

VIA OVERNIGHT DELIVERY

May 30, 2008

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 twelve (12) 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.

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COMMISSION

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, 95 commitments across PacifiCorp’s six-states have been completed. Of these 95 completed commitments, 7 are applicable to Washington and have been noted as “complete” on the Status Report.

Later this year, the Company anticipates requesting that the Commission formally acknowledge that commitments identified by PacifiCorp as “complete” are complete.

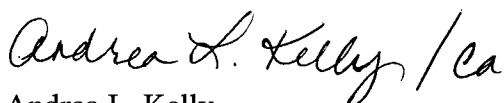
By copy of this letter, other parties to the proceeding are being provided notice of this filing.

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 Cathie Allen, Regulatory Manager, at (503) 813-5934.

Sincerely,



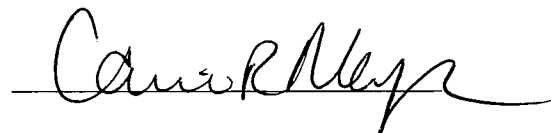
Andrea L. Kelly
Vice President, Regulation

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

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of May, 2008, I caused to be served, via E-mail (if address available) or U.S. Mail, a true and correct copy of PacifiCorp's Cover Letter accompanying the Compliance Filing Pursuant to Commitment 49 of Stipulation Appendix A, Consolidated List of Commitments in Docket No. UE-051090 Mid-American Energy Acquisition Commitments.

Michael Early Industrial customers of NW Utilities 333 S.W. Taylor Ste 400 Portland, OR 97204 E-Mail: emearly@icnu.org	Charles M. Eberdt Manager The Energy Project 1701 Ellis Street Bellingham, WA 98225 E-Mail: chuck_eberdt@opportunitycouncil
Adam S. Arms John Bishop McKanna, Bishop, Joffe & Sullivan LLP 1635 NW Johnson Street Portland, OR 97209	Melinda Davison Matthew Perkins Attorneys Davison Van Cleve 333 S.W. Taylor Ste 400 Portland, OR 97204 E-Mail: mail@dvclaw.com
Robert D. Cedarbaum Assistant Attorney General WUTC Attorney General Office 1300 S. Evergreen Park Drive SW Mail Stop: 40128 Olympia, WA 98504-7250 E-Mail: bcedarba@wutc.wa.gov	Simon ffitch AAG Office of the Attorney General Public Counsel 900 4 th Avenue Ste 2000, TB-14 Seattle, WA 98164-1012 E-Mail: simonf@atg.wa.gov
Victor E. Robert 9 S 55 th Avenue Yakima, WA 98908	



Carrie Meyer
Coordinator, Administrative Services

**MidAmerican Energy Holdings Company and PacifiCorp
Annual Report of Status of Commitments
To the Washington Utilities and Transportation Commission
For the Period April 1, 2007 through March 31, 2008**

GENERAL COMMITMENTS

General Commitment Number	Commitment Description	Status	Status Description
1	MEHC and PacifiCorp affirm the continuation (through March 31, 2008) of the existing customer service guarantees and performance standards in each jurisdiction. MEHC and PacifiCorp will not propose modifications to the guarantees and standards prior to March 31, 2008. Refer to Commitment 45 for the extension of this commitment through 2011.	COMPLETE	COMPLETE – effective March 31, 2008. Customer guarantees and performance standards continued through March 2008 without modification.
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 operations.
3	PacifiCorp will maintain its own accounting system, separate from MEHC's accounting system. All PacifiCorp financial books and records will be kept in Portland, Oregon. PacifiCorp's financial books and records and state and federal utility regulatory filings and documents will continue to be available to the Commission, upon request, at PacifiCorp's offices in Portland, Oregon, Salt Lake City, Utah, and elsewhere in accordance with current practice.	Ongoing Compliance	No additional steps required at the PacifiCorp level. The Company maintains its own SAP accounting system, which is separate from MEHC's systems.
4	MEHC and PacifiCorp will provide the Commission access to all books of account, as well as all documents, data, and records of their affiliated interests, which pertain to transactions between PacifiCorp and its affiliated interests or which are otherwise relevant to the business of PacifiCorp. This commitment is also applicable to the books and records of Berkshire Hathaway, which shall retain its books and records relevant to the business of PacifiCorp consistent with the manner and time periods of the Federal Energy Regulatory Commission's record retention requirements that are applicable to PacifiCorp's books and records.	Ongoing Compliance	No additional steps required at the PacifiCorp level. The Company complies with the FERC's record retention requirement.
5	MEHC, PacifiCorp and all affiliates will make their employees, officers, directors, and agents available to testify before the Commission to provide information relevant to matters within the jurisdiction of the Commission.	Ongoing Compliance	Agreed per signed stipulation.
6	The Commission or its agents may audit the accounting records of MEHC and its subsidiaries that are the bases for charges to PacifiCorp, to determine the reasonableness of allocation factors used by MEHC to assign costs to PacifiCorp and amounts subject to allocation or direct charges. MEHC agrees to cooperate fully with such Commission audits.	Ongoing Compliance	The general ledger of MEHC and the ledger of each subsidiary reflect and track all inter-company activity (both direct charges and allocations) and are supported with detail transactions (Journal entry, positive time reporting, vouchers, etc.) MEHC and subsidiaries maintain support files for allocation factors supporting inter-company billings. MEHC and subsidiaries' general ledgers reflect all inter-company transactions as required by the IASA.
7	MEHC and PacifiCorp will comply with all applicable Commission statutes and regulations regarding affiliated interest transactions, including timely filing of applications and reports.	Ongoing Compliance	Agreed per signed stipulation. See also 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 interests report was filed on May 30, 2007. The next report will be filed by June 1, 2008.
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 <i>sub nom. 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 NNGC 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 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 the 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	<p>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.</p>	Ongoing Compliance	PacifiCorp continues to have ratings for long-term debt and preferred stock from Moody's and S&P.
16	<p>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.</p>	COMPLETE	COMPLETE -- effective January 30, 2007.
17	<p>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.</p>	Ongoing Compliance	Rating agency materials are available upon request. See Washington-specific Commitment Wa21.
18	<p>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;</p>	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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19	<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>	Ongoing Compliance	For 2007, MEHC made equity infusions totaling \$200 million. Projections for equity infusions for 2008 are \$250 million.
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	Agreed per signed stipulation.
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	Will continue to calculate PacifiCorp costs on a stand-alone basis with no higher costs due to acquisition by MEHC. This will be demonstrated in future rate filings.
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	This commitment number has been intentionally left blank.

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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	The Blue Sky option tariffs were modified in 2007 to clarify the intent of this optional voluntary program and provide customers the opportunity to support a broader array of renewable energy resource types, including community-based renewable energy projects. The Blue Sky program was Green-e Energy Certified in February 2008. The Company continues to use a variety of communication channels to reach out to customers including the use of business reply envelopes, bill inserts, bill messages, separate mailing, community challenge campaigns, radio and print advertising, direct outreach via community events, presentations to community groups, customer newsletters, annual reports, the greening of community events, business partnership program, and partnerships with non-profit groups. The Blue Sky program was named the "2007 Green Power Program of the Year" by the U.S. Department of Energy and continues to be named as one of the top green power programs in the nation.
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, California Assembly Bill 32 Economic and Technology Advancement Advisory Committee, California Climate Action Registry, California Dialogue Group, Center for Energy Efficiency and Renewable Technologies, Electric Power Research Institute, Energy Trust of Oregon Renewables Advisory Council, Northwest Power & Conservation Council, Oregon Climate Policy Group, Oregon Global Warming Commission, Oregon Renewable Energy Working Group, Oregon Western Climate Initiative Stakeholder Group, Utah Blue Ribbon Advisory Council on Climate Change, Utah Energy Forum, Utah Clean Energy, Utah Wind working group, Washington Engrossed Substitute Senate Bill 6001 Working Group, Washington Climate Advisory Team Energy Supply Technical Working Group, Washington Forestry Working Group, Washington Western Climate Initiative Stakeholders Group, WEST Associates, Western Regional Air Partnership Stationary Source Joint Forum, and the Western Renewable Energy Generation Information System working group.
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 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. On July 11, 2007, the Blundell plant was added to the registered fleet. On February 14, 2008, the Currant Creek plant was added to the registered fleet. During normal auditing on February 15, 2008, the ISO 14001 registration for PacifiCorp Energy was temporarily suspended

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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	Following issuance of a non-conformance as a result of document control issues at the Blundell and Currant Creek plants. The document control issues are actively being addressed and the suspension is expected to be removed in May 2008.
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 September 26, 2007. The next Pacific Power Regional Advisory Board meeting is scheduled for June 26, 2008.
28	MEHC will honor PacifiCorp's existing labor contracts.	Ongoing Compliance	All agreements are being honored. No action required on the Collective Bargaining Agreements with IBEW Local 57 power supply, IBEW Local 57 power delivery, IBEW Local 57 Laramie or UWUA Local 197. IBEW Local 57 combustion turbine - Prior labor agreement expired May 25, 2007. A successor agreement has been negotiated and ratified which expires May 25, 2012. IBEW Local 659 - Prior labor agreement expired April 25, 2007. A four-year successor agreement has been negotiated and was ratified on November 1, 2007. IBEW Local 125 - Prior labor agreement expired January 28, 2008. Negotiations commenced and continue. Presently the agreement remains in full force and effect.
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.	COMPLETE	COMPLETE - effective May 23, 2007. The Company made no unilateral changes to benefits prior to May 23, 2007.
30	PacifiCorp will continue to produce Integrated Resource Plans according to the then current schedule and the then current Commission rules and orders.	Ongoing Compliance	On April 20, 2007, PacifiCorp filed a draft of the 2007 Integrated Resource Plan in accordance with Order 02 in Docket UE-070117. The Company filed PacifiCorp's 2007 IRP Plan in Oregon, Washington, Utah and Idaho on May 30, 2007, and provided a copy of the IRP to the California Public Utilities Commission and to the Wyoming Public Service Commission. Table 2.4, in Chapter 2, identifies how the 2007 IRP considers Commitments 34, 39, 40, 41, 44, and 52.
31	When acquiring new generation resources in excess of 100 MW and with a dependable life of 10 or more years, PacifiCorp and MEHC will issue Requests for Proposals (RFPs) or otherwise comply with state laws, regulations and orders that pertain to procurement of new generation resources for	Ongoing Compliance	In February 2007, PacifiCorp issued a modified 2012 RFP for up to 1,700 MW of additional resources to become available beginning in 2012 through 2014. In June 2007, proposals from qualifying bidders were received by commission-directed independent evaluators. These

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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. PacifiCorp.		bids included various structures, ranging from purchase or lease of coal, natural gas, and geothermal power plants to power purchase agreements. PacifiCorp initiated negotiations with short-listed bidders in January 2008.
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.		Agreed per signed stipulation; action not required unless specified activities occur.
34	MEHC and PacifiCorp have identified transmission projects that MEHC and PacifiCorp believe will enhance reliability, facilitate the receipt of renewable resources, or enable further system optimization. Subject to permitting and the availability of materials, equipment and rights-of-way, MEHC and PacifiCorp commit to use their best efforts to achieve the following transmission system infrastructure improvements: ¹ 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 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: <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. 	Ongoing Compliance	a) Studies of load growth, new reliability requirements, and the need for additional resources over the long term indicated a need for more capacity than the proposed 300 MW across this transmission path. A significant upgrade was proposed which shifts the project from a 300 MW upgrade of existing lines to a major new transmission 345 kV line providing up to 1400 MW of new capacity and integrating the proposed line into a key component of the Energy Gateway project. Public outreach began in August and filing of conditional use permits began in August 2007. The project is on-track to meet the in-service date. b) Significant efforts to resolve corridor selection issues across Bureau of Land Management properties along the proposed transmission corridor were managed during 2007. The National Environmental Protection Act review process was initiated. PacifiCorp began briefing key community leaders along the proposed line route about the project. Public scoping meetings were held in several communities along the route in November 2007 with follow-up meetings held in February 2008. The current in-service date is June 2012; however, once long lead-time equipment requirements are verified, the 2011 in-service date may be achievable. c) As Regional planning studies matured in the Mid-Columbia area in 2007, an alternative project was shown to provide additional reliability benefits and offer added support for planned regional efforts. The alternative project terminates at BPA's McNary substation instead of the Mid-C bus. An environmental consultant was selected in August and began work to develop potential line corridors and assess the impacts of

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	<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>each option. In a letter filed January 22, 2008, the company notified the commission that it is replacing the Walla Walla -Yakima/Mid-C project with two projects that would provide similar benefits: the Walla Walla to McNary 230 KV project and a Vantage to Pomona Heights 230 KV line. Public notices to effected landowners along the proposed routes for the McNary line were provided in February 2008 and public meetings were held in March. Options are being examined to ensure the alternate projects meet the in-service date.</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> <p>a) investment in the Asset Risk Program of \$75 million over the three years, 2007-2009,</p> <p>b) investment in local transmission risk projects across all states of \$69 million over eight years after the close of the transaction,</p> <p>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</p> <p>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.</p> <p>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.</p> <p>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.</p>	Ongoing Compliance	<p>a) COMPLETE – effective December 30, 2007. From the period January to December 2007, PacifiCorp spent \$94,600,070 or 126% of the \$75 million commitment.</p> <p>b) Through March 2008, PacifiCorp spent approximately \$5,081,385, or 7.4%, of the total \$69 million investment (over an 8-year period) in projects identified as transmission risk projects.</p> <p>c) Through calendar year 2007, 135.5% of the \$2.5 million 2007 budget was spent. PacifiCorp began developing new and implementing prior-developed circuit fusing improvement projects consistent with commitments and plans. For the period January through March 2008, 50% of the \$2.5 million 2008 budget has been spent.</p> <p>d) Through calendar year 2007, 394% of the \$2 million 2007 budget was spent. For the period January through March 2008, PacifiCorp has spent \$2,304,244 on Saving SAIDI Improvements.</p> <p>e) COMPLETE – effective December 28, 2007. PacifiCorp's Open Access Transmission Tariff filing in response to FERC Order No. 890 includes provisions for conditional firm and planning re-dispatch service. In addition, PacifiCorp has implemented Business Practices related to both services. These Business Practices are posted on the OASIS website and titled - Business Practice #18: Redispatch Service on PacifiCorp's Transmission System and Business Practice #28: Conditional Firm Service.</p> <p>f) PacifiCorp offers partial interim service and allows scheduling modifications up to 20 minutes before the start of the hour during real time. These practices will continue.</p>
36	MEHC recognizes that it can and should have a role in addressing the critical importance of transmission infrastructure to the states in which PacifiCorp	Ongoing Compliance	PacifiCorp worked through the Northern Tier Transmission Group to develop a regional transmission plan that benefits several NTTG parties

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	<p>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>		<p>as proposed. This project, Energy Gateway was announced in early June 2007 and has moved through the early permitting and study processes.</p> <p>PacifiCorp worked closely with National Grid on the TransWest Express (TWE) project through the year including sharing WECC engineering study and right of way permitting costs for PacifiCorp's Gateway South and the TWE projects. Both projects are proposed for similar line routes, so sharing these costs helped advance both projects.</p> <p>PacifiCorp Transmission System Planning is participating wider in several major project steering committees to help facilitate, plan, integrate, and support proposed transmission projects serving the west. PacifiCorp is participating with PG&E, PGE, BCTC, AVISTA, IDAHO, and other transmission providers in the Region. Joint planning and public stakeholders meetings were held in January 2008 and the next is planned for July 25 2008.</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>The long-term debt issuances on August 10, 2006, March 9, 2007, and October 3, 2007, were analyzed to determine that the related cost of debt was at least 10 basis points below that attained by Company peers.</p> <p>The Company's testimony in the Washington general rate case, Docket UE-080220, supported that the March 2007 and October 2007 debt issuances met and exceeded the commitment.</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 option against other viable alternatives. In addition to providing regulators and interested parties with an additional viable option for assessment, it can</p>	Ongoing Compliance	<p>See General Commitment 31.</p>

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40	<p>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>100 MW - COMPLETE - effective July 21, 2006. The 100 MW commitment is complete with the acquisition of the Learning Juniper wind project.</p> <p>400 MW - COMPLETE - effective December 31, 2007. The 400 MW commitment is complete.</p> <table border="1" data-bbox="797 1276 992 1919"> <thead> <tr> <th>Resource</th> <th>Status</th> <th>Amount</th> <th>Type</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>Wolverine Creek</td> <td>Commercial</td> <td>64.5</td> <td>Wind</td> <td>20-year PPA</td> </tr> <tr> <td>Blundell Upgrade</td> <td>Construction</td> <td>11.0</td> <td>Geothermal</td> <td>Ow/operate</td> </tr> <tr> <td>Learning Juniper #1</td> <td>Commercial</td> <td>100.5</td> <td>Wind</td> <td>Ow/operate</td> </tr> <tr> <td>Roseburg Forest Products</td> <td>Commercial</td> <td>20.0</td> <td>Biomass</td> <td>5-year PPA</td> </tr> <tr> <td>Marengo</td> <td>Construction</td> <td>140.4</td> <td>Wind</td> <td>Ow/operate</td> </tr> <tr> <td>Freres Lumber</td> <td>Construction</td> <td>10.0</td> <td>Biomass</td> <td>10-year PPA</td> </tr> <tr> <td>Goodnoe Hills</td> <td>Construction</td> <td>94.0</td> <td>Wind</td> <td>Ow/operate</td> </tr> <tr> <td>total</td> <td></td> <td>440.4</td> <td></td> <td></td> </tr> </tbody> </table> <p>MEHC and PacifiCorp continue to work on new transmission lines associated with Path C and the Walla Walla line. Right-of-way applications have been filed and route permitting has begun.</p> <p>PacifiCorp's renewable energy plan, detailing how the 1,400 MW commitment will be accomplished, is posted on the Company's website http://www.pacifiCorp.com/File/File74767.pdf</p>	Resource	Status	Amount	Type	Comments	Wolverine Creek	Commercial	64.5	Wind	20-year PPA	Blundell Upgrade	Construction	11.0	Geothermal	Ow/operate	Learning Juniper #1	Commercial	100.5	Wind	Ow/operate	Roseburg Forest Products	Commercial	20.0	Biomass	5-year PPA	Marengo	Construction	140.4	Wind	Ow/operate	Freres Lumber	Construction	10.0	Biomass	10-year PPA	Goodnoe Hills	Construction	94.0	Wind	Ow/operate	total		440.4		
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41	<p>MEHC supports and affirms PacifiCorp's commitment to consider utilization of advanced coal-fuel technology such as super-critical or IGCC technology when adding coal-fueled generation.</p>	Ongoing Compliance	<p>In June 2007, the Company submitted three coal-based benchmark resources in response to the 2012 RFP for baseload resources. Two of those benchmarks, Jim Bridger Unit 5 and Intermountain Power Project Unit 3, were based on the application of supercritical boiler-steam turbine technology. The third benchmark, Jim Bridger IGCC, was based on the application of Siemens IGCC technology.</p> <p>In October 2007 the Company completed in-depth feasibility studies of IGCC that incorporated carbon dioxide capture at the Jim Bridger plant; three different gasifier technologies were evaluated. These studies were performed to meet both Company commitments as well its agreement with the Wyoming Infrastructure Authority as part of a potential partnership to pursue federal co-funding for a high altitude, low-rank coal IGCC facility under Section 413 of the 2005 EPACT. The Company did not pursue federal co-funding since the US Congress did not fund Section 413 of the 2005 EPACT.</p>																																													

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42	<p>a) MEHC and PacifiCorp commit to participate in the Environmental Protection Agency's S_F6 Emission Reduction Partnership for Electric Power Systems. Sulfur hexafluoride (S_F6) 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, S_F6 is 23,900 times more effective at trapping infrared radiation than an equivalent amount of CO₂, making it the most highly potent, known greenhouse gas. S_F6 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 S_F6 can have a significant impact on global climate change. Through its participation in the S_F6 partnership, PacifiCorp will commit to an appropriate S_F6 emissions reduction goal and annually report its estimated S_F6 emissions. MEHC and PacifiCorp represent that this not only reduces greenhouse gas emissions, it saves money and improves grid reliability. Since 1999, EPA's S_F6 partner companies have saved \$2.5 million from the avoided gas loss alone. Use of improved S_F6 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>	Ongoing Compliance	<p>During this period, the Company decided to suspend further development of coal-based resources pending clarification on potential carbon dioxide legislation.</p> <p>a) The sulfur hexafluoride (S_F6) Emissions Reduction Partnership 2007 Annual Report was submitted March 20, 2008, to the U.S. Environmental Protection Agency. The report shows 3,277 pounds or an 11.7% reduction in Company gas-emission rates.</p> <p>b) The Global Climate Change Working Group met three times in 2007. A draft Global Climate Change Action Plan was released to stakeholders for review and comment during 4th quarter 2007. Based upon comments received, a revised draft was completed and submitted to MidAmerican Energy Holdings Company for review and approval.</p>
43	<p>Working with the affected generation plant joint owners and with regulators to obtain required approvals, MEHC and PacifiCorp commit to install, to the extent cost effective, the equipment likely to be necessary under future emissions control scenarios at a cost of approximately \$812 million. Concurrent with any application for an air permit, MEHC and PacifiCorp will discuss its plans regarding this commitment with interested parties and solicit input. While additional expenditures may ultimately be required as future emission reduction requirements become better defined, MEHC believes these investments in emission control equipment are reasonable and environmentally beneficial. The execution of an emissions reduction plan for the existing PacifiCorp coal-fueled facilities, combined with the use of reduced-emissions coal technology for new coal-fueled generation, is expected to result in a significant decrease in the emissions rate of PacifiCorp's coal-fueled generation fleet. MEHC represents that the</p>	Ongoing Compliance	<p>A plan for emissions compliance has been developed for each BART eligible coal fired unit in the PacifiCorp generation fleet. The plan addresses reduction of criteria pollutants oxides of nitrogen (NOx), sulfur dioxide (SO₂), particulate matter (PM), and mercury (Hg). As a part of that plan in 2007 Low NOx Burner installations were completed on Hunter 3 and Jim Bridger 3 and contracts are in place for Jim Bridger 4 which is a 2008 installation. Contracts were awarded for Dave Johnston 3 & 4 sulfur dioxide and particulate emissions reductions projects. Construction of the Cholla 4 emissions reduction project continues and is on schedule for a 2008 completion. The cost for the emissions reduction plan has continued to increase and is currently estimated at \$1.4 billion.</p>

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44	<p>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> <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 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 NWPCC'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>	Ongoing Compliance	<p>a) COMPLETE - effective July 13, 2007. PacifiCorp received Quanterc's report on June 19, 2007. Presentations to state Commissions and stakeholders took place on July 9, 2007 in Salt Lake City, Utah and July 13, 2007 in Portland, Oregon. The data was used to update PacifiCorp's 10-year demand-side management resource planning targets and will be further leveraged in the preparation of PacifiCorp's 2008 Integrated Resource Plan.</p> <p>b) Through the first three years of the plan (2005-2007) PacifiCorp has delivered 103% of the annual targets, projecting to grow that percentage to 106% by 2009, the last year of the plan.</p> <p>c) In addition to the ongoing best practice work between the two companies on programs, program delivery and valuation techniques, the two companies competitively procured for the joint development of replacement demand-side management tracking and reporting systems to be completed in early 2009.</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>See also General Commitment 1. The Company continued the customer service guarantees and performance standards throughout the period April 1, 2007 to March 31, 2008.</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.</p> <p>Economic development grants were given to several Pacific Power and Rocky Mountain Power communities throughout the year. Regional community managers participate in regional economic development summits, including state and federal elected officials and regional economic development leaders. Regional community managers serve</p>

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47	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.	Ongoing Compliance	on boards of economic development agencies and lead and provide support to recruitment and retention initiatives. Appropriate staffing levels for PacifiCorp have been reviewed and continue to be part of the business planning process.
48	PacifiCorp will provide public notice and an invitation to encourage 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>In compliance with General Commitment 30, the Company filed its 2007 IRP Plan in Oregon, Washington, Utah and Idaho on May 30, 2007, and provided a copy of the IRP to the California Public Utilities Commission and to the Wyoming Public Service Commission. Table 2.4, in Chapter 2, identifies how the 2007 IRP considers Commitments 34, 39, 40, 41, 44, and 52.</p> <p>PacifiCorp maintained an Integrated Resource Planning website with currently filed planning documents, public meeting presentations and handouts. For most of the 2007 public meetings a meeting summary was posted and sent to the entire IRP public participant email list. Also, parking lot questions raised during the public meetings were responded to and sent to the participant list.</p> <p>PacifiCorp public meetings were held using both video and phone conferencing between Portland, Oregon and Salt Lake City; the April 18, 2007 meeting added a Cheyenne, Wyoming video connection.</p> <p>PacifiCorp held the following Public Meetings (Initial Notice in parenthesis):</p> <ul style="list-style-type: none"> • April 18, 2007 (Announced March 6, 2007) • July 27, 2007 Wyoming Commission Only • February 29, 2008 (Announced February 1, 2008) <p>Other Public Meetings – Related to State Specific Dockets: Announcements were made through the scheduling document for respective state dockets and service lists were notified.</p> <ul style="list-style-type: none"> • May 3, 2007 – Utah Technical Conference • June 22, 2007 – Oregon Conference • July 27, 2007 – Wyoming IRP Overview Workshop • October 10, 2007 – Washington • November 26, 2007 – Wyoming Public Service Commission • December 5, 2007 - Wyoming Public Service Commission discussion on IRP rules • December 19, 2007 – Oregon Public Utility Commission technical conference on acknowledgement • January 11, 2008 – Wyoming Open Meeting

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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	<p>2008 IRP The Company initiated its 2008 IRP planning cycle at a public meeting on February 29, 2008. IRP Participants received a paper discussing the IRP Alignment Strategy with Business Planning.</p> <p>Individual State Focus meetings are planned for the 2008 IRP process. PacifiCorp will hold six state meetings during April 2008 to provide a forum for state specific topics and discussions. Dates are as follows: Utah - April 9, 2008, Wyoming - April 10, 2008, Oregon/California - April 2, 2008, Washington - April 22, 2008, and Idaho - April 23, 2008. Also, general public meetings are scheduled for May 22 and 23, 2008.</p> <p>PacifiCorp is currently meeting all commitments as addressed in this report.</p>
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.	COMPLETE	COMPLETE - effective March 21, 2008. Pension contributions in 2006 and 2007 were consistent with the pre-acquisition funding policy described in Hewitt Actuarial Report for 2005. \$76 million was contributed in 2006. \$75.8 million was 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 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.	COMPLETE	COMPLETE - effective September 21, 2006. 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 will continue to negotiate with the owner of the last minority interest.
52	Upon closing, MEHC and PacifiCorp commit to immediately evaluate increasing the generation capacity of the Blundell geothermal facility by the amount determined to be cost-effective. Such evaluation shall be summarized in a report and filed with the Commission concurrent with the	COMPLETE	COMPLETE -effective March 16, 2007. A report regarding the feasibility of increasing the generation capacity of the Blundell geothermal facility was filed on March 16, 2007.

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	filling 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.		
53	MEHC or PacifiCorp commit to commence as soon as practical after close of the transaction a system impact study to examine the feasibility of constructing transmission facilities from the Jim Bridger generating facilities to Miners Substation, in Wyoming. Upon receipt of the results of the system impact study, MEHC or PacifiCorp will review and discuss with stakeholders the desirability and economic feasibility of performing a subsequent facilities study for the Bridger to Miners 500 KV transmission project.	COMPLETE	COMPLETE - effective August 23, 2006.

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	A manual process was utilized until February 23, 2008 to ensure no collection remedies or disconnection took place during the 15-day investigation period. Effective February 23, 2008, the process was automated by implementation of customer system changes.
Wa2	MEHC and PacifiCorp commit to \$142.5 million (total company amount) of 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.	Ongoing Compliance	On June 21, 2007, the Commission issued its Order in the Washington general rate case. The Commission order ruled that the following commitments have been met or exceeded: Commitment Wa4 Affiliate Management Fee; Commitment Wa6 Affiliate Cross Charges; Commitment Wa7 A&G Cost Reduction; and Commitment 37 Long-term Debt Yield Reduction. On August 5, 2007, the Company began to pass back to customers the A&G transition savings amount over a 12-month period. The Commission's order approved the West Control Area allocation methodology which rendered Wa3 no longer applicable to Washington.
Wa3	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,	COMPLETE	COMPLETE - effective June 21, 2007. Wa3 closed per Commission Order in UE-061546 on June 21, 2007. The Commission's order approved the West Control Area allocation methodology which rendered

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Wa4	<p>2006 transaction closing), \$5 million in 2007 and \$2.1 million in 2008 (the lease terminates May 31, 2008), which shall be the amounts of the total company rate credit. 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> <p>i) are reflected in PacifiCorp's rates;</p> <p>and,</p> <p>ii) there are no offsetting actions or agreements by MEHC or PacifiCorp for which value is obtained by PPM or an affiliated company, which, directly or indirectly, increases the costs PacifiCorp would otherwise incur.</p>	Ongoing Compliance	<p>W3 no longer applicable to Washington</p>
W45	<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> <p>i) Corporate allocations from MEHC to PacifiCorp included in PacifiCorp's rates are less than \$7.3 million;</p> <p>ii) Costs associated with functions previously carried out by parents to PacifiCorp and previously included in rates have not been shifted to 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>	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> <p>On June 21, 2007, the Commission issued its Order in the Washington general rate case, Docket UE-061546. The Commission order ruled that the following commitments have been met or exceeded: Commitment Wa4 Affiliate Management Fee; Commitment Wa6 Affiliate Cross Charges; Commitment Wa7 A&G Cost Reduction; and Commitment 37 Long-term Debt Yield Reduction. On August 5, 2007, the Company began to pass back to customers the A&G transition savings amount over a 12-month period.</p> <p>The general rate case Docket UE-080220, filed February 6, 2008, adjusts the MEHC allocation to PacifiCorp to the \$7.3 million level.</p>
W45	<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</p>	Ongoing Compliance	<p>The captive policies were renewed and received in March 2008 with premiums no greater than \$7.4 million.</p>

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Wa6	<p>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>	COMPLETE	<p>COMPLETE – effective June 21, 2007.</p> <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 Washington-specific Commitment Wa7 for more details.</p> <p>b) In the 2006 general rate case, Docket UE-061546, PacifiCorp provided 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> <p>On June 21, 2007, the Commission issued its Order in the general rate case. The Commission Order ruled that Commitment Wa6 had been met or exceeded.</p>
Wa7	<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>Company A&G costs filed in Washington general rate case Docket UE-080220 were \$172.9m. This amount is below the commitment of \$231.5m.</p>
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, "JM 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 offsettable, on a prospective basis, for every dollar that</p>		

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	<p>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>		
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> <ul style="list-style-type: none"> a) Notify the Commission of this inability to obtain a non-consolidation opinion. 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. c) Obtain a non-consolidation opinion. 	COMPLETE	COMPLETE - effective June 9, 2006.
Wa9	<p>MEHC and PacifiCorp commit that PacifiCorp will not directly own equity shares of either Berkshire Hathaway or MEHC.</p>	Ongoing Compliance	Agreed per signed stipulation.
Wa10	<p>MEHC commits to provide 30 days' notice to the Commission if it intends to 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>	Ongoing Compliance	Agreed per stipulation; action not required unless specified activities occur.
Wa11	<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;</p>	Ongoing Compliance	<p>a) Accounting calculates PPW Holdings, LLC common equity capital and ratios on a monthly basis and reports to Treasury.</p> <p>b) No debt has been issued by PPW Holdings, LLC.</p>

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	<p>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>		
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 item 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 \$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>	COMPLETE	<p>COMPLETE - effective March 20, 2007.</p>
Wa14	<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	<p>Contributions totaling \$80,000 were received by the three agencies that administer Project HELP for the program year ending June 30, 2007. Of that total, PacifiCorp's share was \$57,170 and the balance of donations came from all other contributors.</p> <p>The Company has worked on generating additional contributions, and to this end will add a June distribution of contribution envelopes in billings to the regular November and February distribution months. The Company is promoting the program on the ePay website and has added the program to its Employee Giving Campaign.</p>

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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	COMPLETE - effective 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	No amendments were made to the IASA.
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 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.	COMPLETE	COMPLETE - Action not required unless specified activities occur.
Wa20	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.	Ongoing Compliance	No amendments, revisions or modifications have been made to the PPW Holdings LLC agreement dated March 15, 2006.
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 have been provided per the requirement.
Wa22	MEHC and PacifiCorp will provide Commission Staff access to operational,	Ongoing	Agreed per signed stipulation; action not required unless specified

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Wa23	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.	Compliance	activities occur.
Wa24	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	The rating requirement has been added to the list of tests to be performed prior to PacifiCorp declaring dividends on common stock.
Wa25	<p>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.</p> <p>a) Actions. The following specific actions shall be taken by PacifiCorp:</p> <p>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;</p> <p>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;</p> <p>3) Item 5A in Study: Prepare an engineering study analyzing the cost of 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</p>	Ongoing Compliance	<p>Item 1 - COMPLETE - effective December 31, 2007. The project was approved in July 2005. High side fuses were replaced with transruptors at the time the transformer was replaced in July 2005. The project was completed in December 2007 with the installation of the fourth and final transruptor.</p> <p>Item 2 - Study provided to Boise Cascade March 8, 2007. Approval received from Boise on March 27, 2007. The filter capacitor bank installation in the Cascade Kraft substation was completed March 21, 2008 but not put into service until April 1, 2008, at Boise's request because they did not want to take a paper machine down until that date.</p> <p>Item 3 - Final study completed and provided to Boise Cascade and WUTC Staff on March 19, 2007. Additional discussions about cost effective solutions will be conducted during the twice yearly Joint Reliability Task Force meetings. The next meeting will be held in June 2008.</p> <p>Item 4 - Study completed and provided to Boise Cascade and WUTC Staff on March 19, 2007. Additional discussions about cost effective solutions will be conducted during the twice yearly Joint Reliability Task Force meetings. The next meeting will be held in June 2008.</p> <p>Item 5 -Vegetation chemically treated in 2007 and continues on a regular every other year schedule.</p> <p>Item 6 - In 2005 operators were all trained and have been provided ongoing annual training. Errors are reviewed on monthly basis and</p>

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Wa26	<p>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) Completion Dates. 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) Cost Responsibility. 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>	Ongoing Compliance	coaching provided as appropriate. Item 7 - COMPLETE - effective January 2006. Animal guards installed January 2006. This project was communicated with Boise on April 25, 2005, and approved by them at that time. This work was also identified as part of the January 2005 "Study."
Wa27	<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.
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</p>	Ongoing Compliance	Agreed per signed stipulation.

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	<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>		
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>The April through December 2006 compliance report was prepared and filed with the Washington Utilities and Transportation Commission on September 24, 2007. The January through December 2007 calculations have been completed and a draft compliance report filing has been prepared.</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	<p>No action has been necessary through March 31, 2008.</p>

STIPULATION PARAGRAPH

Stipulation Paragraph Number	Commitment Description	Status	Status Description
11	<p>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.</p>	Ongoing Compliance	<p>No legislation impacting utility regulation was introduced at PacifiCorp's request during the reporting period.</p>

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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	COMPLETE - effective May 31, 2006.