specifics around study requirements and operating requirements to insure PacifiCorp has the processes and systems in place to study and manage the required product.</p> <p>f) PacifiCorp continues to offer its Partial Interim Service product.</p> <p>MidAmerican Energy Holdings Company (MEHC) acknowledges and has demonstrated its commitment to the importance of the transmission infrastructure within PacifiCorp states. MEHC as part of a coalition of investor-owned utilities known as the Western Regional Transmission Expansion Partnership, in April 2006, signed a letter agreement with representatives of the governors of California, Wyoming, Utah and Nevada known as the Coordinating Commitment, to develop a feasibility report for the Frontier Line project. MEHC and PacifiCorp have remained active participants in the project, participating in numerous committee meetings, chairing subcommittee meetings, and developing and hosting the Partnership's website.</p>
37	<p>MEHC believes that PacifiCorp's incremental cost of long-term debt will be reduced as a result of the proposed transaction, due to the association with Berkshire Hathaway. Historically, MEHC's utility subsidiaries have been able to issue long-term debt at levels below their peers with similar credit ratings. MEHC commits that over the next five years it will demonstrate that PacifiCorp's incremental long-term debt issuances will be at a yield ten basis points below its similarly rated peers. If it is unsuccessful in demonstrating that PacifiCorp has done so, PacifiCorp will accept up to a ten (10) basis point reduction to the yield it actually incurred on any incremental long-term debt issuances for any revenue requirement calculation effective for the five-year period subsequent to the approval of the proposed acquisition. It is projected that this benefit will yield a value roughly equal to \$6.3 million over the post-acquisition five-year period.</p>	Ongoing compliance	<p>Peer group analysis was submitted on September 15, 2006 for the debt issued in August 2006. Analysis was filed as exhibits to William's testimony in general rate case Docket No. UE-061546.</p> <p>Long-term debt issuance on March 9, 2007 is being analyzed to determine if cost of the debt is 10 basis points below peers. Analysis will be submitted as exhibits in next general rate case.</p>
38	<p>[This Commitment number has intentionally been left blank. Commitment 38 is not available if a state selects Washington-specific Commitments Wa 4 and Wa 6.]</p>	Intentionally left blank	<p>This Commitment number has been intentionally left blank.</p>
39	<p>In Commitment 31, MEHC and PacifiCorp adopt a commitment to source future PacifiCorp generation resources consistent with the then current rules and regulations of each state. In addition to that commitment, for the next ten years, MEHC and PacifiCorp commit that they will submit as part of any commission approved RFPs for resources with a dependable life greater than 10 years and greater than 100 MW -- including renewable energy RFPs -- a 100 MW or more utility "own/operate" alternative for the particular resource. It is not the intent or objective that such alternatives be favored over other options. Rather, the option for PacifiCorp to own and operate the resource which is the subject of the RFP will enable comparison and evaluation of that</p>	Ongoing compliance	<p>The Company filed the draft RFP on July 11, 2006 and was advised by the Commission that it was not required to file in Washington due to the focus on east-side resources. The Company subsequently withdrew their filing.</p>

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40	<p>option against other viable alternatives. In addition to providing regulators and interested parties with an additional viable option for assessment, it can be expected that this commitment will enhance PacifiCorp's ability to increase the proportion of cost-effective renewable energy in its generation portfolio, based upon the actual experience of MEC and the "Renewable Energy" commitment offered below.</p> <p>a) MEHC reaffirms PacifiCorp's commitment to acquire 1400 MW of new cost-effective renewable resources, representing approximately 7% of PacifiCorp's load. MEHC and PacifiCorp commit to work with developers and bidders to bring at least 100 MW of cost-effective wind resources in service within one year of the close of the transaction.</p> <p>b) MEHC and PacifiCorp expect that the commitment to build the Walla-Walla and Path C transmission lines will facilitate up to 400 MW of renewable resource projects with an expected in-service date of 2010. MEHC and PacifiCorp commit to actively work with developers to identify other transmission improvements that can facilitate the delivery of cost-effective wind energy in PacifiCorp's service area.</p> <p>c) In addition, MEHC and PacifiCorp commit to work constructively with states to implement renewable energy action plans so as to enable PacifiCorp to achieve at least 1400 MW of cost-effective renewable energy resources by 2015. Such renewable energy resources are not limited to wind energy resources.</p>	Ongoing compliance	<p>With the acquisition of the 100.5 MW Leaning Juniper wind plant, MEHC and PacifiCorp have met the commitment to bring 100 MW of cost effective wind resource in service within one year of close.</p> <p>MEHC and PacifiCorp continue to study the route alternatives for new transmission lines associated with Path C and the Walla Walla line. Right-of-way applications will be filed and route permitting is expected to begin by summer.</p> <p>In September 2006, PacifiCorp filed a Preliminary Renewable Energy Action Plan to achieve the commitment to reach 1400 MW of cost effective renewable energy resources by 2015. An updated plan will be filed concurrent with PacifiCorp's 2006 Integrated Resource Plan scheduled to be filed by May 30, 2007.</p>
41	MEHC supports and affirms PacifiCorp's commitment to consider utilization of advanced coal-fuel technology such as super-critical or IGCC technology when adding coal-fueled generation.	Ongoing compliance	<p>Completed current feasibility and initial engineering studies for possible IGCC and SCPC resources additions at the Hunter and Jim Bridger sites. WorleyParsons final report was issued during week of June 19, 2006.</p> <p>A summary of the economic evaluation of IGCC and SCPC resource additions at Hunter and Jim Bridger plant sites was provided at the 'Request of Proposal Technical conference: Utah Docket No. 05-035-47' held on April 3, 2006 and the 'Request of Proposal Technical Conference: Oregon Meeting (Following Utah Docket 05-035-47' held on April 10, 2006.) This information was included in a compliance filing made on October 4, 2006.</p> <p>During 2006, six meetings of the IGCC working group were held. Meeting agendas, presentations, and summaries are posted on the IGCC Working Group webpage (http://www.pacifiCorp.com/Article/Article666610) or are available upon request.</p>
42	a) MEHC and PacifiCorp commit to participate in the Environmental Protection Agency's SF ₆ Emission Reduction Partnership for Electric Power Systems. Sulfur hexafluoride (SF ₆) is a highly potent greenhouse gas used in the electric industry for insulation and current interruption in electric transmission and distribution equipment. MEHC and PacifiCorp represent that over a 100-year period, SF ₆ is 23,900 times more effective at trapping	Ongoing compliance	<p>a) Agreed to use 2004 as base reporting year for EPA purposes. Agreed to 5% annual SF₆ reduction. Memorandums of Understanding were executed between Rocky Mountain Power and EPA on July 13, 2006, and between PacifiCorp and EPA on July 13, 2006. The Company's annual report of estimated SF₆ emissions was submitted to the Environmental Protection Agency on March 23, 2007.</p>

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	<p>Infrared radiation than an equivalent amount of CO₂, making it the most highly potent, known greenhouse gas. SF₆ is also a very stable chemical, with an atmospheric lifetime of 3,200 years. As the gas is emitted, it accumulates in the atmosphere in an essentially un-degraded state for many centuries. Thus, a relatively small amount of SF₆ can have a significant impact on global climate change. Through its participation in the SF₆ partnership, PacifiCorp will commit to an appropriate SF₆ emissions reduction goal and annually report its estimated SF₆ emissions. MEHC and PacifiCorp represent that this not only reduces greenhouse gas emissions, it saves money and improves grid reliability. Since 1999, EPA's SF₆ partner companies have saved \$2.5 million from the avoided gas loss alone. Use of improved SF₆ equipment and management practices helps protect system reliability and efficiency.</p> <p>b) Within six months after close of the transaction, MEHC and PacifiCorp commit that PacifiCorp will establish a global warming working group composed of representatives of the regulatory, consumer, educational and environmental communities in the six states that PacifiCorp serves, as well as representatives of PacifiCorp and MEHC. PacifiCorp will work with the global warming working group to identify cost-effective measures to reduce PacifiCorp's greenhouse emissions. PacifiCorp will develop and file with the Commission its strategy, which MEHC supports, for reducing its greenhouse gas emissions.</p>		<p>Factory tours of circuit breaker manufacturers were performed and SF₆ leakage standards were discussed. A new circuit breaker blanket will be bid later this year with SF₆ emission requirements incorporated into the specifications.</p> <p>The SF₆ Handling Policy has been revised as well as equipment specifications.</p> <p>b) A letter announcing the formation of the Global Climate Change Working Group was released on August 4, 2006. On October 12, 2006, the kick-off meeting was held, followed by a second meeting in November 2006. On March 15, 2007, PacifiCorp laid out a proposed schedule for drafting and submitting its preliminary Global Climate change Action Plan.</p>
43	<p>Working with the affected generation plant joint owners and with regulators to obtain required approvals, MEHC and PacifiCorp commit to install, to the extent cost effective, the equipment likely to be necessary under future emissions control scenarios at a cost of approximately \$812 million. Concurrent with any application for an air permit, MEHC and PacifiCorp will discuss its plans regarding this commitment with interested parties and solicit input. While additional expenditures may ultimately be required as future emission reduction requirements become better defined, MEHC believes these investments in emission control equipment are reasonable and environmentally beneficial. The execution of an emissions reduction plan for the existing PacifiCorp coal-fueled facilities, combined with the use of reduced-emissions coal technology for new coal-fueled generation, is expected to result in a significant decrease in the emissions rate of PacifiCorp's coal-fueled generation fleet. MEHC represents that the investments to which MEHC is committing are expected to result in a decrease in the SO₂ emissions rates of more than 50%, a decrease in the NO_x emissions rates of more than 40%, a reduction in the mercury emissions rates of almost 40%, and no increase expected in the CO₂ emissions rate.</p>	Ongoing compliance	<p>Emissions control equipment requirements are continually being assessed. Emission control installations have been aligned with major unit overhaul schedules to minimize outages and costs. Recent assessments have resulted in the addition of scrubber installations on Naughton Units 1 and 2. Current emission control installation costs are estimated at \$1.3b, including AFUDC. Huntington 2 emissions project achieved operational status in November and passed performance tests in March 2007. Low NO_x burner projects are scheduled for completion in 2007 at Hunter 3 and Jim Bridger 3. Additionally project activities began in the first quarter of 2007 on the Dave Johnston Unit 3 and Unit 4 scrubbers as well as scrubber upgrades at Jim Bridger, Hunter, and Huntington.</p>
44	<p>a) MEHC and PacifiCorp commit to conducting a company-defined third-party market potential study of additional DSM and energy efficiency opportunities within PacifiCorp's service areas. The objective of the study will be to identify opportunities not yet identified by the company and, if and where possible, to recommend programs or actions to pursue those opportunities</p>	Ongoing compliance	<p>a) Between May 25, 2006 and June 19, 2006, PacifiCorp worked with key stakeholders across the Company's six-state service area and identified in related state-specific acquisition commitments C-6, I8, U40 and O23 to finalize the study's scope of work. A request for proposal process to select the study vendor began following the completion of</p>

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	<p>found to be cost-effective. The study will focus on opportunities for deliverable DSM and energy efficiency resources rather than technical potentials that may not be attainable through DSM and energy efficiency efforts. On-site solar and combined heat and power programs may be considered in the study. During the three-month period following the close of the transaction, MEHC and PacifiCorp will consult with DSM advisory groups and other interested parties to define the proper scope of the study. The findings of the study will be reported back to DSM advisory groups, commission staffs, and other interested stakeholders and will be used by the Company in helping to direct ongoing DSM and energy efficiency efforts. The study will be completed within fifteen months after the closing on the transaction, and MEHC shareholders will absorb the first \$1 million of the costs of the study.</p> <p>b) PacifiCorp further commits to meeting its portion of the NWPPC's energy efficiency targets for Oregon, Washington and Idaho, as long as the targets can be achieved in a manner deemed cost-effective by the affected states.</p> <p>c) In addition, MEHC and PacifiCorp commit that PacifiCorp and MEC will annually collaborate to identify any incremental programs that might be cost-effective for PacifiCorp customers. The Commission will be notified of any additional cost-effective programs that are identified.</p>		<p>the scoping effort and a vendor was selected in September 2006. Work on the study began on October 12, 2006, following the signing of the study agreement with Quantec, the vendor who was competitively selected to conduct the study. Through March of 2007, \$597,864 had been paid to Quantec towards the completion of the system-wide demand-side resource potential costs. This represents 67% of the project study costs all of which are being borne by the shareholders of MidAmerican Energy Holdings Company. The study is expected to be completed by the specified completion date.</p> <p>b) PacifiCorp's performance towards meeting commitment 44b is documented within the Northwest Power Planning Council's 2005 and 2006 status reports where the Council characterized the Company as meeting or exceeding the Company's share of the region's identified conservation resources.</p> <p>c) Dialogue with MidAmerican Energy Company on programs and systems has occurred on numerous occasions beginning in June 2006. PacifiCorp has identified certain curtailment programs of MidAmerican Energy's, however, is awaiting results of the potential study from 44a to make final determinations. PacifiCorp and MidAmerican Energy are working jointly on procuring a replacement for their existing demand-side management and reporting tracking systems.</p>
45	<p>MEHC and PacifiCorp commit to continue customer service guarantees and performance standards as established in each jurisdiction, provided that MEHC and PacifiCorp reserve the right to request modifications of the guarantees and standards after March 31, 2008, and the right to request termination (as well as modification) of one or more guarantees or standards after 2011. The guarantees and standards will not be eliminated or modified without Commission approval.</p>	Ongoing compliance	<p>No change will be made to the customer guarantees and performance standards prior to March 31, 2008. Changes may be made to the customer guarantees and performance standards during the period March 31, 2008 through 2011. Semi-annual reports to all commissions will be issued on July 27, 2007.</p>
46	<p>MEHC has significant experience in assisting its communities with economic development efforts. MEHC plans to continue PacifiCorp's existing economic development practices and use MEHC's experience to maximize the effectiveness of these efforts.</p>	Ongoing compliance	<p>PacifiCorp continues to support economic development through active participation in the local community economic development organizations. An information exchange occurred with MidAmerican Energy Company to compare materials and mutual roles. Economic development grants were given to several Pacific Power and Rocky Mountain Power communities throughout the year. Regional community manager participated in regional economic development summit, including state and federal elected officials and regional economic development leaders. Regional community managers serve on boards of economic development agencies and lead and provide support to recruitment and retention initiatives.</p>
47	<p>MEHC understands that having adequate staffing and representation in each state is not optional. MEHC understands its importance to customers, to regulators and to states. MEHC and PacifiCorp commit to maintaining adequate staffing and presence in each state, consistent with the provision of safe and reliable service and cost-effective operations.</p>	Ongoing compliance	<p>Appropriate staffing levels for PacifiCorp have been reviewed and are part of the business planning process.</p>

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48	PacifiCorp will provide public notice and an invitation to encourage stakeholders to participate in the Integrated Resource Plan (IRP) process. The IRP process will be used to consider Commitments 34, 39, 40, 41, 44, 52 and 53. PacifiCorp will hold IRP meetings at locations or using communications technologies that encourage broad participation.	Ongoing compliance	<p>Public Notice was sent out to stakeholders on July 18, 2006 and August 14, 2006 for the August 23, 2006 public input meeting. The meeting had video conference locations in Salt Lake City, Portland, and Cheyenne, as well as dial-in line for those unable to attend in person.</p> <p>Public Notice was sent out to stakeholders on October 4, 2006 for the public input meeting held on October 31, 2006. The meeting had video conference locations in Salt Lake City, Portland, and Cheyenne, as well as dial-in line for those unable to attend in person. At the meeting, the company reviewed the study results for nine candidate resource portfolios that had various assumptions for planning reserve margin, and the quantity of wind, front office transactions, coal and Integrated Gasification Combined Cycle technology resources.</p> <p>Public Notice was sent out to stakeholders on January 18, 2007 for the February 1, 2007 public input meeting. The meeting had video conference locations in Salt Lake City, Portland, and Cheyenne, as well as dial-in line for those unable to attend in person.</p> <p>Provided public notice to stakeholders on March 6, 2007, indicating that the Company would hold a public input meeting on April 18, 2007, to discuss the Company's preferred portfolio for the 2007 integrated resource plan. The meeting will have video conference location in Salt Lake City and Portland, as well as dial-in line for those unable to attend in person.</p> <p>A table will be included in the 2007 IRP which reflects the consideration of each of the commitments set forth within this commitment.</p>
49	By June 1, 2007 and each June 1 thereafter through June 1, 2011, PacifiCorp will file a report with the Commission regarding the implementation of the Commitments. The report will, at a minimum, provide a description of the performance of each of the commitments that have quantifiable results. If any of the commitments is not being met, relative to the specific terms of the commitment, the report shall provide proposed corrective measures and target dates for completion of such measures. PacifiCorp will make publicly available at the Commission non-confidential portions of the report.	Ongoing compliance	PacifiCorp is currently meeting all commitments as addressed in this report.
50	PacifiCorp will maintain its current pension funding policy, as described in the 2005 Actuarial Report, for a period of two years following the close of the transaction.	Ongoing compliance	Pension contributions in 2006, 2007, to be consistent with pre-acquisition funding policy as described in Hewitt Actuarial Report for 2005. \$76M was contributed in 2006; \$75.8M to be contributed in 2007.
51	Subject to, and in consideration for, dismissal of all existing proceedings and no commencement of any future state regulatory proceeding against PacifiCorp involving or arising from the SEC PUHCA Audit Report of Scottish Power dated May 11, 2004, MEHC will contribute to PacifiCorp, at no cost to PacifiCorp, MEHC's stock ownership in the Intermountain Geothermal Company and the associated steam rights (approximately 70% of the total	Ongoing compliance	A disclosure letter was sent on September 21, 2006. The Company has closed on the agreements to acquire two of the three different minority steam interests. The Company is negotiating with the owner of the last minority interest.

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52	<p>rights) to the steam resources serving PacifiCorp's Blundell geothermal plant and terminate MEHC's and Intermountain Geothermal Company's rights and obligations under the contracts. MEHC will assist PacifiCorp in determining the cost-effectiveness of acquiring the remaining 30% of the rights. No more than six months after the close of the transaction, MEHC will provide parties a clear and complete disclosure statement that details any potential liabilities and risks, identified by or for MEHC, associated with the ownership rights of MEHC in Intermountain Geothermal. MEHC also commits that PacifiCorp customers will not be harmed from the contribution to PacifiCorp of the Intermountain Geothermal steam resources and stock.</p>	Ongoing compliance	A report regarding the feasibility of increasing the generation capacity of the Blundell geothermal facility was filed on March 16, 2007.
53	<p>Upon closing, MEHC and PacifiCorp commit to immediately evaluate increasing the generation capacity of the Blundell geothermal facility by the amount determined to be cost-effective. Such evaluation shall be summarized in a report and filed with the Commission concurrent with the filing of PacifiCorp's next IRP. This incremental amount is expected to be at least 11 MW and may be as much as 100 MW. All cost effective increases in Blundell capacity, completed before January 1, 2015, should be counted toward satisfaction of PacifiCorp's 1400 MW renewable energy goal, in an amount equal to the capacity of geothermal energy actually added at the plant.</p>	COMPLETE	Studies were completed and a video conference stakeholder meeting was held on August 23, 2006, to discuss results of studies.

STATE - SPECIFIC COMMITMENTS

State-specific Commitment Number	Commitment Description	Status	Status Description
Wa1	MEHC and PacifiCorp agree that during the 15-day period to investigate and report back to customers regarding billing and metering problems, it will not take action by initiating collection remedies or disconnecting.	Ongoing compliance	Existing process continues to be used, monitored and refreshers provided as needed.
Wa2	MEHC and PacifiCorp commit to \$142.5 million (total company amount) of	Ongoing compliance	In March 2007, the Company filed to apply the MEHC/PacifiCorp

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Wa3	<p>offsettable rate credits as reflected in Appendix 2 and as described in the following Commitments Wa 3 through Wa 7. These rate credits will be reflected in rates on the effective date of new rates as determined by the Commission in a general rate case (including Docket No. UE-050684, PacifiCorp's current general rate proceeding). The rate credits will terminate on December 31, 2010, to the extent not previously offset, unless otherwise noted. The rate credits in Commitments Wa 3 and Wa 7 are subject to deferred accounting as specified therein. Where total company values are referenced, the amount allocated to Washington will equal the Washington-allocated amount using Commission-adopted allocation factors.</p> <p>MEHC and PacifiCorp commit to reduce the annual non-fuel costs to PacifiCorp customers of the West Valley lease by \$0.417 million per month (total company) or an expected \$3.7 million in 2006 (assuming a March 31, 2006 transaction closing), \$5 million in 2007 and \$2.1 million in 2008 (the lease terminates May 31, 2008), which shall be the amounts of the total company rate credit. If and to the extent that the costs of West Valley are included in Washington rates by Commission order, Washington's share of the monthly rate credit will be deferred (unless included in rates in Docket No. UE-050684, PacifiCorp's current general rate proceeding), effective as of the first month after the close of the transaction to purchase PacifiCorp, for the benefit of customers and accrue interest at PacifiCorp's authorized rate of return. (This commitment is reflected in Row 1 of Appendix 2.)</p> <p>b) This commitment is offsettable, on a prospective basis, to the extent PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case, that such West Valley non-fuel cost savings:</p> <ul style="list-style-type: none"> j) are reflected in PacifiCorp's rates; and, ii) there are no offsetting actions or agreements by MEHC or PacifiCorp for which value is obtained by PPM or an affiliated company, which, directly or indirectly, increases the costs PacifiCorp would otherwise incur. 	Ongoing compliance	<p>transaction A&G credit on customers' bills commencing with the rate design change in the Washington rate case, estimated to occur on July 1. Proposed tariff Schedule 95 was contained in the Company's rebuttal filing and filed in the rebuttal testimony of William Griffith. Proposed Schedule 95 would pass back the A&G credit to all customer classes by a uniform percentage amount through a cents per kWh credit applied over a twelve month period. No parties have objected to the proposal.</p> <p>a) The West Valley plant contract was amended consistent with the commitment. Regulatory liability accounts (288130 to 288135) were created to track the amount of credit received that is refundable to the rate payers.</p> <p>b.i.) An application for approval to defer the savings was filed in Washington on April 11, 2006; the Commission approved the petition on August 30, 2006.</p> <p>b.ii.) Agreed per signed stipulation.</p> <p>Under the Western Control Area methodology, West Valley is not included in Washington rates.</p>
Wa4	<p>a) MEHC and PacifiCorp will hold customers harmless for increases in costs retained by PacifiCorp that were previously assigned to affiliates relating to management fees. The total company amount assigned to PacifiCorp's affiliates is \$1.5 million per year, which is the amount of the total company rate credit. This commitment expires on December 31, 2010. This Commitment is in lieu of Commitment 38, and a state must choose between this Commitment Wa 4 and Commitment 38. (The commitment is reflected in Row 2 of Appendix 2).</p> <p>b) This commitment is offsettable to the extent PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case the following:</p> <ul style="list-style-type: none"> i) Corporate allocations from MEHC to PacifiCorp included in PacifiCorp's rates are less than \$7.3 million; ii) Costs associated with functions previously carried out by parents to PacifiCorp and previously included in rates have not been shifted to 	Ongoing compliance	<p>a) These costs were recorded as A&G expenses in prior results of operations and are included in PacifiCorp's A&G targets.</p> <p>b) The management fee in Docket No. UE-061546 rate case was adjusted to reflect the \$1.5 million historical level.</p>

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State-specific Commitment Number	Commitment Description	Status	Status Description
Wa5	<p>PacifiCorp or otherwise included in PacifiCorp's rates; and</p> <p>iii) Costs have not been shifted to operational and maintenance accounts (FERC accounts 500-598), customer accounts (FERC accounts 901-905), customer service and informational accounts (FERC accounts 907-910), sales accounts (FERC accounts 911-916), capital accounts, deferred debit accounts, deferred credit accounts, or other regulatory accounts.</p> <p>a) MEHC commits to use an existing, or form a new, captive insurance company to provide insurance coverage for PacifiCorp's operations. The costs of forming such captive will not be reflected in PacifiCorp's regulated accounts, nor allocated directly or indirectly to PacifiCorp. Such captive shall be comparable in costs and services to that previously provided through ScottishPower's captive insurance company Dornoch. MEHC further commits that insurance costs incurred by PacifiCorp from the captive insurance company for equivalent coverage for calendar years 2006 through 2010, inclusive, will be no more than \$7.4 million (total company). Oregon Commission Staff has valued the potential increase in PacifiCorp's total company revenue requirement from the loss of ScottishPower's captive insurance affiliate as \$4.3 million annually, which shall be the amount of the total company rate credit. This commitment expires on December 31, 2010.</p> <p>b) This commitment is offsettable if PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case, the costs included in PacifiCorp's rates for such insurance coverage is not more than \$7.4 million (total company). (This commitment is reflected in Row 3 in Appendix 2.)</p>	Ongoing compliance	<p>a) MEHC captive insurance was established on March 2, 2006 and premium paid on March 24, 2006 with a premium no greater than \$7.4M. Policies were received in June and reviewed to determine equivalent coverage was successfully completed. The captive was renewed in March 2007 with a premium no greater than \$7.4M.</p> <p>b) Future rate cases through 2010 will limit these insurance costs to \$7.4.</p>
Wa6	<p>a) MEHC and PacifiCorp will hold customers harmless for increases in costs resulting from PacifiCorp corporate costs previously billed to PPM and other former affiliates of PacifiCorp. Oregon Commission Staff has valued the potential increase in total company revenue requirement if these costs are not eliminated as \$7.9 million annually (total company) through December 31, 2010 and \$6.4 million annually (total company) from January 1, 2011 through December 31, 2015, which shall be the amounts of the total company rate credit. This commitment shall expire on the earlier of December 31, 2015 or when PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case, that corporate costs previously billed to PPM and other former affiliates have not been included in PacifiCorp's rates. This Commitment is in lieu of Commitment 38, and a state must choose between this Commitment Wa 6 and Commitment 38.</p> <p>b) This commitment is offsettable to the extent PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case, that corporate costs previously billed to PPM and other former affiliates have not been included in PacifiCorp's rates. (The commitment is reflected in Row 4 of Appendix 2.)</p>	Ongoing compliance	<p>a) These costs were recorded as A&G expenses in prior results from operations and are included in PacifiCorp's A&G targets. See Wa7 for more details.</p> <p>b) In the next general rate case PacifiCorp will provide testimony to demonstrate to the commission, that corporate functions previously carried out by parents to PacifiCorp and previously included in rates have not been shifted to PacifiCorp or otherwise included PacifiCorp's rates.</p>

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Wa7	<p>a) MEHC and PacifiCorp commit that PacifiCorp's total company A&G costs will be reduced by \$6 million annually based on the A&G categories, assumptions, and values contained in Appendix 3 titled, "UM 1209 A & G Stretch." The maximum amount of the total company rate credit in any year is \$6 million. This commitment expires December 31, 2010. Beginning with the first month after the close of the transaction, Washington's share of the \$0.5 million monthly rate credit will be deferred for the benefit of customers (unless included in rates in Docket No. UE-050684, PacifiCorp's current general rate proceeding), and accrue interest at PacifiCorp's authorized rate of return. This Commitment is in lieu of Commitment 22 and Commitment U 23 from the Utah settlement, and a state must choose between this Commitment Wa 7 and Commitments 22 and U 23.</p> <p>b) The credit will be offsetable, on a prospective basis, for every dollar that PacifiCorp demonstrates, to the Commission's satisfaction, in a subsequent general rate case, that total company A&G expenses included in PacifiCorp's rates are less than \$6 million above the "Stretch Goal" and have not been shifted to other regulatory accounts. The 2006 Stretch Goal is \$222.8 million. Subsequent Stretch Goals shall equal the 2006 Stretch Goal multiplied by the ratio of the Global Insight's Utility Cost Information Service (UCIS)-Administrative and General - Total Operations and Maintenance Index (INDEX CODE Series JEADGOM), for the test period divided by the 2006 index value. If another index is adopted in a future PacifiCorp case, that index will replace the aforementioned index and will be used on a prospective basis only. If this occurs, the Stretch Goal for future years will equal the Stretch Goal from the most recent full calendar year multiplied by the ratio of the new index for the test period divided by the new index value for that same most recent calendar year.</p>	Ongoing compliance	Pacific Power's pending rate case reflects an A&G expense which is below the stretch target. A decision in the current general rate case is pending.
Wa8	<p>Within three months of closing of the transaction, MEHC commits to obtain a non-consolidation opinion that demonstrates that the ring fencing around PPW Holdings LLC is sufficient to prevent PPW Holdings LLC and PacifiCorp from being pulled into an MEHC bankruptcy. MEHC commits to promptly file such opinion with the Commission. If the ring-fencing provisions of this agreement are insufficient to obtain a non-consolidation opinion, MEHC agrees to promptly undertake the following actions:</p> <p>a) Notify the Commission of this inability to obtain a non-consolidation opinion.</p> <p>b) Propose and implement, upon Commission approval, such ring-fencing provisions that are sufficient to prevent PPW Holdings LLC from being pulled into an MEHC bankruptcy.</p> <p>c) Obtain a non-consolidation opinion.</p>	COMPLETE	The non-consolidation opinion was filed in Washington on June 9, 2006.
Wa9	MEHC and PacifiCorp commit that PacifiCorp will not directly own equity shares of either Berkshire Hathaway or MEHC.	Ongoing compliance	Agreed per signed stipulation.
Wa10	MEHC commits to provide 30 days' notice to the Commission if it intends to	Ongoing compliance	Agreed per signed stipulation; action not required unless specified

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Wa11	<p>create a corporate entity between PPW Holdings LLC and MEHC. MEHC further states that it has no current intention to create such a corporate entity.</p> <p>a) MEHC commits that immediately following the closing of the transaction, the acquiring company (PPW Holdings LLC) will have no debt in its capital structure. MEHC and PacifiCorp commit that the consolidated capital structure of PPW Holdings LLC will not contain common equity capital below the following percentages of its Total Capital as defined in Commitment 18b: 48.25% from the date of the close of the transaction through December 31, 2008; 47.25% from January 1, 2009 through December 31, 2009; 46.25% from January 1, 2010 through December 31, 2010; 45.25% from January 1, 2011 through December 31, 2011; 44.00% after December 31, 2011.</p> <p>b) MEHC and PacifiCorp commit that the consolidated capital structure of PPW Holdings LLC will not contain common equity capital below 35% of its Total Adjusted Capital as defined in Commitment 18c.</p> <p>c) MEHC will provide the Commission 30 days prior notice if PPW Holdings LLC intends to issue debt. MEHC and PacifiCorp acknowledge that if PPW Holdings LLC does issue debt, the Commission has the authority pursuant to a re-opener under RCW 80.04.210 limited to the consideration of additional ring-fencing provisions that may be appropriate.</p>	Ongoing compliance	<p>activities occur.</p> <p>a) Accounting calculates PPW Holdings, LLC common equity capital and ratios on a monthly basis and reports to Treasury. b) No debt has been issued by PPW Holdings, LLC.</p>
Wa12	<p>MEHC and PacifiCorp agree to use asymmetrical pricing for affiliate charges or costs not covered by the provisions of the InterCompany Administrative Services Agreement (IASA), if a readily identifiable market for the goods, services or assets exists, and if the transaction involves a cost of more than \$500,000.</p>	Ongoing compliance	<p>MEHC accounting monitors monthly billings to/from PacifiCorp for items greater than \$500,000 not covered under the IASA. To date there has not been any items over \$500,000. To the extent that such billings exist, the pricing of such billing will be assessed in conjunction with this commitment.</p>
Wa13	<p>MEHC commits to provide shareholder funding to hire a consultant to study and design for possible implementation of an arrearage management project for low-income customers that could be made applicable to Washington and other states that PacifiCorp serves. PacifiCorp will provide a resource for facilitation of a working group to oversee the project. The study shall commence no later than one hundred eighty (180) days after close of the transaction and be completed, through the issuance of a formal report to the Commission, no later than three hundred sixty-five (365) days after close of the transaction. MEHC recognizes that such a program may have to be tailored to best fit the unique low-income environment of each individual state. The project will be developed by PacifiCorp in conjunction with the relevant regulatory and governmental agencies, low-income advocates, and other interested parties in each state that are interested in participating. The goals for the project will include reducing service terminations, reducing referral of delinquent customers to third party collection agencies, reducing collection litigation and reducing arrearages and increasing voluntary customer payments of arrearages. The costs of this study will be at least</p>	COMPLETE	<p>Quantec, a quantitative economic consulting firm was awarded the contract to conduct the study. The contract was executed on August 23, 2006. The study has been completed and a report was filed on March 20, 2007. The costs of \$79,700 for the study were paid for by shareholders.</p>

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Wa14	<p>\$66,000 on a Total Company basis paid for by shareholders. If fewer than six states participate, the amount of the shareholder funds will be reduced proportionally.</p> <p>MEHC and PacifiCorp commit to a total contribution level for Washington low-income bill payment assistance in the amount of \$80,000 annually, for a five-year period beginning July 1, 2006. The contributions may comprise contributions from corporate, employee, other sources and customer donations. The corporate contribution will be recorded in non-utility accounts. The contribution will be in addition to any funding provided through Schedule 91, Surcharge to Fund Low-Income Bill Assistance Program. Before the end of the five-year period, MEHC and PacifiCorp commit to work with low-income advocates and customer groups to evaluate additional matching contributions.</p>	Ongoing compliance	Agency agreements were executed prior to July 1, 2006. Corporate, employee, other sources, and customer donations are tracked on a monthly basis. For the period July 1, 2006 through March 31, 2007, donations have been \$26,679.56.
Wa15	MEHC and PacifiCorp commit that, within sixty (60) days of the close of the transaction, PacifiCorp will initiate a collaborative effort with the Commission Staff, representatives of the Energy Project and other interested parties to track low-income issues by identifying and collecting data pertinent to low-income customers in PacifiCorp's Washington service territory.	COMPLETE	The meeting with Commission Staff, Energy Project staff representative and other Washington parties was held on May 8, 2006.
Wa16	The corporate headquarters of PacifiCorp will remain in Oregon and all books and records relevant to PacifiCorp's regulated operations and these Commitments will be available in Portland. If corporate or senior managers, and related staff, are relocated from Oregon to Utah, the costs of relocation will not be included in Washington rates.	Ongoing compliance	Agreed per signed stipulation. No action required to date.
Wa17	MEHC and PacifiCorp commit that they will interpret RCW 80.12.020 to require Commission approval of any transaction which results in a merger of PacifiCorp with, or acquisition by PacifiCorp of, any other electric, gas or telecommunications company, whether or not such other company provides service in Washington.	Ongoing compliance	Agreed per signed stipulation.
Wa18	MEHC and PacifiCorp will file with the Commission, for cost allocation and affiliate transaction purposes, the IASA and any amendments filed pursuant to Commitment 13. Any proposed cost allocation methodology for the allocation of corporate and affiliate investments, expenses, and overheads shall comply with the principles set forth in Commitment 14.	Ongoing compliance	IASA signed March 30, 2006; and filed on March 30, 2006.
Wa19	The premium paid by MEHC for PacifiCorp (Acquisition Premium) will be excluded from the utility accounts of PacifiCorp and recorded on the books of PPW Holdings LLC. Through the consolidation of PPW Holdings LLC with MEHC for financial reporting, the Acquisition Premium will be reflected on the consolidated balance sheet of MEHC. MEHC and PacifiCorp commit that they will not propose to recover the Acquisition Premium in Washington, or include the Acquisition Premium in PacifiCorp's results of operations; provided, however, that MEHC may request that this commitment be modified if a party in a proceeding before the Commission proposes an adjustment to PacifiCorp's revenue requirement that MEHC and PacifiCorp	Ongoing compliance	All acquisition costs and fair value adjustments related to MidAmerican Energy Holdings Company's purchase of PacifiCorp will be reflected separately in PPW Holdings LLC (in general ledger company code 1500) outside the reporting of utility accounts of PacifiCorp.

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Wa20	<p>assert violates the regulatory theory of the matching principle. If PacifiCorp seeks recovery of the Acquisition Premium, then other Parties are free to oppose such recovery, including the validity of the matching principle.</p> <p>MEHC commits that no amendments, revisions or modifications will be made to the ring-fencing provisions of Commitment 11 b) without prior Commission approval pursuant to a limited re-opener under RCW 80.04.210 for the sole purpose of addressing the ring-fencing provisions.</p>	Ongoing compliance	The PPW Holdings LLC agreement which was executed on March 15, 2006 includes provisions which require independent director approval and rating agency confirmation of no downgrade in order to amend the agreement. No amendments, revisions or modifications have been made to the March 15, 2006 agreement.
Wa21	PacifiCorp will provide to Staff and Public Counsel, on an informational basis, credit rating agency news releases and final reports regarding PacifiCorp when such reports are known to PacifiCorp and are available to the public.	Ongoing compliance	Reports were submitted on April 4, 2006; August 21, 2006, September 15, 2006, January 5, 2007, and March 22, 2007.
Wa22	MEHC and PacifiCorp will provide Commission Staff access to operational, internal and risk audit reports and documentation. PacifiCorp and Commission Staff will establish an agreeable procedure to review these confidential documents and the timeline to provide an annual listing of such audits.	Ongoing compliance	Agreed per signed stipulation; action not required unless specified activities occur.
Wa23	Berkshire Hathaway acknowledges the Commitments made by MEHC and PacifiCorp and will not impede satisfaction of the Commitments. Berkshire Hathaway acknowledges that it is bound by Commitments 4, 5 and 17 and that it is subject to Commitments that are applicable to the affiliates of PacifiCorp and MEHC; provided, however, that Berkshire Hathaway does not guarantee or agree to be responsible for performance of Commitments made by MEHC and PacifiCorp.	Ongoing compliance	Agreed per signed stipulation.
Wa24	MEHC and PacifiCorp commit that PacifiCorp will not make any dividends to PPW Holdings LLC or MEHC if PacifiCorp's unsecured debt rating is BBB- or lower by S & P or Fitch (or Baa3 or lower by Moody's), as indicated by two of the three rating agencies.	Ongoing compliance	The rating requirement has been added to the list of tests to be performed prior to PacifiCorp declaring dividends on common stock.
Wa25	MEHC and PacifiCorp commit to take actions described below to implement the Cascade Kraft Substation Outage and Power Quality Study dated January 10, 2005 ("Study") in order to increase power quality and improve reliability to the Boise Cascade facility in Wallula, Washington. Boise Cascade LLC ("Boise") will be responsible only for the costs of these actions to the extent they arise from changes to facilities owned by Boise rather than PacifiCorp. <ul style="list-style-type: none"> a) Actions. The following specific actions shall be taken by PacifiCorp: <ol style="list-style-type: none"> 1) No item number in Study: Complete the installation of upgraded transformer primary protection for PacifiCorp transformers located in the "Kraft Substation." Installing "Transruptors" in place of fuses; 2) Item 2 in Study: Replace the PacifiCorp fixed capacitor banks located in the "Kraft Substation" with units that do not cause voltage transients when switched on and in addition mitigate harmonic currents and voltage distortion; 3) Item 5A in Study: Prepare an engineering study analyzing the cost of 	Ongoing compliance	<p>Item 1 - July 25, 2005, replaced high side fuses with transruptors at the time the transformer was replaced; replacement of four transruptors is being done over period April - June 2007 to coincide with planned plant outage.</p> <p>Item 2 - Study provide to customer March 8, 2007. Approval received from customer on March 27, 2007. Project to be completed no later than 12 months after customer approval.</p> <p>Item 3 - Study completed and provided to Boise Cascade and WUTC Staff on March 19, 2007.</p> <p>Item 4 - Study completed and provided to Boise Cascade and WUTC Staff on March 19, 2007.</p>

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	<p>installation of adequate lightning protection to the 69 kV sub-transmission system that is interconnected to the "Kraft Substation;"</p> <p>4) Item 5B in Study: Prepare an engineering study analyzing the cost of installation of adequate lightning protection to the 230 kV transmission system that is interconnected to the "Wallula Substation;"</p> <p>5) Item 11 in Study: Control the vegetation near the 230 kV structures to prevent range fire damage to the structures;</p> <p>6) Item 12 in Study: Complete and continue the training of system operators to mitigate human errors; and</p> <p>7) No item number in Study: Upgrade Dodd Road Substation facilities to reduce the potential for faults on the secondary that pull the voltage down on the primary for extended time periods.</p> <p>b) <u>Engineering Review and Approval</u>. The engineering and detailed designs for items 1, 2, and 7 shall be completed by PacifiCorp and provided to Boise for its approval no later than twelve (12) months after the close of the transaction. If a dispute arises between the parties in respect of any engineering approval required by the preceding sentence either party may apply to the Commission for an order resolving the dispute on the basis of whether the disputed aspect of PacifiCorp's design provides a cost effective design that complies with good industrial electrical practices.</p> <p>c) <u>Completion Dates</u>. Items 1, 2, and 7 shall be completed no later than 12 months after Boise's approval of PacifiCorp's engineering and detailed design or the Commission's resolution of any disputes that arise out of such review and approval process. The engineering studies required by items 3 and 4 shall be completed within 12 months after the close of the transaction and a report specifying the actions that PacifiCorp intends to take with respect to such items and the timing of completion thereof and the means of financing such work shall be supplied at such time to each of Boise and the Commission Staff.</p> <p>d) <u>Cost Responsibility</u>. All work described in paragraph (a) above shall be completed by PacifiCorp at its sole cost and expense and without additional charge to Boise. The cost of such actions may be included in base rates by PacifiCorp in PacifiCorp's next filed rate case applicable to its Washington service area; provided that the cost of the studies provided for in items 3 and 4 shall not be added to base rates until a solution to the problem reasonably acceptable to Boise and the Commission Staff has been implemented.</p>		<p>Item 5 – Vegetation chemically treated in 2005 and will continue on a regular schedule.</p> <p>Item 6 – In 2005 operators were all trained. Errors are reviewed on monthly basis and coaching provided as appropriate.</p> <p>Item 7 – Animal guards were installed in January 2006.</p> <p>Boise Cascade, through Pacific Power's general rate case, Docket No. UE-061546/UE-060817, alleged PacifiCorp has not fulfilled this commitment. At hearing, it was determined this issue was not appropriate to be heard within the context of the rate case. No further administrative remedies have been sought by Boise Cascade to date.</p> <p>As outlined above, PacifiCorp has fulfilled its commitments required to be completed by March 31, 2007, the time period of this status update, and has done so within the designated timeframe. PacifiCorp has expressed to Boise Cascade on numerous occasions its continued willingness to work through the issues raised by Boise Cascade regarding lightning protection, or any other issues Boise Cascade identifies.</p>
Wa26	<p>MEHC and PacifiCorp acknowledge that the Commitments are being made by MEHC and PacifiCorp and are binding only upon them (and their affiliates where noted). MEHC and PacifiCorp are not requesting in this proceeding a determination of the prudence, just and reasonable character, rate or ratemaking treatment, or public interest of the investments, expenditures or actions referenced in the Commitments, and the Parties in appropriate proceedings may take such positions regarding the prudence, just and reasonable character, rate or ratemaking treatment, or public interest of the investments, expenditures or actions as they deem appropriate.</p>	Ongoing compliance	Agreed per signed stipulation.

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Wa27	<p>With respect to any proceeding, including but not limited to any rate case, tariff filing, pass-through application, show cause, complaint or other proceeding, wherein PacifiCorp's Washington retail rates are based, in whole or in part, upon PacifiCorp's wholesale power transactions, PacifiCorp and MEHC acknowledge that the Commission has jurisdiction to determine the prudence of PacifiCorp's wholesale power transactions and whether PacifiCorp's retail rates are just and reasonable. To the extent PacifiCorp contends the Commission is required to include the costs of the wholesale power transactions in Washington retail rates, PacifiCorp and MEHC commit that PacifiCorp will raise and litigate such issues before the Commission. To the extent decisions regarding such issues are within the areas reserved to the exclusive jurisdiction of the Commission, PacifiCorp and MEHC agree that any challenge to the Commission order will be in the form of an appeal of that order.</p> <p>In the event that PacifiCorp anticipates a court challenge to a Commission order that would trigger the provisions of Commitment Wa 27, PacifiCorp will (1) seek a rehearing of such Commission order; and (2) identify in writing in its petition for rehearing those contested issues which it believes are and are not within the areas reserved to the exclusive jurisdiction of the Commission.</p>	Ongoing compliance	Agreed per signed stipulation.
Wa28	<p>Within 60 days of the close of the transaction, PacifiCorp will file with the Commission a proposed plan to develop and implement an acceptable alternative to the former Network Performance Standard relating to Momentary Average Interruption Frequency Index (MAIFI). MEHC and PacifiCorp commit to implement this measurement plan and provide the results of these calculations to Commission Staff and other interested parties consistent with the terms of the plan.</p>	Ongoing compliance	<p>Plan filed in Washington on April 28, 2006. Performance measures for the reporting period April 2005 – March 2006 were developed including momentary and breaker operation data consistent with plans filed with the commission.</p> <p>A meeting was held on August 8, 2006 to review momentary data results. Staff requested the annual MAIFI and MAIFIE results be provided in a compliance filing. The compliance filing with MAIFI and MAIFIE results was filed on November 21, 2006. The April – December 2006 compliance filing is being prepared and will be available in May.</p>
Wa29	<p>MEHC and PacifiCorp commit that in the event that PacifiCorp obtains a loan from its parent company or any affiliated company, PacifiCorp will, in any subsequent rate proceeding demonstrate that the debt obligation interest, terms, and conditions are comparable to or less than what PacifiCorp could have obtained in the market at the time of the debt was obtained by PacifiCorp, that the loan is on reasonable terms and without markup to the holding company's cost of funds, and that the debt procurement will not interfere with any ring-fencing mechanisms that secure the utility.</p>	Ongoing compliance	No action has been necessary through March 31, 2007.

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STIPULATION PARAGRAPH

Stipulation Paragraph Number	Commitment Description	Status	Status Description
11	The following provision, applicable only to the Parties, will become effective upon the closing of the Transaction: Through December 31, 2011, MEHC and PacifiCorp will both confer with the Parties and provide drafts in a timely manner prior to introducing legislation in the Washington Legislature that would impact Washington utility regulation.	Ongoing compliance	Identified and met with major signatories, including ICNU and Public Counsel. Communicated a process for sharing draft legislation with ICNU. Shared legislative priorities for 2007 with Public Counsel. No legislation introduced; no activity to report.

ORDERING PARAGRAPH

Order Paragraph Number	Commitment Description	Status	Status Description
4	Within 30 days after the transaction closes PacifiCorp is required to file a petition for an accounting order to establish its authority to create deferral accounts, as necessary to make effective the terms of commitment numbers Wa 3 and Wa 7, set forth in Appendix A to the Stipulation. The filing is to be made as a "subsequent filing" under WAC 480-07-880 and - 885.	COMPLETE	Filed with Commission on April 10, 2006; filed amended petition on May 31, 2006.