

VIA OVERNIGHT DELIVERY

May 30, 2008

Oregon Public Utility Commission
550 Capital Street NE, Ste. 215
Salem, OR 97301-2551

Attn: Vikie Bailey-Goggins
Administrator, Regulatory and Technical Support

RE: Docket No. UM 1209
Compliance Filing Pursuant to Commitment 49 of Stipulation Appendix A,
Consolidated List of Commitments

MidAmerican Energy Holdings Company ("MEHC") and PacifiCorp submit to the Oregon Public Utility Commission ("Commission") an original and six (6) copies of PacifiCorp's Annual Report of Status of commitments ("Status Report"). This Status Report is being provided in compliance with General Commitment 49, pursuant to the Commission Order No. 06-121 granting approval of the acquisition of PacifiCorp by MidAmerican Energy Holdings Company, issued March 14, 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 are MEHC's and PacifiCorp's commitments regarding the filing of the enclosed Status Report. The commitment states:

49) Reporting on Status of Commitments:

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

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

You will note on the enclosed Status Report that the status of the commitments have been identified as "ongoing compliance" or "complete." Many of those commitments identified as

“ongoing compliance” are of an on-going nature and do not have an expiration or completion date. For those commitments PacifiCorp has developed policies, procedures, or processes to ensure compliance as part of the Company’s daily operations. Other commitments that are identified as “ongoing compliance” are project-related and the status will be reported as “complete” once the project has been completed. To date, 95 commitments across PacifiCorp’s six-states have been completed. Of these 95 completed commitments, 18 are applicable to Oregon 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, parties to the proceeding are being provided notice of this filing.

It is respectfully requested that all data requests regarding this filing be address to the following:

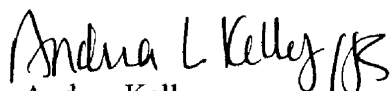
By e-mail (preferred): datarequest@pacificorp.com

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, or if someone in your agency/association did not receive a copy of the filing and would like to have one, please contact Joelle Steward, Regulatory Manager, at (503) 813-5542.

Sincerely,


Andrea Kelly
Vice President, Regulation

Enclosure
cc: Service List Docket UM 1209 (w/out enclosures)

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 UM 1209.

<p>RATES & REGULATORY AFFAIRS PORTLAND GENERAL ELECTRIC RATES & REGULATORY AFFAIRS 121 SW SALMON STREET, 1 WTC0702 PORTLAND OR 97204 pge.opuc.filings@pgn.com</p>	<p>NW ENERGY COALITION (W) 811 1ST AVE, SUITE, 310 SEATTLE WA 98104 steve@nwenergy.org</p>
<p>UTILITY WORKERS UNION OF AMERICA PO BOX 37 SAN CLEMENTE CA 92674-0037 uwua@redhabancro.com</p>	<p>PAUL R WOODIN WESTERN WIND POWER 282 LARGENT LANE GOLDENDALE WA 98620-3519 pwoodin@gorge.net</p>
<p>DOUGLAS L ANDERSON 1111S. 103RD ST OMAHA, NE 68124 danderson@midamerican.com</p>	<p>JIM ABRAHAMSON -- CONFIDENTIAL COMMUNITY ACTION DIRECTORS OF OREGON 945 COLUMBIA ST. NE SALEM OR 97301 jim@cado-oregon.org</p>
<p>ADAM S ARMS (W) MCKANNA BISHOP JOFFE & SULLIVAN LLP 1635 NW JOHNSON ST PORTLAND OR 97209 aarms@mbjlaw.com</p>	<p>SUSAN ANDERSON (W) CITY OF PORTLAND OFFICE OF SUSTAINABLE DEV 721 NW 9TH AVE -- SUITE 350 PORTLAND OR 97209-3447 susananderson@ci.portland.or.us</p>
<p>MAGGIE BRILZ (W) IDAHO POWER COMPANY PO BOX 70 BOISE ID 83707-0070 mbrilz@idahopower.com</p>	<p>CURTIS G BERKEY ALEXANDER, BERKEY, WILLIAMS & WEATHERS, LLP 2030 ADDISON STREET, SUITE 410 BERKELEY CA 94704 cberkey@abwwlaw.com</p>

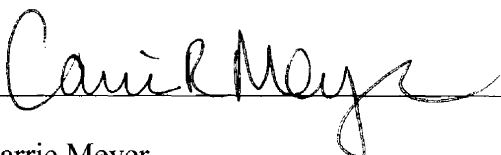
<p>JOANNE M BUTLER IDAHO POWER COMPANY PO BOX 70 BOISE ID 83707-0070 jbutler@idahopower.com</p>	<p>LOWREY R BROWN -- CONFIDENTIAL CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY, SUITE 308 PORTLAND OR 97205 lowrey@oregoncub.org</p>
<p>RALPH CAVANAGH -- CONFIDENTIAL NATURAL RESOURCES DEFENSE COUNCIL 111 SUTTER ST FL 20 SAN FRANCISCO CA 94104 rcavanagh@nrdc.org</p>	<p>PHIL CARVER OREGON DEPARTMENT OF ENERGY 625 MARION ST NE STE 1 SALEM OR 97301-3742 philip.h.carver@state.or.us</p>
<p>JOHN CORBETT YUOK TRIBE PO BOX 1027 KLAMATH CA 95548 jcorbett@yuroktribe.nsn.us</p>	<p>BRYAN CONWAY PO BOX 2148 SALEM OR 97309-2148 bryan.conway@state.or.us</p>
<p>CHRIS CREAM (W) MULTNOMAH COUNTY 501 SE HAWTHORNE, SUITE 500 PORTLAND OR 97214 christopher.d.cream@co.multnomah.or.us</p>	<p>JOAN COTE -- CONFIDENTIAL OREGON ENERGY COORDINATORS ASSOCIATION 2585 STATE ST NE SALEM OR 97301 cotej@mwwcaa.org</p>
<p>MICHAEL EARLY INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES 333 SW TAYLOR STE 400 PORTLAND OR 97204 mearly@icnu.org</p>	<p>MELINDA J DAVISON DAVISON VAN CLEVE PC 333 SW TAYLOR, STE. 400 PORTLAND OR 97204 mail@dvclaw.com</p>
<p>ANN L FISHER (W) AF LEGAL & CONSULTING SERVICES PO Box 25302 PORTLAND OR 97298-0302 energlaw@aol.com</p>	<p>JASON EISDORFER -- CONFIDENTIAL CITIZENS' UTILITY BOARD OF OREGON 610 SW BROADWAY STE 308 PORTLAND OR 97205 jason@oregoncub.org</p>

<p>BERNARDO R GARCIA UTILITY WORKERS UNION OF AMERICA 215 AVENDIA DEL MAR, SUITE M SAN CLEMENTE CA 92672 <u>uwua@redhabanero.com</u></p>	<p>JOHN R GALE (W) IDAHO POWER COMPANY PO BOX 70 BOISE ID 83707-0070 <u>rgale@idahopower.com</u></p>
<p>DAVID E HAMILTON (W) NORRIS & STEVENS 621 SW MORRISON ST STE 800 PORTLAND OR 97205-3825 <u>davidh@norrstev.com</u></p>	<p>ANN ENGLISH GRAVATT RENEWABLE NORTHWEST PROJECT 917 SW OAK - STE 303 PORTLAND OR 97205 <u>ann@rnp.org</u></p>
<p>JASON W JONES -- CONFIDENTIAL DEPARTMENT OF JUSTICE REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 <u>jason.w.jones@state.or.us</u></p>	<p>NANCY HARPER (W) IBEW, LOCAL 125 17200 NE SACRAMENTO GRESHAM OR 97230 <u>nancy@ibew125.com</u></p>
<p>BARTON L KLINE -- (W) CONFIDENTIAL IDAHO POWER COMPANY PO BOX 70 BOISE ID 83707-0070 <u>bkline@idahopower.com</u></p>	<p>ANDREA L KELLY PACIFICORP 825 NE MULTNOMAH ST STE 2000 PORTLAND OR 97232 <u>andrea.kelly@pacificorp.com</u></p>
<p>MICHAEL T WEIRICH -- CONFIDENTIAL DEPARTMENT OF JUSTICE REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 <u>michael.weirich@state.or.us</u></p>	<p>KAITLIN LOVELL (W) TROUT UNLIMITED 213 SW ASH ST, SUITE 205 PORTLAND OR 97204 <u>klovell@tu.org</u></p>
<p>STEVEN WEISS (W) NORTHWEST ENERGY COALITION 4422 OREGON TRAIL CT NE SALEM OR 97305 <u>steve@nwenergy.org</u></p>	<p>WILLIAM MILLER (W) IBEW, LOCAL 125 17200 NE SACRAMENTO GRESHAM OR 97230 <u>bill@ibew125.com</u></p>

<p>MICHAEL W ORCUTT (W) HOOPA VALLEY TRIBE FISHERIES DEPT PO BOX 417 HOOPA CA 95546</p>	<p>BARBARA LEE NORMAN KARUK TRIBE OF CALIFORNIA PO BOX 657 YREKA OR 96097</p>
<p>LISA F RACKNER -- CONFIDENTIAL ATER WYNNE LLP 520 SW SIXTH AVE, SUITE 830 PORTLAND, OR 97204 lisa@mcd-law.com</p>	<p>JANET L PREWITT -- CONFIDENTIAL DEPARTMENT OF JUSTICE 1162 COURT ST NE SALEM OR 97301-4096 janet.prewitt@doj.state.or.us</p>
<p>GREGORY W SAID (W) IDAHO POWER COMPANY PO BOX 70 BOISE ID 83707 gsaid@idahopower.com</p>	<p>STEVE ROTHERT (W) AMERICAN RIVERS 409 SPRING ST, SUITE D NEVADA CITY CA 95959 srothert@americanrivers.org</p>
<p>GLEN H SPAIN -- CONFIDENTIAL PACIFIC COAST FEDERATION OF FISHERMEN'S ASSOC PO BOX 11170 EUGENE OR 97440-3370 fishlifr@aol.com</p>	<p>THOMAS P SCHLOSSER (W) MORISSET, SCHLOSSER, JOZWIAK & MCGAW 801 SECOND AVE, SUITE 1115 SEATTLE WA 98104-1509 t.schlosser@msaj.com</p>
<p>DOUGLAS C TINGEY PORTLAND GENERAL ELECTRIC 121 SW SALMON 1WTC13 PORTLAND OR 97204 doug.tingey@pgn.com</p>	<p>JOHN W STEPHENS ESLER STEPHENS & BUCKLEY 888 SW FIFTH AVE STE 700 PORTLAND OR 97204-2021 stephens@eslerstephens.com</p>
<p>SANDI R TRIPP KARUK TRIBE DEPT. OF NATURAL RESOURCES PO BOX 1016 HAPPY CAMP CA 95546</p>	<p>BENJAMIN WALTERS (W) CITY OF PORTLAND - OFFICE OF CITY ATTORNEY 1221 SW 4TH AVE - RM 430 PORTLAND OR 97204 bwalters@ci.portland.or.us</p>

<p>JESSICA GORHAM ATER WYNNE LLP 222 SW COLUMBIA STE 1800 PORTLAND OR 97201 jac@aterwynne.com</p>	<p>DANIEL MEEK ATTORNEY AT LAW 10949 SW 4TH AVE PORTLAND OR 97219 dan@meeek.net</p>
<p>MATTHEW W PERKINS -- CONFIDENTIAL DAVISON VAN CLEVE PC 333 SW TAYLOR, STE. 400 PORTLAND OR 97204 mwp@dvclaw.com</p>	<p>D KEVIN CARLSON – CONFIDENTIAL DEPT OF JUSTICE – GENERAL COUNSEL DIVISION 1162 COURT ST NE SALEM OR 97301-4096 d.carlson@doj.state.or.us</p>
<p>LINDA WILLIAMS (W) KAFOURY & MCDUGAL ATTORNEY AT LAW 10266 SW LANCASTER RD PORTLAND OR 97219-6305 linda@lindawilliams.net</p>	<p>EDWARD BARTELL KLAMATH OFF-PROJECT WATER USERS INC 30474 SPRAGUE RIVER ROAD SPRAGUE RIVER OR 97639</p>
<p>ANDREA FOGUE SENIOR STAFF ASSOCIATE LEAGUE OF OREGON CITIES PO BOX 928 1201 COURT ST NE STE 200 SALEM OR 97308 afogue@orcities.org</p>	<p>KATHERINE A MCDOWELL MCDOWELL & ASSOCIATES PC 520 SW SIXTH AVENUE, SUITE 830 PORTLAND OR 97204 katherine@mcd-law.com</p>
<p>MARK C MOENCH SENIOR VICE PRESIDENT – LAW MIDAMERICAN ENERGY HOLDINGS COMPANY 201 S MAIN ST – STE 2300 SALT LAKE CITY UT 84111 mcmoench@midamerican.com</p>	<p>THANE SOMERVILLE – (W) CONFIDENTIAL MORISSET, SCHLOSSER, JOZWAIK & MCGAW 801 SECOND AVE – STE 1115 SEATTLE WA 98104-1509 t.somerville@msaj.com</p>

<p>ROB ROY SMITH – CONFIDENTIAL MORISSET, SCHLOSSER, JOZWAIK & MCGAW 1115 NORTON BUILDING 801 SECOND AVE SEATTLE WA 98104-1509 r.smith@msaj.com</p>	<p>ROBERT DENHAM MUNGER, TOLLES & OLSEN, LLP 355 SOUTH GRAND AVE 35TH FLOOR LOS ANGELES CA 90071 robert.denham@mto.com</p>
<p>MARK THOMPSON PUBLIC POWER COUNCIL 825 NE MULTNOMAH ST #1225 PORTLAND, OR 97232 mthompson@ppcpdx.org</p>	<p>PETER J RICHARDSON RICHARDSON & O’LEARY PO BOX 7218 BOISE ID 83707 peter@richardsonandoleary.com</p>
<p>CHARLTON H BONHAM (W) TROUT UNLIMITED 828 SAN PABLO AVE SUITE 208 AIBANY CA 94706 cbonham@tu.org</p>	<p>BRIAN JOHNSON – CONFIDENTIAL (W) TROUT UNLIMITED 825 SAN PABLO AVE SUITE 208 AIBANY CA 94706 bjohnson@tu.org</p>



Carrie Meyer
Coordinator, Regulatory Administration

**MidAmerican Energy Holdings Company and PacifiCorp
Annual Report of Status of Commitments
To the Oregon Public Utility 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 the costs and 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 and Oregon-specific Commitment O 3.

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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; filed on March 31, 2006; approved on June 19, 2006.
10	Due to PUHCA repeal, neither Berkshire Hathaway nor MEHC will be registered public utility holding companies under PUHCA. Thus, no waiver by Berkshire Hathaway or MEHC of any defenses to which they may be entitled under <i>Ohio Power Co. v. FERC</i> , 954 F.2d 779 (D.C. Cir.), cert. denied sub nom. <i>Arcadia v. Ohio Power Co.</i> , 506 U.S. 981 (1992) (" <i>Ohio Power</i> "), 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 in writing 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; filed on March 31, 2006; approved on June 19, 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	Ongoing Compliance	IASA filed in 13 above contained the provisions required by 14a-14f.

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	<p>to demonstrate that such service or cost category is necessary to PacifiCorp for the performance of its regulated operations, is not duplicative of services already being performed within PacifiCorp, and is reasonable and prudent.</p> <p>b) Cost allocations to PacifiCorp and its subsidiaries will be based on generally accepted accounting standards; that is, in general, direct costs will be charged to specific subsidiaries whenever possible and shared or indirect costs will be allocated based upon the primary cost-driving factors.</p> <p>c) MEHC and its subsidiaries will have in place positive time reporting systems adequate to support the allocation and assignment of costs of executives and other relevant personnel to PacifiCorp.</p> <p>d) An audit trail will be maintained such that all costs subject to allocation can be specifically identified, particularly with respect to their origin. In addition, the audit trail must be adequately supported. Failure to adequately support any allocated cost may result in denial of its recovery in rates.</p> <p>e) Costs which would have been denied recovery in rates had they been incurred by PacifiCorp regulated operations will likewise be denied recovery whether they are allocated directly or indirectly through subsidiaries in the MEHC group.</p> <p>f) Any corporate cost allocation methodology used for rate setting, and subsequent changes thereto, will be submitted to the Commission for approval if required by law or rule.</p>		
15	MEHC and PacifiCorp commit that PacifiCorp will maintain separate debt and preferred stock, if any. PacifiCorp will maintain its own corporate credit rating, as well as ratings for long-term debt and preferred stock, from Moody's and S&P or their successor rating agencies.	Ongoing Compliance	PacifiCorp continues to have ratings for long-term debt and preferred stock from Moody's and S&P.
16	MEHC and PacifiCorp will exclude all costs of the transaction from PacifiCorp's utility accounts. Within 90 days following completion of the transaction, MEHC will provide a preliminary accounting of these costs. Further, MEHC will provide the Commission with a final accounting of these costs within 30 days of the accounting close.	COMPLETE	COMPLETE – effective January 30, 2007.
17	MEHC and PacifiCorp will provide the Commission with unrestricted access to all written information provided by and to credit rating agencies that pertains to PacifiCorp or MEHC. Berkshire Hathaway and MEHC will also provide the Commission with unrestricted access to all written information provided by and to credit rating agencies that pertains to MEHC's subsidiaries to the extent such information may potentially impact PacifiCorp.	Ongoing Compliance	Rating agency materials are available upon request.
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:</p> <p>48.25% from the date of the close of the transaction through December 31, 2008;</p> <p>47.25% from January 1, 2009, through December 31, 2009;</p> <p>46.25% from January 1, 2010 through December 31, 2010;</p>	Ongoing Compliance	<p>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.</p> <p>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.</p>

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General Commitment Number	Commitment Description	Status	Status Description
	<p>45.25% from January 1, 2011 through December 31, 2011; 44.00% after December 31, 2011.</p> <p>b) PacifiCorp's Total Capital is defined as common equity, preferred equity and long-term debt. Long-term debt is defined as debt with a term of more than one year. For purposes of calculating the numerator of the percentage, common equity will be increased by 50% of the remaining balance of preferred stock that was in existence prior to the acquisition of PacifiCorp by MEHC. PacifiCorp and MEHC will work with Commission staff to determine a percentage of common equity credit to apply to preferred stock issued by PacifiCorp after the acquisition of PacifiCorp by MEHC. In the absence of such an agreement between Commission staff and the Companies, MEHC and PacifiCorp agree to treat new issuances of preferred stock as 100% debt, unless a Commission order approves a different percentage.</p> <p>c) MEHC and PacifiCorp commit that PacifiCorp will not make any dividends to PPW Holdings LLC or MEHC that will reduce PacifiCorp's common equity capital below 35% of its Total Adjusted Capital without Commission approval. For purposes of calculating the numerator of the percentage, common equity will not include any portion of PacifiCorp preferred stock issued and outstanding. PacifiCorp's Total Adjusted Capital is defined as common equity, preferred equity, long-term debt, short-term debt and capitalized lease obligations.</p> <p>d) The Commission, on its own motion or at the request of any party, may reexamine the minimum common equity percentages as financial conditions or accounting standards warrant.</p>		
19	The capital requirements of PacifiCorp, as determined to be necessary to meet its obligation to serve the public, will be given a high priority by the Board of Directors of MEHC and PacifiCorp.	Ongoing Compliance	For 2007, MEHC made equity infusions totaling \$200 million. Projections for equity infusions for 2008 are \$250 million.
20	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.	Ongoing Compliance	Agreed per signed stipulation.
21	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.	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	[This Commitment number has intentionally been left blank. Commitment	Intentionally Left	This commitment number has been intentionally left blank.

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	22 is not available if a state selects Oregon-specific Commitment O 12.]	Blank	
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	<p>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.</p> <p>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.</p>
24	PacifiCorp will continue its commitment to gather outside input on environmental matters, such as through the Environmental Forum.	Ongoing Compliance	<p>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:</p> <p>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.</p> <p>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.</p>
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	<p>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</p>

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

General Commitment Number	Commitment Description	Status	Status Description
			14001 registration for PacifiCorp Energy was temporarily suspended 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.
26	MEHC will maintain at least the existing level of PacifiCorp's community-related contributions, both in terms of monetary and in-kind contributions. The distribution of PacifiCorp's community-related contributions among the states will be done in a manner that is fair and equitable to each state.	Ongoing Compliance	PacifiCorp maintained its level of support for community-related contributions. Expenditures are tracked to ensure that the Company is making equitable allocations. Community funding (contributions, sponsorships and in-kind donations) for calendar year 2007 totaled \$2,863,226.
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 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	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 PacifiCorp.	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 bids included various structures, ranging from purchase or lease of coal, natural gas, and geothermal power plants to power purchase

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

General Commitment Number	Commitment Description	Status	Status Description
			agreements. PacifiCorp initiated negotiations with short-listed bidders in January 2008.
32	Nothing in these acquisition commitments shall be interpreted as a waiver of PacifiCorp's or MEHC's rights to request confidential treatment for information that is the subject of any commitments.	Ongoing Compliance	Agreed per signed stipulation; action not required unless specified activities occur.
33	[This Commitment number has intentionally been left blank. Oregon-specific Commitment O 1 substitutes for this Commitment 33.]	Intentionally Left Blank	This commitment number has been intentionally left blank.
34	<p>MEHC and PacifiCorp have identified transmission projects that MEHC and PacifiCorp believe will enhance reliability, facilitate the receipt of renewable resources, or enable further system optimization. Subject to permitting and the availability of materials, equipment and rights-of-way, MEHC and PacifiCorp commit to use their best efforts to achieve the following transmission system infrastructure Improvements¹:</p> <p>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:</p> <ul style="list-style-type: none"> • enhances reliability because it increases transfer capability between the east and west control areas, • facilitates the delivery of power from wind projects in Idaho, and • provides PacifiCorp with greater flexibility and the opportunity to consider additional options regarding planned generation capacity additions. <p>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:</p> <ul style="list-style-type: none"> • enhances reliability by enabling the import of power from Southern California entities during emergency situations, • facilitates the acceptance of renewable resources, and • enhances further system optimization since it enables the further purchase or exchange of seasonal resources from parties capable of delivering to Mona. <p>c) <u>Walla Walla - Yakima or Mid-C (~\$88 million)</u> - 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>	Ongoing Compliance	<p>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.</p> <p>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.</p> <p>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 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>
	<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</p>		

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

General Commitment Number	Commitment Description	Status	Status Description
	date. If that should occur, MEHC pledges to propose an alternative to the Commission with a comparable benefit.		
35	<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	<p>MEHC recognizes that it can and should have a role in addressing the critical importance of transmission infrastructure to the states in which PacifiCorp serves. MEHC also recognizes that some transmission projects, while highly desirable, may not be appropriate investments for PacifiCorp and its regulated customers. Therefore, MEHC commits its resources and leadership to assist PacifiCorp states in the development of transmission projects upon which the states can agree. Examples of such projects would be RMATS and the proposed Frontier transmission line.</p>	Ongoing Compliance	<p>PacifiCorp worked through the Northern Tier Transmission Group to develop a regional transmission plan that benefits several NTTG parties 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</p>

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

General Commitment Number	Commitment Description	Status	Status Description																																													
			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.																																													
37	[This Commitment number has intentionally been left blank. Commitment 37 is not available if a state selects Oregon-specific Commitment O 14.]	Intentionally Left Blank	This Commitment number has been intentionally left blank.																																													
38	[This Commitment number has intentionally been left blank. Commitment 38 is not available if a state selects Oregon-specific Commitments O 9 and O 11.]	Intentionally Left Blank	This Commitment number has been intentionally left blank.																																													
39	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 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.	Ongoing Compliance	See General Commitment 31.																																													
40	<p>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>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>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</p>	Ongoing Compliance	<p>100 MW - COMPLETE - effective July 21, 2006. The 100 MW commitment is complete with the acquisition of the Leaning Juniper wind project.</p> <p>400 MW - COMPLETE - effective December 31, 2007. The 400 MW commitment is complete.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Resource</th> <th style="text-align: left;">Status</th> <th style="text-align: right;">Amount</th> <th style="text-align: left;">Type</th> <th style="text-align: left;">Comments</th> </tr> </thead> <tbody> <tr> <td>Wolverine Creek</td> <td>Commercial</td> <td style="text-align: right;">64.5</td> <td>Wind</td> <td>20-year PPA</td> </tr> <tr> <td>Blundell Upgrade</td> <td>Construction</td> <td style="text-align: right;">11.0</td> <td>Geothermal</td> <td>Own/operate</td> </tr> <tr> <td>Leaning Juniper 1</td> <td>Commercial</td> <td style="text-align: right;">100.5</td> <td>Wind</td> <td>Own/operate</td> </tr> <tr> <td>Roseburg Forest Products</td> <td>Commercial</td> <td style="text-align: right;">20.0</td> <td>Biomass</td> <td>5-year PPA</td> </tr> <tr> <td>Marengo</td> <td>Construction</td> <td style="text-align: right;">140.4</td> <td>Wind</td> <td>Own/operate</td> </tr> <tr> <td>Freres Lumber</td> <td>Construction</td> <td style="text-align: right;">10.0</td> <td>Biomass</td> <td>10-year PPA</td> </tr> <tr> <td>Goodnoe Hills</td> <td>Construction</td> <td style="text-align: right;">94.0</td> <td>Wind</td> <td>Own/operate</td> </tr> <tr> <td colspan="2" style="text-align: center;">total</td> <td style="text-align: right;">440.4</td> <td colspan="2"></td> </tr> </tbody> </table>	Resource	Status	Amount	Type	Comments	Wolverine Creek	Commercial	64.5	Wind	20-year PPA	Blundell Upgrade	Construction	11.0	Geothermal	Own/operate	Leaning Juniper 1	Commercial	100.5	Wind	Own/operate	Roseburg Forest Products	Commercial	20.0	Biomass	5-year PPA	Marengo	Construction	140.4	Wind	Own/operate	Freres Lumber	Construction	10.0	Biomass	10-year PPA	Goodnoe Hills	Construction	94.0	Wind	Own/operate	total		440.4		
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**MidAmerican Energy Holdings Company and PacifiCorp
Annual Report of Status of Commitments
To the Oregon Public Utility Commission
For the Period April 1, 2007 through March 31, 2008**

General Commitment Number	Commitment Description	Status	Status Description
	resources.		<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>
41	MEHC supports and affirms PacifiCorp's commitment to consider utilization of advanced coal-fuel technology such as super-critical or IGCC technology when adding coal-fueled generation.	Ongoing Compliance	<p>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> <p>During this period, the Company decided to suspend further development of coal-based resources pending clarification on potential carbon dioxide legislation.</p>
42	a) MEHC and PacifiCorp commit to participate in the Environmental Protection Agency's SF ₆ Emission Reduction Partnership for Electric Power Systems. Sulfur hexafluoride (SF ₆) is a highly potent greenhouse gas used in the electric industry for insulation and current interruption in electric transmission and distribution equipment. MEHC and PacifiCorp represent that over a 100-year period, SF ₆ is 23,900 times more effective at trapping infrared radiation than an equivalent amount of CO ₂ , making it the most highly potent, known greenhouse gas. SF ₆ 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 SF ₆ can have a significant impact on global climate change. Through its participation in the SF ₆ partnership, PacifiCorp will commit to an appropriate SF ₆ emissions reduction goal and annually report its estimated SF ₆ emissions. MEHC and PacifiCorp represent that this not only reduces greenhouse gas emissions, it saves money and improves grid reliability. Since 1999, EPA's SF ₆ partner companies have saved \$2.5 million from the avoided gas loss alone. Use of improved SF ₆ equipment and management practices helps protect system	Ongoing Compliance	<p>a) The sulfur hexafluoride (SF₆) 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>

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

General Commitment Number	Commitment Description	Status	Status Description
	<p>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>		
43	<p>Working with the affected generation plant joint owners and with regulators to obtain required approvals, MEHC and PacifiCorp commit to install, to the extent cost effective, the equipment likely to be necessary under future emissions control scenarios at a cost of approximately \$812 million. Concurrent with any application for an air permit, MEHC and PacifiCorp will discuss its plans regarding this commitment with interested parties and solicit input. While additional expenditures may ultimately be required as future emission reduction requirements become better defined, MEHC believes these investments in emission control equipment are reasonable and environmentally beneficial. The execution of an emissions reduction plan for the existing PacifiCorp coal-fueled facilities, combined with the use of reduced-emissions coal technology for new coal-fueled generation, is expected to result in a significant decrease in the emissions rate of PacifiCorp's coal-fueled generation fleet. MEHC represents that the investments to which MEHC is committing are expected to result in a decrease in the SO₂ emissions rates of more than 50%, a decrease in the NO_x emissions rates of more than 40%, a reduction in the mercury emissions rates of almost 40%, and no increase expected in the CO₂ emissions rate.</p>	Ongoing Compliance	<p>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 (NO_x), sulfur dioxide (SO₂), particulate matter (PM), and mercury (Hg). As a part of that plan in 2007 Low NO_x 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>
44	<p>a) MEHC and PacifiCorp commit to conducting a company-defined third-party market potential study of additional DSM and energy efficiency opportunities within PacifiCorp's service areas. The objective of the study will be to identify opportunities not yet identified by the company and, if and where possible, to recommend programs or actions to pursue those opportunities 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</p>	Ongoing Compliance	<p>a) COMPLETE – effective July 13, 2007. PacifiCorp received Quantec'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</p>

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

General Commitment Number	Commitment Description	Status	Status Description
	<p>transaction, and MEHC shareholders will absorb the first \$1 million of the costs of the study.</p> <p>b) PacifiCorp further commits to meeting its portion of the NWPPC's energy efficiency targets for Oregon, Washington and Idaho, as long as the targets can be achieved in a manner deemed cost-effective by the affected states.</p> <p>c) In addition, MEHC and PacifiCorp commit that PacifiCorp and MEC will annually collaborate to identify any incremental programs that might be cost-effective for PacifiCorp customers. The Commission will be notified of any additional cost-effective programs that are identified.</p>		to be completed in early 2009.
45	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.	Ongoing Compliance	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.
46	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.	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 on boards of economic development agencies and lead and provide support to recruitment and retention initiatives.</p>
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	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</p>

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

General Commitment Number	Commitment Description	Status	Status Description
			<p>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 <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.</p> <p>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>
49	By June 1, 2007 and each June 1 thereafter through June 1, 2011, PacifiCorp will file a report with the Commission regarding the implementation of the Commitments. The report will, at a minimum, provide a description of the performance of each of the commitments that have quantifiable results. If any of the commitments is not being met, relative to the specific terms of the commitment, the report shall provide proposed corrective measures and target dates for completion of such measures. PacifiCorp will make publicly available at the Commission non-confidential portions of the report.	Ongoing Compliance	PacifiCorp is currently meeting all commitments as addressed in this report.

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

General Commitment Number	Commitment Description	Status	Status Description
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. \$76million 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 filing of PacifiCorp's next IRP. This incremental amount is expected to be at least 11 MW and may be as much as 100 MW. All cost effective increases in Blundell capacity, completed before January 1, 2015, should be counted toward satisfaction of PacifiCorp's 1400 MW renewable energy goal, in an amount equal to the capacity of geothermal energy actually added at the plant.	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.
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, 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.

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

STATE - SPECIFIC COMMITMENTS

State-Specific Commitment Number	Commitment Description	Status	Status Description
O1	<p>a) If the Commission believes that MEHC and/or PacifiCorp have violated any of the commitments of the stipulation, or any conditions imposed by the Commission in its final order approving the Application (collectively, the "Conditions"), then the Commission shall give MEHC and PacifiCorp written notice of the violation.</p> <p>i) If the violation is for failure to file any notice or report required by the Conditions, and if MEHC or PacifiCorp, or both provide the notice or report to the Commission within ten business days of the receipt of the written notice, then the Commission shall take no action. MEHC or PacifiCorp may request, for cause, permission for extension of the ten-day period. For any other violation of the Conditions, the Commission must give MEHC and PacifiCorp written notice of the violation. If such failure is corrected within five business days of the written notice, then the Commission shall take no action. MEHC or PacifiCorp may request, for cause, permission for extension of the five-day period.</p> <p>ii) If MEHC or PacifiCorp, or both, fail to file a notice or written report within the time permitted in subparagraph a. above, or if MEHC or PacifiCorp, or both, fail to cure, within the time permitted above, a violation that does not relate to the filing of a notice or report, then the Commission may open an investigation, with an opportunity for MEHC or PacifiCorp, or both, to request a hearing, to determine the number and seriousness of the violations. If the Commission determines after the investigation and hearing (if requested) that MEHC or PacifiCorp, or both, violated one or more of the Conditions, then the Commission shall issue an Order stating the level of penalty it will seek. MEHC or PacifiCorp, or both, as appropriate, may appeal such an order under ORS 756.580. If the Commission's order is upheld on appeal, and the order imposes penalties under a statute that further requires the Commission to file a complaint in court, then the Commission may file a complaint in the appropriate court seeking the penalties specified in the order, and MEHC or PacifiCorp, or both, shall file a responsive pleading agreeing to pay the penalties. The Commission shall seek a penalty on only one of MEHC or PacifiCorp for the same violation.</p> <p>iii) The Commission shall not be bound by the process provided in paragraph ii in the event the Commission determines PacifiCorp has violated any of the material conditions more than two times within a rolling 24-month period.</p> <p>iv) PacifiCorp or MEHC, or both, shall have the opportunity to demonstrate to the Commission that the process provided in paragraph ii should not apply on a case-by-case basis.</p> <p>b) In the event of a dispute between Commission Staff and MEHC or PacifiCorp regarding a Commission Staff request made pursuant to acquisition conditions or commitments (including Berkshire Hathaway</p>	Ongoing Compliance	Agreed per signed stipulation.

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	<p>records requested pursuant to Commitment 4 or other applicable commitment), the parties agree that an Administrative Law Judge (ALJ) shall resolve the dispute as follows: (i) within ten (10) business days MEHC or PacifiCorp shall deliver to the ALJ the books and records responsive to Staff's request and shall indicate the basis for the objection, including whether the request is overbroad, unduly burdensome or outside the scope of the Commission's jurisdiction; (ii) Staff may respond in writing and MEHC or PacifiCorp, or both, may reply; (iii) the ALJ shall review the documents in private; and (iv) the ALJ shall issue a ruling determining whether the documents are, directly or indirectly, relevant to PacifiCorp or reasonably calculated to lead to the discovery of admissible evidence directly or indirectly relevant to PacifiCorp. The ALJ shall use this standard whether or not Staff is making the request in connection with an open docket. Nothing in this provision shall affect the right of MEHC or PacifiCorp to request that the Commission treat the documents as exempt from disclosure to third parties under applicable law.</p>		
O2	<p>a) The corporate headquarters of PacifiCorp will remain in Oregon. MEHC commits to maintaining a balance of corporate and senior management positions between Oregon and Utah. To achieve such balance, MEHC may decide as appropriate to locate a few corporate and senior management positions, and associated staff, in Utah, if cost effective. By September 1, 2007, MEHC and PacifiCorp will file a plan with the Commission that explicitly sets forth: (1) corporate and senior management positions (and associated corporate personnel positions) that have been identified for location in Oregon and Utah; (2) the timeframe for implementing different stages of the plan; and (3) an economic analysis supporting the cost effectiveness of the plan. MEHC will promptly implement the plan pursuant to the timeframe. If corporate or senior managers, and related staff, are relocated from Oregon to Utah under the Plan, the costs of relocation will not be included in Oregon rates.</p> <p>b) PacifiCorp and MEHC will ensure that senior management personnel located in Oregon continue to have authority to make decisions on behalf of PacifiCorp pertaining to (1) local Oregon retail customer service issues related to tariff interpretation, line extensions, service additions, DSM program implementation and (2) customer service matters related to adequate investment in and maintenance of the Oregon sub-transmission and distribution network and outage response. Such decisions will be subject to normal and prompt corporate approval procedures, senior executive approval and board approval, as appropriate. MEHC and PacifiCorp will include a description of the implementation of this commitment in the filing required in paragraph a).</p>	COMPLETE	COMPLETE – effective August 31, 2007. On August 31, 2007, PacifiCorp filed a plan with the Commission which included a description of the implementation of this commitment.
O3	MEHC and PacifiCorp commit that they will interpret Oregon Revised Statutes Sections 757.015 and 757.495 to require Commission approval of any contract between PacifiCorp and (i) any affiliate of MEHC or (ii) any affiliate of Berkshire Hathaway. This shall include the IASA. MEHC and PacifiCorp	Ongoing Compliance	Agreed per signed stipulation. On April 3, 2007, the Company filed an application requesting approval of a Relocation services contract between PacifiCorp and HomeServices

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	intend that by obtaining Commission approval of the IASA, PacifiCorp will avoid the need to seek individual approval of affiliate transactions which are subject to that agreement. The IASA is expected to address the provision of electric service to affiliates of MEHC or Berkshire Hathaway under tariffs approved by state or federal authorities.		Relocation LLC. The application was approved on June 11, 2007. On June 5, 2007, the Company filed an application requesting approval of rail transportation agreements with Burlington Northern Santa Fe Railway Company, an affiliated interest. The application was approved on July 27, 2007. On December 17, 2007, the Company filed an application requesting approval of contracts with affiliated interests related to relocation services for the Bridger Mine and Jim Bridger Generation Plant. The application was approved on March 12, 2008. On January 17, 2008, the Company filed an application requesting approval of contracts with affiliated interests with NetJets, Inc. The application was approved on March 13, 2008.
O4	MEHC and PacifiCorp commit that they will interpret Oregon Revised Statutes Sections 757.480 to require Commission approval of any transaction which results in a merger of PacifiCorp with another public utility, without regard to whether that public utility provides service in Oregon.	Ongoing Compliance	Agreed per signed stipulation.
O5	Berkshire Hathaway acknowledges the Commitments made by MEHC and PacifiCorp and will not impede satisfaction of the Commitments. Berkshire Hathaway acknowledges that it is bound by Commitments 4, 5 and 17 and that it is subject to Commitments that are applicable to the affiliates of PacifiCorp and MEHC; provided, however, that Berkshire Hathaway does not guarantee or agree to be responsible for performance of Commitments made by MEHC and PacifiCorp.	Ongoing Compliance	Agreed per signed stipulation.
O6	MEHC and PacifiCorp will request Commission approval, for cost allocation and affiliate transaction purposes, of the IASA and any amendments filed pursuant to Commitment 13.	Ongoing Compliance	No amendments were made to the IASA approved on June 19, 2006.
O7	MEHC and PacifiCorp commit to \$142.5 million (total company amount) of offsetable rate credits as reflected in Appendix 2 and as described in the following Commitments O 8 through O 12. 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. The rate credits will terminate on December 31, 2010, to the extent not previously offset, unless otherwise noted. The rate credits in Commitments O 8 and O 12 are subject to deferred accounting as specified therein. Where total company values are referenced, the amount allocated to Oregon will equal the Oregon-allocated amount using Commission-adopted allocation factors.	Ongoing Compliance	Oregon's most recent general rate case was filed February 23, 2006. These MEHC commitments were reflected in the revenue requirements filed. For Commitment O 8a (West Valley Lease) and O 12a (A&G \$6 million Stretch), deferred accounting for these commitments was initiated in April 2006. Implemented in rates on January 1, 2007.
O8	a) MEHC and PacifiCorp commit to reduce the annual non-fuel costs to PacifiCorp customers of the West Valley lease by \$0.417 million per month (total company) or an expected \$3.7 million in 2006 (assuming a March 31, 2006 transaction closing), \$5 million in 2007 and \$2.1 million in 2008 (the	COMPLETE	COMPLETE – effective January 1, 2007.

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	<p>lease terminates May 31, 2008), which shall be the amounts of the total company rate credit. Beginning with the first month after the close of the transaction to purchase PacifiCorp, Oregon's share of the monthly rate credit will be deferred 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; 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>		
O9	<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 O 9 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 UE 179 rate case was adjusted to reflect the \$1.5 million historical level.</p>
O10	<p>a) MEHC commits to use an existing, or form a new, captive insurance company to provide insurance coverage for PacifiCorp's operations. The costs of forming such captive will not be reflected in PacifiCorp's regulated accounts, nor allocated directly or indirectly to PacifiCorp. Such captive shall be comparable in costs and services to that previously provided through ScottishPower's captive insurance company Dornoch. MEHC further commits that insurance costs incurred by PacifiCorp from the captive insurance company for equivalent coverage for calendar years 2006 through 2010, inclusive, will be no more than \$7.4 million (total company). Oregon Commission Staff has valued the potential increase in PacifiCorp's total company revenue requirement from the loss of ScottishPower's captive</p>	Ongoing Compliance	The captive policies were renewed and received in March 2008 with premiums no greater than \$7.4 million.

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	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. 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 is reflected in Row 3 in Appendix 2.)		
O11	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 O 11 and Commitment 38. 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.)	Ongoing Compliance	a) These costs were recorded as A&G expenses in prior results from operations and are included in PacifiCorp's A&G targets. See Oregon-specific Commitment O12 for more details. b) In the next general rate case, PacifiCorp will provide testimony to demonstrate to the Commission that corporate functions previously carried out by parents to PacifiCorp and previously included in rates have not been shifted to PacifiCorp or otherwise included PacifiCorp's rates.
O12	a) MEHC and PacifiCorp commit that PacifiCorp's total company A&G costs will be reduced by \$6 million annually based on the A&G categories, assumptions, and values contained in Appendix 3 titled, "UM 1209 A & G Stretch". The maximum amount of the total company rate credit in any year is \$6 million. This commitment expires December 31, 2010. Beginning with the first month after the close of the transaction, Oregon's share of the \$0.5 million monthly rate credit will be deferred for the benefit of customers and accrue interest at PacifiCorp's authorized rate of return. This Commitment is in lieu of Commitments 22 and U 23 from the Utah settlement, and a state must choose between this Commitment O 12 and Commitments 22 and U 23. b) The credit will be offsettable on a prospective basis, for every dollar that PacifiCorp demonstrates, to the Commission's satisfaction, in a subsequent general rate case, that total company A&G expenses included in PacifiCorp's rates are less than \$6 million above the "Stretch Goal" and have not been shifted to other regulatory accounts. The 2006 Stretch Goal is \$222.8 million. Subsequent Stretch Goals shall equal the 2006 Stretch Goal multiplied by the ratio of the Global Insight's Utility Cost Information Service (UCIS)-Administrative and General - Total Operations and Maintenance Index (INDEX CODE Series JEADGOM), for the test period divided by the 2006 index value. If another index is adopted in a future PacifiCorp case,	Ongoing Compliance	For ratemaking purposes in Oregon the Company's A&G are below the stretch goal. The overall target is \$231.5m for the 12 months ended December 2007, the test period on which the rates in effect at this time were set in Docket No. UE 179. The Company did not propose a rate credit in its original filing and the settlement reached in the case did not require one.

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	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 full calendar year.		
O13	The premium paid by MEHC for PacifiCorp (Acquisition Premium) will be excluded from the utility accounts of PacifiCorp. Further, MEHC and PacifiCorp commit that they will not propose to recover the Acquisition Premium in Oregon retail rates, or include the Acquisition Premium in PacifiCorp's results of operations, unless this commitment is modified by the Commission, pursuant to a filing under ORS 756.568, to allow for the recovery of the Acquisition Premium. MEHC and PacifiCorp will not request or support a motion to modify this commitment to allow recovery of the Acquisition Premium unless 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.
O14	a) In the event of a ratings downgrade by two or more rating agencies of PacifiCorp's senior long-term debt that occurs within 12 months after the Commission approves the Transaction or issues an order adopting acquisition commitments from other PacifiCorp states, whichever comes later (the "Baseline Date"), and at least one such agency identifies issues related to MEHC's acquisition of PacifiCorp as a cause of the ratings downgrade, the assumed yield for any incremental debt issued by PacifiCorp after the downgrade will be reduced by 10 basis points for each notch that PacifiCorp is downgraded below PacifiCorp's rating on the Baseline Date. Such adjustment will continue until the debt is no longer outstanding. In the case where one rating agency issues a rating downgrade, but not two or more rating agencies, denoted as a split rating, the adjustment shall be 5 basis points for each notch. The adjustment imposed by this commitment will be eliminated for debt issuances following the ratings upgrade of PacifiCorp equal to the rating on the Baseline Date. This Commitment is in lieu of Commitment 37, and a state must choose between this Commitment O 14 and Commitment 37. b) In the event that debt issued by PacifiCorp within 12 months after the Baseline Date is recalled and refinanced, PacifiCorp agrees to hold customers harmless, for the term of the debt, as compared to the revenue requirements pursuant to subparagraph a) and its basis point reductions, of the originally financed debt.	COMPLETE	COMPLETE – effective March 21, 2007.
O15	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	Ongoing Compliance	a) Accounting calculates PPW Holdings, LLC common equity capital and ratios on a monthly basis and reports to Treasury. b) No debt has been issued by PPW Holdings, LLC.

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	<p>the following percentages of its Total Capital as defined in Commitment 18b: 48.25% from the date of the close of the transaction through December 31, 2008; 47.25% from January 1, 2009 through December 31, 2009; 46.25% from January 1, 2010 through December 31, 2010; 45.25% from January 1, 2011 through December 31, 2011; 44.00% after December 31, 2011.</p> <p>b) MEHC and PacifiCorp commit that the consolidated capital structure of PPW Holdings LLC will not contain common equity capital below 35% of its Total Adjusted Capital as defined in Commitment 18c.</p> <p>c) MEHC will provide the Commission 30 days prior notice if PPW Holdings LLC intends to issue debt. MEHC and PacifiCorp acknowledge that if PPW Holdings LLC does issue debt, the Commission has the authority pursuant to a re-opener under ORS 756.568 limited to the consideration of additional ring-fencing provisions that may be appropriate.</p>		
O16	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 ORS 756.568 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.
O17	<p>Within three months of closing of the transaction, MEHC commits to obtain a non-consolidation opinion that demonstrates that the ring fencing around PPW Holdings LLC is sufficient to prevent PPW Holdings LLC and PacifiCorp from being pulled into an MEHC bankruptcy. MEHC commits to promptly file such opinion with the Commission. If the ring-fencing provisions of this agreement are insufficient to obtain a non-consolidation opinion, MEHC agrees to promptly undertake the following actions:</p> <p>a) Notify the Commission of this inability to obtain a non-consolidation opinion.</p> <p>b) Propose and implement, upon Commission approval, such ring-fencing provisions that are sufficient to prevent PPW Holdings LLC from being pulled into an MEHC bankruptcy.</p> <p>c) Obtain a non-consolidation opinion.</p>	COMPLETE	COMPLETE – effective June 9, 2006.
O18	MEHC and PacifiCorp commit that PacifiCorp will not make any dividends to PPW Holdings LLC or MEHC if PacifiCorp's unsecured debt rating is BBB- or lower by S & P or Fitch (or Baa3 or lower by Moody's), as indicated by two of the three rating agencies.	Ongoing Compliance	The rating requirement has been added to the list of tests to be performed prior to PacifiCorp declaring dividends on common stock.
O19	MEHC and PacifiCorp commit to support renewal of the 3% public purpose charge under ORS 757.612 beyond 2011, provided that the Commission supports the renewal, the report to the legislature required under ORS 757.617 concludes that the Energy Trust continues to operate in a reasonable manner, and the legislation renewing the 3% public purpose charge is not included in a bill that MEHC and PacifiCorp otherwise deem objectionable. Additionally, with respect to potential modifications to the 3% public purpose charge arising from the 2007 report to the legislature	COMPLETE	COMPLETE – effective June 6, 2007. Senate Bill 838, the Oregon Renewable Energy Act extending the 3% public purpose charge until January 1, 2026 at 3% was passed by the Oregon Legislature and went into effect June 6, 2007. PacifiCorp was a proponent of the legislation.

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	required under ORS 757.617, MEHC and PacifiCorp agree to oppose any modifications that reduce the public purpose charge to less than 3% annually. In addition, provided the report to the legislature concludes the Energy Trust has operated in a reasonable manner and the Commission renews its contract with the Energy Trust, MEHC and PacifiCorp will support the Energy Trust.		
O20	MEHC and PacifiCorp acknowledge that the \$10 million low-income bill payment assistance under ORS 757.612 does not expire in 2011. MEHC and PacifiCorp will oppose any reduction in the current amount of the fund.	Ongoing Compliance	Senate Bill 461, extending the \$10 million low-income bill payment assistance to \$15 million, was passed by the Oregon Legislature and went into effect July 27, 2007. PacifiCorp was a proponent of the legislation.
O21	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 Oregon 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 180 days after close of the transaction and be completed, through the issuance of a formal report to the Commission, no later than 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 is 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 less than six states participate, the amount of the shareholder funds will be reduced proportionally.	COMPLETE	COMPLETE – effective March 20, 2007.
O22	MEHC and PacifiCorp commit to a total contribution level for Oregon low-income bill payment assistance in the amount of \$400,000 annually, for a five-year period beginning July 1, 2006. The contributions may be comprised of contributions from corporate, employee, other sources, and customer donations. The corporate contribution will be recorded in non-utility accounts. Before the end of the five-year period, MEHC and PacifiCorp commit to work with low-income advocates and customer groups to evaluate additional contributions.	Ongoing Compliance	Contributions totaling \$400,000 were made to Oregon energy assistance programs including \$395,000 to Oregon HEAT and \$5,000 to SnowCAP for the program year ending June 30, 2007. Of that total, PacifiCorp's share was \$277,431 and the balance of donations came from all other contributors. The Company has worked on generating additional contributions, and to this end will add a June distribution of donation 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. Also, net metering customer credits totaling over \$2,400 will be transferred to Oregon HEAT for the first time in May.
O23	MEHC and PacifiCorp agree to include representatives of both Community Action Directors of Oregon and Oregon Energy Coordinators Association in	COMPLETE	COMPLETE - effective July 13, 2007. This Commitment was satisfied through the public process employed by PacifiCorp in the development

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	the list of interested parties participating in the DSM study under Commitment 44.		of the third-party market potential study of additional demand-side management and energy efficiency opportunities (General Commitment 44a). Invitations were sent to an array of stakeholders, including representatives from the Community Action Directors of Oregon and Oregon Energy Coordinators Association.
O24	MEHC and PacifiCorp acknowledge current city franchise authority including but not limited to a city's authority to control the use of its rights of way and collect charges for the use of the city's rights of way, as set forth and authorized by applicable Oregon law. Before any efforts to seek a legislative or regulatory change, MEHC and PacifiCorp will enter into discussions with the League of Oregon Cities regarding said modifications.	Ongoing Compliance	PacifiCorp continues to acknowledge current city franchise authority and did not seek a legislative or regulatory change during the period April 1, 2007 through March 31, 2008.
O25	To the extent available, MEHC and PacifiCorp commit to have 400 MW of cost effective new renewable resources in PacifiCorp's generation portfolio by December 31, 2007. The 400 MW will include Wolverine Creek (64.5 MW) and Cove Fort (42 MW). MEHC and PacifiCorp will analyze the projects consistent with applicable regulatory rules and orders in effect at the time and as informed by the IRP. Resource identification shall be performed using an RFP procedure. If PacifiCorp fails to meet this 400 MW target it will disclose to signatories (excluding any bidders and affiliates of bidders) the cost-effectiveness analysis it used when rejecting the lowest cost projects. PacifiCorp shall file a report, on the status of meeting this target, with the Commission no later than six months after close of the transaction. In evaluating acquisition of renewable energy, all other things being equal, MEHC and PacifiCorp will not prefer ownership of facilities.	COMPLETE	COMPLETE - effective December 31, 2007. See General Commitment 40.
O26	a) Concurrent with its next IRP filing, PacifiCorp commits to file a ten-year plan for achieving the 1400 MW renewables target, including specific milestones over the ten years when resources will be added. The filing will include a ten-year plan for installing transmission that will facilitate the delivery of renewable energy and the achievement of its 2015 goal of at least 1400 MW of cost-effective renewable energy. Within six (6) months after the close of the transaction, MEHC and PacifiCorp will file with the Commission a preliminary plan for achieving the 1400 MW renewable target. b) PacifiCorp commits to address as part of its next IRP the appropriate role of incremental hydropower projects in meeting the 1400 MW renewables target.	COMPLETE	COMPLETE – effective May 30, 2007. a) The preliminary plan was filed in Oregon on September 21, 2006. The ten-year plan was filed on May 30, 2007, concurrent with the filing of the integrated resource plan. b) The appropriate role of incremental hydro power projects in meeting the 1,400 MW renewables target is addressed in the ten-year plan. The plan defines hydroelectric facilities as: "certified low impact hydroelectric or upgrades to existing hydroelectric facilities where the additional generation does not result in new water diversions or impoundments."
O27	MEHC and PacifiCorp will support cost effective and safe community renewable energy projects in Oregon using PURPA contracts implemented under avoided cost tariffs approved by the Commission. If PURPA is no longer in effect in Oregon before an alternate market for community renewable energy is developed, PacifiCorp will work with Oregon stakeholders and the Commission to develop replacement procedures for new contracts. For the purpose of this Commitment, community renewable energy projects are defined as: Locally owned renewable energy projects. Normally 1-10 MW standard contract PURPA projects and industrial co-gen	Ongoing Compliance	The following small Qualifying Facility (QF) projects have executed Power Purchase Agreements and are operational: 0.5 MW City of Albany– Hydro plant 3.2 MW Finely BioEnergy– landfill gas project 1.3 MW Rough and Ready Lumber - Biomass 10 MW Evergreen BioPower – Biomass In addition five existing PURPA standard contracts (less than 10

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	type projects above 10 MW that use negotiated PURPA contracts. Projects can be: 1. Private ownership (example - several farmers in a wind project); 2. Municipal ownership (irrigation district small-hydro or local school; wind turbine); or 3. Combined municipal/private ownership projects (local community partnered with landowners).		megawatts) were executed with existing projects in Oregon. These projects are 1980's vintage, ranged in sized from 40 kilowatts to 8.0 megawatts, and are currently operational.
O28	To the extent consistent with the interests of PacifiCorp's retail customers, MEHC and PacifiCorp will support through action and policy the emerging community renewable energy market in Oregon. PacifiCorp will also consult with community renewable energy representatives if PacifiCorp is contemplating changes to system operations that would adversely affect community renewable energy projects.	Ongoing Compliance	Agreed upon per stipulation. No consultations necessary.
O29	MEHC and PacifiCorp agree that once a FERC license is issued and (a) PacifiCorp either (i) affirmatively accepts the license, or (ii) is deemed to have accepted the license pursuant to the terms of the license and FERC rules and procedures, and (b) the license's conditions are not subject to further appeals, PacifiCorp shall have the ability to fund implementation of all final license conditions. This provision is generally applicable, but also specifically applies to the following PacifiCorp hydropower projects: Klamath, Lewis River, and Prospect.	Ongoing Compliance	North Umpqua, Big Fork and Bear River - License implementation is ongoing. Klamath, Lewis River and Prospect 1, 2, 4 - Licensing proceeding is ongoing. Condit - Licensing/decommissioning proceeding is ongoing, License/surrender order date is uncertain.
O30	MEHC and PacifiCorp renew PacifiCorp's commitment to implement the Condit (FERC No. 2342, settlement signed Sept. 22, 1999, amended Feb. 28th, 2005), Lewis (FERC Nos. 935, 2071, 2111, 2213, settlement signed November 30, 2004) and Powerdale (FERC No. 2659, settlement signed June 26, 2003), settlement agreements. As circumstances evolve, PacifiCorp will continue to approach the agreements in a spirit of cooperation with other stakeholders and to attempt through constructive dialog with the parties to find ways to accomplish the goals identified in the agreements. MEHC and PacifiCorp agree to make reasonable attempts to accomplish the objectives of those agreements even in the face of changing circumstances, to the extent it is consistent with customer interests.	Ongoing Compliance	Lewis River -- Planning and implementation activities continue on schedule per the settlement agreement. Meeting schedule, agendas and minutes are available on the PacifiCorp web site at http://www.pacificorp.com/Article/Article49195.html . Powerdale -- Implementation of Powerdale Surrender Order and Settlement Agreement is ongoing. In late 2006 the Project sustained major damage due to flooding of the Hood River. A request for early cessation of generation was approved by the FERC in February 2007. Decommissioning of the project is scheduled to start in 2010. Condit -Licensing / decommissioning proceeding is ongoing. License / surrender order date is uncertain, however the project will not be removed in 2008.
O31	MEHC and PacifiCorp commit to form an IGCC Working Group, sponsored by PacifiCorp to discuss various policy and technology issues associated with IGCC, carbon capture, and sequestration. Working Group members would include representatives from major stakeholder and regulatory groups, PacifiCorp and MEHC officials, and others as appropriate. The Working Group will include Oregon stakeholders as well. Some issues and challenges to development that would be considered by the Working Group would include: <ul style="list-style-type: none"> • the status of development of carbon sequestration policy and methods, including requirements for monitoring and verifying sequestration options; • information sharing, so that, to the extent possible, all parties develop 	COMPLETE	COMPLETE - effective March 27, 2008. The IGCC Working Group held its final meeting on March 27, 2008, at which presentations were made on oxy-fuel combustion, carbon dioxide capture, the status of national IGCC projects and the results of the Jim Bridger IGCC with carbon dioxide capture feasibility studies. In June 2007, the Company prepared and submitted its IGCC "self-build" benchmark in response to the 2012 RFP process for new base-load resources. As part of the 2008 RFP process for new resources, the Company decided not to submit any coal based benchmark options. The Company has suspended further development of coal-based resources pending

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	<p>a shared understanding of expected IGCC technology benefits, expected capital and O&M costs, and potential risks;</p> <ul style="list-style-type: none"> • information sharing to understand such terms and associated requirements with concepts such as "carbon capture ready" and "permanent sequestration"; • issues related to technology of and permitting for IGCC air emissions, waste disposal, water use and site usage; • commercial terms and conditions associated with IGCC plant development, construction, and maintenance; and • implications of Utah SB 26 on development of IGCC plants given the implications of long development lead times, development costs, project risk, and cost uncertainty. • the allocation of risk between shareholders and ratepayers of additional carbon dioxide emissions in the event PacifiCorp proceeds with a coal unit that is not able to capture and store carbon emissions. <p>The IGCC Working Group would meet periodically to discuss the above issues and identify possible solutions, and to stay abreast of the evolving technology and commercial environment.</p>		<p>further clarity on prospective carbon dioxide legislation. Further updates and reports on IGCC and the broader technology issues regarding carbon dioxide capture will be presented at upcoming meetings of the Climate Change Working Group, where appropriate.</p>
O32	<p>MEHC and PacifiCorp commit to the following:</p> <p>a) MEHC and PacifiCorp commit to study the economics and viability of an IGCC option and will present the results of this study as a resource alternative to inform the resource selection and RFP process under consideration in Docket 05-035-47. PacifiCorp will also file the results of this study and the draft RFP with the OPUC for review and public comment. PacifiCorp will suggest procedural schedules that will facilitate this commitment. As soon as practical, but not later than three months after the closing of the transaction, PacifiCorp will provide to the parties estimated cost and timeline ranges for completion of an IGCC project, as well as potential resource alternatives if an IGCC design is not reasonably achievable in time to economically meet the resource need presently identified in 2012 from a customer and shareholder perspective.</p> <p>b) PacifiCorp will perform initial conceptual and siting studies, general feasibility studies, and, where appropriate, other more detailed studies and engineering work, for an IGCC plant for the 2014 resource need identified in the October 2005 IRP Update. The studies will include an evaluation of the expected cost and performance impacts of constructing a plant to be carbon capture ready. These studies will be performed in parallel with similar studies to evaluate other generation technologies. Such studies will be completed within the next IRP cycle.</p> <p>c) PacifiCorp will include a utility self-build option of an IGCC unit in any RFPs for the 2014 and later non-renewable resource needs, whether or not the IGCC option is found to be PacifiCorp's preferred cost-based alternative, and present PacifiCorp's evaluation of the IGCC option against another self-build alternative(s) as part of the Utah SB 26 process. This will include an evaluation of the cost and performance impacts of the IGCC resource being</p>	COMPLETE	<p>COMPLETE – effective March 27, 2008. Items a) and b) were completed in the year ending March 2007 as described in the 2007 Annual Report of Status Commitments.</p> <p>Item c) was completed in June 2007 when the Company submitted a self-build option in the form of an IGCC facility at the Jim Bridger Plant; this submittal was in response to the 2012 RFP process for new baseload resources.</p> <p>Furthermore, during the period of July 2007 through October 2007, the Company engaged in detailed feasibility studies of an IGCC facility at the Jim Bridger Plant which included carbon dioxide capture. The results of this study effort were presented at the IGCC Working Group meeting on March 27, 2008.</p>

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

State-Specific Commitment Number	Commitment Description	Status	Status Description
	constructed to be carbon capture ready.		
O33	Prior to January 1, 2016, MEHC and PacifiCorp will not support Oregon legislation to eliminate or impair retail access as defined by SB 1149 and relevant Commission rules.	Ongoing Compliance	Agreed per signed stipulation.
O34	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.	Ongoing Compliance	Agreed per signed stipulation.
O35	<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 Oregon 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 Oregon retail rates, PacifiCorp and MEHC commit that PacifiCorp will raise and litigate such issues before the Commission. To the extent decisions regarding such issues are within the areas reserved to the exclusive jurisdiction of the Commission, PacifiCorp and MEHC agree that any challenge to the Commission order will be in the form of an appeal of that order.</p> <p>In the event that PacifiCorp anticipates a court challenge to a Commission order that would trigger the provisions of Commitment O 35, PacifiCorp will (1) seek a rehearing of such Commission order; and (2) identify in writing in its petition for rehearing those contested issues which it believes are and are not within the areas reserved to the exclusive jurisdiction of the Commission.</p>	Ongoing Compliance	Agreed per signed stipulation.

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

STIPULATION PARAGRAPHS

Stipulation Paragraph Numbers	Commitment Description	Status	Status Description
15a	MEHC and PacifiCorp will support a five-year renewal of the Intervenor Funding Agreement ("IFA") dated February 5, 2003, such that the current funding for the types of consumers represented by the signatories to the IFA who are currently receiving funding does not expire on December 31, 2007.	COMPLETE	COMPLETE – effective December 18, 2007. The Oregon Public Utility Commission approved an amended Intervenor Funding Agreement on December 18, 2007. The amended agreement extends the funding through 2012.
15b	Through December 31, 2011, MEHC and PacifiCorp will both confer with the signatories and provide drafts in a timely manner prior to introducing legislation in the Oregon Legislature that would impact Oregon utility regulation, including Oregon city franchise authority.	Ongoing Compliance	No legislation impacting utility regulation was introduced at PacifiCorp's request during the reporting period.
15c	MEHC has no current intention to acquire other public utilities as defined by ORS 757.005. If that intention should ever change, MEHC will confer with the signatories before public announcement of such an acquisition, subject to agreements regarding confidentiality.	Ongoing Compliance	Agreed per signed stipulation.
15d	Within 90 days of the close of the Transaction, MEHC and PacifiCorp will begin working with ICNU, and any other interested party, to evaluate and, if mutually agreed to be appropriate, file with the Commission service quality standards related to industrial customers, with a focus on high tech companies. MEHC, PacifiCorp and ICNU, and any other interested party, will report back to the Commission on the conclusions and recommendations reached no later than February 1, 2007. MEHC and PacifiCorp acknowledge that modifications to existing customer service guarantees and performance standards may result from this process and nothing in Commitments 1 or 45 will preclude these from being filed if mutually agreed-upon by the Parties.	COMPLETE	COMPLETE – effective January 19, 2007.
15e	Senior executives of MEHC and PacifiCorp will make themselves available upon request to the signatories to discuss regulatory, customer service, and energy policy issues.	Ongoing Compliance	Company executives continue to meet with all signatories as requested.
15f	MEHC and PacifiCorp commit to notify Parties if PacifiCorp is contemplating changes to system operations that would adversely affect community renewable energy projects as described in Commitment O 28.	Ongoing Compliance	Agreed per signed stipulation.
15g	MEHC and PacifiCorp agree that the provisions of this paragraph are subject to Commitment O 1, regarding enforcement and dispute resolution.	Ongoing Compliance	Agreed per signed stipulation.
19	PacifiCorp agrees that any rate case filed before the close of the Transaction will include pro forma adjustments, as appropriate, to allow for the implementation of Oregon Commitments O 8 thru O 12.	COMPLETE	COMPLETE - effective February 23, 2006.

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

ORDERING PARAGRAPHS

Ordering Paragraph Numbers	Commitment Description	Status	Status Description
2	MEHC and PacifiCorp shall notify the Director of the Utility Program in writing of the transfer of control of PacifiCorp as authorized herein. MEHC and PacifiCorp shall provide notice within 30 days of the date of the transfer. A true copy of the instruments of transfer shall be attached to the notification.	COMPLETE	COMPLETE - effective March 30, 2006.
3	PacifiCorp shall file a petition for an accounting order to establish its authority to create deferral accounts, as necessary to make effective the terms of Oregon Commitments 8 and 12, set forth in Exhibit 1 to the Stipulation.	COMPLETE	COMPLETE - effective March 31, 2006.
4	At the time of the closing of the transaction, MEHC and PacifiCorp shall file with the Commission a narrative and an organizational chart showing the relationship among PacifiCorp, MEHC, Berkshire Hathaway, and their subsidiary and affiliated business entities. This documentation shall clearly show the owners of PacifiCorp and the percentages held, up to the level of the ultimate parent, Berkshire Hathaway.	COMPLETE	COMPLETE - effective March 21, 2006.