



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Application of PacifiCorp (U 901-E) and MidAmerican Energy Holdings Company for Exemption Under Section 853(b) from the Approval Requirements of Section 854(a) of the Public Utilities Code with Respect to the Acquisition of PacifiCorp by MidAmerican.

Application 05-07-010
(Filed July 15, 2005)

COMPLIANCE FILING OF PACIFICORP (U 901-E)

Pursuant to Commitment 49 and California Commitment C-7 of Appendix D of Decision 06-02-033, PacifiCorp, d.b.a Pacific Power (PacifiCorp), hereby submits this Annual Report of the Status of Commitments.

Respectfully submitted,

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Date: June 1, 2010

Attorney for PacifiCorp

**MidAmerican Energy Holdings Company and PacifiCorp
Annual Report of Status of Commitments
To the California Public Utilities Commission
For the Period April 1, 2009 through March 31, 2010**

GENERAL COMMITMENTS

General Commitment Number	Commitment Description	Status	Status Description
1	This Commitment is Intentionally Left Blank.	Intentionally Left Blank	This commitment number has been intentionally left blank.
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 commission 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 action 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 action 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	No additional action required unless specified activities occur.
6	The Commission or its agents may audit the accounting records of MEHC and its subsidiaries that are the bases for charges to PacifiCorp, to determine the reasonableness of allocation factors used by MEHC to assign costs to PacifiCorp and amounts subject to allocation or direct charges. MEHC agrees to cooperate fully with such Commission audits.	Ongoing Compliance	The general ledger of MEHC and the ledger of each subsidiary reflect and track all inter-company activity (both direct charges and allocations) and are supported with detail transactions (journal entry, positive time reporting, vouchers, etc.) MEHC and subsidiaries maintain support files for allocation factors supporting inter-company billings. MEHC and subsidiaries' general ledgers reflect all inter-company transactions as required by the IASA.
7	MEHC and PacifiCorp will comply with all applicable Commission statutes and regulations regarding affiliated interest transactions, including timely filing of applications and reports.	Ongoing Compliance	No additional action required unless specified activities occur. See also General Commitments 8 and 13.
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	The Affiliated Interest Report for 2008 was filed in May 2009. The 2009 report will be filed in May 2010.

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9	PacifiCorp and MEHC will not cross-subsidize between the regulated and non-regulated businesses or between any regulated businesses, and shall comply with the Commission's applicable orders and rules with respect to such matters.	Ongoing Compliance	IASA acknowledging this commitment was executed on March 30, 2006; and filed on April 3, 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	No additional action required unless specified activities occur.
11	Diversified Holdings and Ring Fencing: 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 of the Oregon Settlement. These provisions have been derived from those in effect for NNGC Acquisition, LLC as of December 1, 2005. c) PacifiCorp will notify the Commission of any changes in the ring-fencing provisions within 30 days. Such notice shall include verification that (i) the change has been approved by the independent director of PacifiCorp's parent company, and (ii) the rating agencies have confirmed that there will be no credit downgrade from the changed ring-fencing protections.	Ongoing Compliance	a) No additional action required unless specified activities occur. b) The PPW Holdings LLC agreement with provisions consistent with Appendix 1 was executed March 15, 2006.
12	PacifiCorp or MEHC will notify the Commission subsequent to MEHC's board approval and as soon as practicable following any public announcement of: (1) any acquisition of a regulated or unregulated business representing 5 percent or more of the capitalization of MEHC; or (2) the change in effective control or acquisition of any material part or all of PacifiCorp by any other firm, whether by merger, combination, transfer of stock or assets.	Ongoing Compliance	No additional action required unless specified activities occur.
13	The Inter-company Administrative Services Agreement (IASA) will include the corporate and affiliate cost allocation methodologies. The IASA will be filed with the Commission as soon as practicable after the closing of the transaction. Approval of the IASA will be requested if required by law or rule, but approval for ratemaking purposes will not be requested in such filing. Refer to Commitment 14 (f). Amendments to the IASA will also be filed with the Commission.	Ongoing Compliance	IASA acknowledging this commitment was executed on March 30, 2006; and filed on April 3, 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	Ongoing Compliance	IASA filed in 13 above contained the provisions required by 14a-14f.

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	<p>allocation to PacifiCorp by MEHC or any of its affiliates, MEHC must be able to demonstrate that such service or cost category is necessary to PacifiCorp 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 corporate credit ratings as well as 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><u>Dividends and Capital Structure.</u></p> <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> <ul style="list-style-type: none"> • 48.25% from the date of the close of the transaction through December 31, 2008; 	Ongoing Compliance	<p>No distributions have been made by PacifiCorp to PPW Holdings LLC or MEHC.</p> <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>

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	<ul style="list-style-type: none"> • 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>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>		Accounting calculates PacifiCorp common equity capital to total capital on a monthly basis and reports to Treasury.
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 the period April 2009 through March 2010, MEHC made equity infusions totaling \$125 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 Intercompany Administrative Services Agreement) 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 that MEHC or Berkshire Hathaway or their respective subsidiaries (but excluding PacifiCorp and its subsidiaries) may issue.	Ongoing Compliance	No additional action required unless specified activities occur.
21	MEHC and PacifiCorp will not advocate 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	PacifiCorp continues to calculate its cost of capital on a stand-alone basis, and has not advocated for a higher cost due to its acquisition by MEHC. This has been demonstrated in the cost of capital testimony filed

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			in the company's general rate case filings.
22	This Commitment is Intentionally Left Blank.	Intentionally Left Blank	This commitment number has been intentionally left 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 renewable energy program is offered to customers in all states. Various promotional activities were completed during the reporting year which resulted in 12,840 new customers enrolling. At year end 70,521 customers were participating in the program.</p> <p>Blue Sky promotional activities included targeted direct mail campaigns, business reply envelopes, the company's call center challenge, courtesy knock campaigns, bill messages as well as customer newsletter stories, community challenges, tabling at community events, community project funding announcements and direct customer outreach via customer account managers and regional community managers. In 2009 Blue Sky began using the social network tool Facebook as a new communication tool to provide program updates and information.</p> <p>The program successfully completed the required Green-e audits to retain certification and remained in the top 10 Green Power Utility Programs as reported by the U.S. Department of Energy's National Renewable Energy Laboratory.</p> <p>Tariff filings were made to expand the resource eligibility list to include pipeline or irrigation canal hydroelectric systems. Approval is pending in Oregon and Utah and all other states have approved.</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 Dialogue Group, Edison Electric Institute, Electric Power Research Institute, Energy Trust of Oregon Renewables Advisory Council, the Idaho Climate Issues Task Force, Northwest Power & Conservation Council, Oregon Global Warming Commission, Oregon Western Climate Initiative Stakeholder Group, The Climate Registry ("TCR"), Utah Energy Forum, Utah Clean Energy, Utah Renewable Energy Zones work group, Utah Western Climate Initiative Stakeholder Group, Utah Wind working group, Washington Western Climate Initiative Stakeholders Group, WEST Associates, the Western Governors Association, and the Western Regional Air Partnership Stationary Source Joint Forum.</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	The PacifiCorp thermal plants continue to maintain their ISO 14001 Certificate of Registration. The most recent surveillance audits were conducted during February 2010.

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26	MEHC will maintain at least the existing level of PacifiCorp's community-related contributions, both in terms of monetary and in-kind contributions. The distribution of PacifiCorp's community-related contributions among the states will be done in a manner that is fair and equitable to each state.	Ongoing Compliance	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 2009 totaled \$2,996,084.
27	MEHC will continue to consult with regional advisory boards to ensure local perspectives are heard regarding community issues.	Ongoing Compliance	The Pacific Power Regional Advisory Board met on December 17, 2009. The next Pacific Power Regional Advisory Board meeting is currently being scheduled.
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 delivery, IBEW Local 57 power supply, IBEW Local 57 combustion turbine , IBEW Local 125, or IBEW Local 659. IBEW Local 57 Laramie- The prior labor agreement was extended in June 2009 until June 25, 2012. UWUA Local 127 -Membership ratified a new labor agreement with PacifiCorp January 15, 2010. It is effective through September 25, 2013. UWUA Local 197 -Membership ratified a new labor agreement with PacifiCorp August 20, 2009. It is effective through May 25, 2012.
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 a reduction in employee benefits.	COMPLETE	COMPLETE – effective 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	2008 IRP filed with UPSC on May 28, 2009. 2008 IRP filed with CPUC, IPUC, OPUC, WUTC and WPSC on May 29, 2009. PacifiCorp filed a required Renewable Portfolio Standard Supplement to the 2008 IRP with the California Public Utilities Commission on June 29, 2009. PacifiCorp received acknowledgement on the 2008 IRP: <ul style="list-style-type: none"> • Washington Utilities and Transportation Commission on September 2, 2009 • Idaho Public Utilities Commission on September 15, 2009 • Oregon Public Utility Commission on February 24, 2010 • Utah Public Service Commission on April 1, 2010. PacifiCorp filed the 2008 IRP Update on March 31, 2010, as an informational report with Oregon, Idaho, Utah, Washington and Wyoming. Additionally, in compliance with Washington IRP guidelines, PacifiCorp filed on March 31, 2010 a 2011 IRP Work Plan with the commission.

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			Preparation of the 2011 IRP is now underway. The 2011 IRP will be filed with the state commissions by March 31, 2011, in compliance with current state IRP filing guidelines and requirements.
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 or otherwise comply with state laws, regulations and orders that pertain to procurement of new generation resources for PacifiCorp.	Ongoing Compliance	<p>PacifiCorp issued the 2008R-1 call for new and revised bids to the prior Request for Proposal (RFP), originally issued on October 6, 2008, and the 2009R renewable RFPs on January 26, 2009 and July 8, 2009, respectively. The RFPs were approved in Oregon and were noticed in Utah consistent with state laws, regulations and orders. As a result of the 2008R-1 the company executed a 200.2 megawatt power purchase agreement with Top of the World Wind Energy LLC, a subsidiary of Duke Energy. As a result of the 2009R the company executed the Dunlop wind project, a 111 megawatt wind project in Wyoming, which will be owned by PacifiCorp.</p> <p>PacifiCorp issued a suspension to the market on the prior issued 2008 All Source RFP on April 22, 2009. The suspension was lifted and the All Source RFP was reissued on December 2, 2009 with bid proposals due March 1, 2010. The proposals are currently being analyzed.</p>
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	No action required.
33	Unless another process is provided by statute, Commission regulations or approved PacifiCorp tariff, MEHC and PacifiCorp encourage the Commission to use the following process for administering the commitments. The Commission should give MEHC and PacifiCorp written notification of any violation by either company of the commitments made in this application. If such failure is corrected within ten (10) business days for failure to file reports, or five (5) business days for other violations, the Commission should take no action. The Commission should have the authority to determine if the corrective action has satisfied or corrected the violation. MEHC or PacifiCorp may request, for cause, an extension of these time periods. If MEHC or PacifiCorp fails to correct such violations within the specified time frames, as modified by any Commission-approved extensions, the Commission may seek to assess penalties for violation of a Commission order, against either MEHC or PacifiCorp, as allowed under state laws and regulations.	Ongoing Compliance	No action required unless specified activities occur.
34	<p>MEHC and PacifiCorp have identified incremental transmission projects that MEHC and PacifiCorp believe will enhance reliability, facilitate the receipt of renewable resources, or enable further system optimization. Subject to permitting and the availability of materials, equipment and rights-of-way, MEHC and PacifiCorp commit to use their best efforts to achieve the following transmission system infrastructure improvements:</p> <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</p>	Ongoing Compliance	<p>a) Path C (Populus to Terminal) The project is on schedule and within budget with 98% of foundations installed. The southern portion of the project, Terminal to Ben Lomond, was completed early and placed into service March 2010. The balance of the project will be placed into service in the fourth quarter of 2010.</p> <p>b) Mona to Oquirrh - The bidder selection process for the engineer/procure/construct contractor was narrowed to two bidders in March</p>

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	<p>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 - Wasatch (~\$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>		<p>2010.</p> <p>On March 3, 2010 the Tooele County Commission denied the PacifiCorp request for a conditional use permit. The denial was appealed to the Utah facility siting review board in April. Initial hearings are scheduled in May 2010 with a decision required 45 days after the initial hearing. With the exception of Tooele County, all other conditional use permits have been obtained.</p> <p>c) One customer signed a point to point commitment requiring new capacity from Wallula to McNary. Two additional customers have submitted queue requests for transmission service associated with a new wind farm connected at Wallula substation and all would require additional capacity on this line segment. Signed customer commitments obligate PacifiCorp to restart the right-of-way (ROW) acquisition and subsequent construction for this portion of the project segment. ROW acquisition for the line between Wallula to McNary will take place during 2010. Work to resolve remaining corridor issues with the Umatilla Tribe and Bureau of Land Management land segments is underway.</p>
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 transmission products and will include stakeholders in the 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,</p>	Ongoing Compliance	<p>a) COMPLETE – effective December 30, 2007.</p> <p>b) Through March 2010, PacifiCorp spent approximately \$29,711,543, or 43.1%, of the total \$69 million investment (over an 8-year period) in projects identified as transmission risk projects.</p> <p>c) Through calendar year 2009, 129.4% of the \$2.5 million 2009 budget was spent. PacifiCorp continued implementing prior-developed circuit fusing improvement projects consistent with commitments and plans. For the period January through March 2010, 38.3% of the \$2.5 million 2010 budget has been spent.</p> <p>d) COMPLETE – effective March 31, 2009. From the period April through December 2006, the company spent \$2,437,125, or 177% of the \$2m Saving SAIDI Initiative spending commitment prorated to 9 months. In calendar year 2007, the company spent \$7,879,198, or 394%, of the \$2m. In calendar year 2008, the company spent \$5,488,158, or 274%, of the \$2m. From January through March 2009, the company spent \$851,578, or 137%, of the \$2m commitment prorated to 3 months.</p>

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	including weeks with 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.		e) COMPLETE – effective December 28, 2007. 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.
36	MEHC recognizes that it can and should have a role in addressing the critical importance of transmission infrastructure to the states in which PacifiCorp 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.	Ongoing Compliance	The company continues to be very active in following and supporting transmission infrastructure planning in the region in an effort to ensure our customers’ needs are met and future transmission opportunities are not missed that may help provide stable and predictable energy costs looking forward. The company maintains focus locally through active participation in Northern Tier Transmission Group (NTTG) planning activities for the Northwest and Intermountain areas. The company’s region wide participation in infrastructure planning has been influenced directly by our activities in Western Electricity Coordinating Council (WECC) and Transmission Expansion Planning Policy Committee (TEPPC) studies and analysis and Reliability Policy Committee participation. Energy Gateway is a significant influence and enabling infrastructure project that can potentially help to integrate other projects proposed in the WECC region. Company executives and staff hold board and committee seats on these groups to help ensure our customers interests are best served and to help shape and influence the future transmission system in the region overall. The company has been an important participant in recent studies and analysis regarding wind generation collector system design in Wyoming. Participation involved several industry organizations, government officials and many of the regional transmission providers in the Intermountain West.
37	<u>Reduced Cost of Debt:</u> This Commitment is intentionally left blank. Commitment 37 is superseded by California Commitment C-15.	Intentionally Left Blank	This commitment number has been intentionally left blank.
38	<u>Corporate Overhead Charges:</u> This Commitment is intentionally left blank. Commitment 38 is superseded by California Commitments C-11 and C-13.	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	Ongoing Compliance	PacifiCorp issued the approved 2008 All Source RFP on October 2, 2008 to the market for up to 2000 megawatts. However, the request for proposal was suspended on April 6, 2009 due to the high cost of the proposals and decrease in loads. The suspension was lifted and the All Source RFP was reissued on December 2, 2009 with bid proposals due on March 1, 2010. The proposals are currently being analyzed. PacifiCorp issued the 2008R-1 RFP for renewable resources on October 6, 2008 and issued the call for new and revised bids in the 2008R-1 RFP on January 26, 2009. The acknowledgement of the Final Shortlist filed and received approval of the Final Shortlist in Oregon. The 2008R-1 resulted in a 200.2 megawatt power purchase agreement from a wind

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	<p>be expected that this commitment will enhance PacifiCorp's ability to increase the proportion of cost-effective renewable energy in its generation portfolio, based upon the actual experience of MEC and the "Renewable Energy" commitment offered below.</p>		<p>project in Wyoming, the Top of the World Wind Energy LLC a subsidiary of Duke Energy. PacifiCorp issued the 2009R RFP for renewable resources on July 8, 2009. As a result of the 2009R the company executed the Dunlop wind project, 111 megawatt wind project in Wyoming which will be owned by PacifiCorp.</p>
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 1,400 MW of cost-effective renewable energy resources by 2015. Such renewable energy resources are not limited to wind energy resources.</p>	Ongoing Compliance	<p>100 MW – COMPLETE – effective July 21, 2006.</p> <p>By the end of 2010, PacifiCorp expects to exceed the 1,400 MW commitment.</p> <p>PacifiCorp continues to actively participate in two efforts to identify transmission improvements that will support the development of renewable resources. The first is the Utah Renewable Energy Zones work group and the second is the Western Governors Association's Western Renewable Energy Zones subcommittee. PacifiCorp's continued work on the Energy Gateway transmission projects will also facilitate the delivery of cost effective renewable energy in PacifiCorp's service territory.</p> <p>PacifiCorp is an active participant along with other stakeholders in an Oregon Public Utility Commission proceeding (AR 538/UM1452) meant to implement House Bill 3039 (2009), which established a utility large-scale solar photovoltaic capacity standard mandate for projects greater than 500 kilowatts in size, as well as a pilot solar photovoltaic net-metering/feed-in tariff program for projects less than 500 kilowatts in size.</p> <p>On March 1, 2010, PacifiCorp filed an application for approval to implement a solar incentive program in California. The application is pending approval with the California Public Utilities Commission.</p>
41	<p>MEHC supports and affirms PacifiCorp's commitment to consider utilization of advanced coal-fuel technology such as super-critical or IGCC technology when adding coal-fueled generation.</p>	Ongoing Compliance	<p>The company is not currently considering the development of any new coal-fueled generation.</p>
42	<p><u>42) Greenhouse Gas Emissions Reductions:</u> a) MEHC and PacifiCorp commit to participate in the Environmental Protection Agency's SF₆ Emission Reduction Partnership for Electric Power Systems. Sulfur hexafluoride (SF₆) 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, SF₆ is 23,900 times more effective at trapping infrared radiation than an equivalent amount of CO₂, making it the most highly potent, known greenhouse gas. SF₆ is also a very stable chemical, with an atmospheric lifetime of 3,200 years. As the gas is emitted, it accumulates in the atmosphere in an essentially un-degraded state for many</p>	Ongoing Compliance	<p>a) PacifiCorp's sulfur hexafluoride (SF₆) Emission Reduction Partnership 2009 Annual Report was sent to the U.S. Environmental Protection Agency March 15, 2010. PacifiCorp committed to an annual emissions reduction goal of 5% in total pounds emitted based on the company's 2005 baseline calculated emissions. The 2009 emission reflect 45.34% reduction from 2008; the average annualized reduction since 2005 is 13.4%.</p> <p>b) PacifiCorp's proposed action plan remains with MEHC for review and approval. PacifiCorp continues to evaluate and model potential carbon policy risk as part of its Integrated Resource Plan ("IRP") planning</p>

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	<p>centuries. Thus, a relatively small amount of SF₆ can have a significant impact on global climate change. Through its participation in the SF₆ partnership, PacifiCorp will commit to an appropriate SF₆ emissions reduction goal and annually report its estimated SF₆ emissions. MEHC and PacifiCorp represent that this not only reduces greenhouse gas emissions, it saves money and improves grid reliability. Since 1999, EPA's SF₆ partner companies have saved \$2.5 million from the avoided gas loss alone. Use of improved SF₆ equipment and management practices helps protect system reliability and efficiency.</p> <p>b) Within six months after close of the transaction, MEHC and PacifiCorp commit that PacifiCorp will establish a global warming working group composed of representatives of the regulatory, consumer, educational and environmental communities in the six states that PacifiCorp serves, as well as representatives of PacifiCorp and MEHC. PacifiCorp will work with the global warming working group to identify cost-effective measures to reduce PacifiCorp's greenhouse emissions. PacifiCorp will develop and file with the Commission its strategy, which MEHC supports, for reducing its greenhouse gas emissions.</p>		process.																					
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>	COMPLETE	<p>COMPLETE – effective March 31, 2010. The table below reflects emissions reduction projects that have been or are in the process of completion, with all projects permitted by environmental regulatory agencies. Some, but not all, of these projects were on the original list of projects anticipated under this commitment. As of March 31, 2010, PacifiCorp had spent approximately \$865 million (compared to the commitment of \$812 million) on emission reduction projects in support of its Commitment 43 goals. Upon completion, these projects will have resulted in a reduction of PacifiCorp's SO₂ emission rate by approximately 62% and a reduction of its NO_x rate by approximately 39%. PacifiCorp's CO₂ emissions rate did not increase and has, in fact, decreased by almost 10% between 2005 and 2008 on a pounds per megawatt hour basis. While this commitment is considered complete, the company will continue to install emission reduction equipment to the extent such installation is required by law or otherwise prudent.</p> <table border="1" data-bbox="1285 1143 1961 1377"> <thead> <tr> <th>Plant</th> <th>Project</th> <th>In-Service Date</th> </tr> </thead> <tbody> <tr> <td>Cholla Unit 4</td> <td>Scrubber, low-NO_x burners, baghouse</td> <td>5/21/2010</td> </tr> <tr> <td>Dave Johnston Unit 3</td> <td>Low-NO_x burners</td> <td>5/31/2010</td> </tr> <tr> <td>Dave Johnston Unit 3</td> <td>Scrubber and baghouse</td> <td>5/31/2010</td> </tr> <tr> <td>Dave Johnston Unit 4</td> <td>Low-NO_x burners</td> <td>12/30/2009</td> </tr> <tr> <td>Dave Johnston Unit 4</td> <td>Scrubber and baghouse upgrade</td> <td>5/15/2012</td> </tr> <tr> <td>Hunter Unit 1</td> <td>Low-NO_x burners</td> <td>5/31/2014</td> </tr> </tbody> </table>	Plant	Project	In-Service Date	Cholla Unit 4	Scrubber, low-NO _x burners, baghouse	5/21/2010	Dave Johnston Unit 3	Low-NO _x burners	5/31/2010	Dave Johnston Unit 3	Scrubber and baghouse	5/31/2010	Dave Johnston Unit 4	Low-NO _x burners	12/30/2009	Dave Johnston Unit 4	Scrubber and baghouse upgrade	5/15/2012	Hunter Unit 1	Low-NO _x burners	5/31/2014
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			Hunter Unit 1	Scrubber upgrade and baghouse	5/31/2014
			Hunter Unit 2	Low-NO _x burners	5/31/2011
			Hunter Unit 2	Scrubber upgrade and baghouse	5/31/2011
			Hunter Unit 3	Low-NO _x burners	7/22/2009
			Huntington Unit 1	Low NO _x burners	11/30/2010
			Huntington Unit 1	Scrubber upgrade and baghouse	11/30/2010
			Huntington Unit 2	Scrubber and baghouse	12/7/2006
			Huntington Unit 2	Low-NO _x burners	12/7/2006
			Jim Bridger Unit 1	Low-NO _x burners	6/15/2010
			Jim Bridger Unit 1	Scrubber upgrade	6/15/2010
			Jim Bridger Unit 2	Low-NO _x burners	12/29/2006
			Jim Bridger Unit 2	Scrubber upgrade	9/15/2009
			Jim Bridger Unit 3	Low-NO _x burners	12/28/2007
			Jim Bridger Unit 3	Scrubber upgrade	6/30/2011
			Jim Bridger Unit 4	Low-NO _x burners	10/2/2009
			Naughton Unit 1	Low-NO _x burners	5/31/2012
			Naughton Unit 1	Scrubber	5/31/2012
			Naughton Unit 2	Low-NO _x burners	12/31/2011
			Naughton Unit 2	Scrubber	12/31/2011
			Wyodak	Low-NO _x burners	4/30/2011
			Wyodak	Scrubber/baghouse	4/30/2011
44	<p><u>Energy Efficiency and DSM Management:</u></p> <p>a) MEHC and PacifiCorp commit to conducting a company-defined third-party market potential study of additional DSM and energy efficiency opportunities within PacifiCorp's service areas. The objective of the study will be to identify opportunities not yet identified by the company and, if and where possible, to recommend programs or actions to pursue those opportunities found to be cost-effective. The study will focus on opportunities for deliverable DSM and energy efficiency resources rather than technical potentials that may not be attainable through DSM and energy efficiency efforts. On-site solar and combined heat and power programs may be considered in the study. During the three-month period following the close of the transaction, MEHC and PacifiCorp will consult with DSM advisory groups and other interested parties to define the proper scope of the study. The findings of the study will be reported back to DSM advisory groups, commission staffs, and other interested stakeholders and will be used by the Company in helping to direct ongoing DSM and energy efficiency efforts. The study will be completed within 15 months after the closing on the transaction, and MEHC shareholders will absorb the first \$1 million of the costs of the study.</p> <p>b) PacifiCorp further commits to meeting its portion of the NWPPC's energy efficiency targets for Oregon, Washington and Idaho, as long as the targets</p>	Ongoing Compliance	<p>a) COMPLETE – effective July 13, 2007.</p> <p>b) COMPLETE –effective December 31, 2009. The company met its portion of the NWPPC's 5th Power Plan energy efficiency targets for Oregon, Washington, and Idaho.</p> <p>c) Both companies have comprehensive program portfolios and have yet to identify specific program adoptions that can be attributed to this collaborative effort outside of the commercial program review and TrakSmart system work. MEC did implement a refrigerator/freezer recycling program in August 2009 (similar to that offered by PacifiCorp to its customers) as part of MEC's 2009-2013 five year plan.</p>		

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	can be achieved in a manner deemed cost-effective by the affected states. 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.		
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	The customer guarantee and performance standards programs continue. On July 8, 2008, Pacific Power submitted Advice Letter No. 363-E, proposing to modify three network performance standards. That filing remains under review.
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	PacifiCorp continues to support economic development through active participation in the local community economic development organizations. Economic development grants were given to several Pacific Power and Rocky Mountain Power communities throughout the year. Community managers participate in regional economic development summits, including state and federal elected officials and regional economic development leaders. Community managers serve on boards of economic development agencies and lead and provide support to recruitment and retention initiatives.
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 to consider Commitments 34, 39, 40, 41, 52, and 53. PacifiCorp will hold IRP meetings at locations or using communications technologies that encourage broad participation.	Ongoing Compliance	PacifiCorp has pursued an open and collaborative approach to involve state regulatory agencies, customers and other stakeholders in its Integrated Resource Plan development. The cornerstone of the public input process has been full-day meetings throughout the yearlong plan development period. These meetings have been held jointly in Salt Lake City and Portland, using telephone and videoconferencing technology. Copies of presentations from the public input sessions are available on the company's web site at the following link: http://www.pacifiCorp.com/es/irp/pip.html .
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	Ongoing Compliance	This report, covering activity from April 1, 2009 through March 31, 2010 will be filed by June 1, 2010.

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	available at the Commission non-confidential portions of the report.		
50	PacifiCorp will maintain its current pension funding policy, as described in the 2005 Actuarial Report, for a period of two years following the close of the transaction. This condition does not affect the Commission's ability to adopt a different pension funding policy for ratemaking purposes in PacifiCorp's general rate case proceedings, including the rate case filed on November 29, 2005.	COMPLETE	COMPLETE - effective March 21, 2008.
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.
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.
53	MEHC or PacifiCorp commit to commence as soon as practical after close of the transaction a system impact study to examine the feasibility of constructing transmission facilities from the Jim Bridger generating facilities to Miners Substation in Wyoming. Upon receipt of the results of the system impact study, MEHC or PacifiCorp will review and discuss with stakeholders the desirability and economic feasibility of performing a subsequent facilities study for the Bridger to Miners 500 kV transmission project.	COMPLETE	COMPLETE - effective August 23, 2006.

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STATE - SPECIFIC COMMITMENTS

State-Specific Commitment Number	Commitment Description	Status	Status Description
C-1	MEHC commits that the transaction will not diminish in any way PacifiCorp's ability or willingness to perform its legal obligations associated with the Klamath River hydroelectric system or PacifiCorp's ability to recover the costs thereof in rates.	Ongoing Compliance	PacifiCorp complies with all FERC requirements and continues to review costs incurred in order to comply with legal requirements in as prudent a manner as possible to allow for full cost recovery.
C-2	In implementing Commitment 35, PacifiCorp will make cost-effective investments in California to the extent reasonably required to serve load.	Ongoing Compliance	PacifiCorp placed the last of the newly upgraded Company transmission line facilities from Yreka to Weed Junction along with the associated substation capacity increases in-service in December 2008. PacifiCorp placed the newly installed substation transformer at the company's Copco II facility in-service in December 2008 to strengthen reliability for Yreka customers due to summer load growth.
C-3	Subject to the costs being recoverable on a timely basis in PacifiCorp's California retail electric rates, PacifiCorp will continue offering cost-effective demand-side management programs in California.	Ongoing Compliance	Programs are being offered as approved.
C-4	PacifiCorp will take the following actions to address extending electrical service to unserved Yurok, Hoopa Valley, Karuk or other Indian communities located within PacifiCorp's allocated service territory. Following the closing of the transaction by MEHC and commencing within 30 days of receipt by PacifiCorp of a request for service by the Tribe(s), PacifiCorp will undertake good faith discussions with the affected Tribes, the Commission's Energy Division and Office of Ratepayer Advocates, Pacific Gas & Electric Company, and other appropriate stakeholders, regarding such extension in electrical service. PacifiCorp will consider a reasonable range of options for rural electrification consistent with PacifiCorp's filed tariff regarding line extensions. PacifiCorp will conclude the discussion regarding rural electrification within 1 year of the closing and will at that time file an application or other pleading: (A) seeking permission to extend electrical service to these specified areas or (B) stating its decision not to extend service, and the basis therefore.	COMPLETE	COMPLETE – effective March 21, 2007.
C-5	PacifiCorp will provide \$150,000 per year for three years to fund a study to be jointly administered by U.S. Environmental Protection Agency (EPA or lead agency), CalEPA's North Coast Regional Water Quality Control Board, California Department of Fish and Game, Del Norte, Humboldt, Klamath and Siskiyou County health agencies, the Klamath, Yurok, Karuk and Hoopa Valley Tribes, Oregon Department of Environmental Quality, Oregon	COMPLETE	COMPLETE – effective December 31, 2008.

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	<p>Department of Fish and Wildlife, U.S. Fish and Wildlife Service, and the National Marine Fisheries Service. The study will be conducted by an independent consultant acceptable to EPA and PacifiCorp. The study purpose is to identify the presence, distribution, and possible causes of blue-green algae (including <i>Microcystis aeruginosa</i> and any other similar toxic species of such algae, hereinafter referred to as "<i>microcystis</i>"), and their toxins, within the Klamath Basin. Within 60 days of the closing of the transaction by MEHC, PacifiCorp will ask that EPA convene, and PacifiCorp will participate in, a working group of the above-referenced governmental agencies, in order to design the study protocols and oversee the study implementation. All Settlement Parties acknowledge that the active participation of governmental agencies and full public accessibility to the monitoring information will assist in addressing the presence of <i>microcystis</i> in the Klamath Basin. All study data will be publicly available.</p> <p>PacifiCorp will cooperate in appropriate implementation efforts to support the study, and will cooperate in providing information for grant applications to secure additional (including public) funding for the study. However, neither the provision of funds for this study nor participation in the study constitutes an admission by PacifiCorp or MEHC of any responsibility or legal liability for <i>microcystis</i> outbreaks, nor shall it be deemed as such by any Settlement Party.</p>		
C-6	PacifiCorp will provide an opportunity for the Settlement Parties to discuss implementation of Commitment 43 and will provide advance notice of same to the Settlement Parties in the California docket.	COMPLETE	COMPLETE – effective May 8, 2006.
C-7	By June 1, 2007 and each June 1 thereafter through 2011, PacifiCorp will file a supplemental report with the CPUC regarding the implementation of the California State-Specific Commitments specified herein. The report will, at a minimum, provide a description of the performance of each of the specified commitments that have quantifiable results. If any of the commitments specified herein 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. The Commitments subject to this reporting requirement are C-2, C-4, and C-5.	Ongoing Compliance	This report satisfies this commitment for 2010.
C-8	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	No additional action required unless specified activities occur.
C-9	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 C-10 through C-14. These rate credits will be	Ongoing Compliance	No further action is necessary. This commitment will be considered complete as of December 31, 2010. See updates for commitments C-10 through C-14.

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	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 C-10 and C-14 are subject to deferred accounting as specified therein. Where total company values are referenced, the amount allocated to California will equal the California-allocated amount using Commission-adopted allocation factors.		
C-10	<p>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 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, California'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 to the Oregon Settlement.)</p> <p>b) This commitment is offsettable, on a prospective basis, to the extent PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case, that such West Valley non-fuel cost savings:</p> <p>i) Are reflected in PacifiCorp's rates;</p> <p>and,</p> <p>ii) There are no offsetting actions or agreements by MEHC or PacifiCorp for which value is obtained by PPM or an affiliated company, which, directly or indirectly, increases the costs PacifiCorp would otherwise incur.</p>	COMPLETE	COMPLETE – effective January 1, 2007.
C-11	<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 C-11 and Commitment 38. (The commitment is reflected in Row 2 of Appendix 2 of the Oregon Settlement).</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),</p>	COMPLETE	COMPLETE – No action necessary through December 31, 2010. On November 20, 2009, PacifiCorp filed a general rate case for rates effective January 1, 2011.

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	sales accounts (FERC accounts 911-916), capital accounts, deferred debit accounts, deferred credit accounts, or other regulatory accounts.		
C-12	<p>a) MEHC commits to use an existing, or form a new, captive insurance company to provide insurance coverage for PacifiCorp's operations. The costs of forming such captive will not be reflected in PacifiCorp's regulated accounts, nor allocated directly or indirectly to PacifiCorp. Such captive shall be comparable in costs and services to that previously provided through ScottishPower's captive insurance company Dornoch. MEHC further commits that insurance costs incurred by PacifiCorp from the captive insurance company for equivalent coverage for calendar years 2006 through 2010, inclusive, will be no more than \$7.4 million (total company). Oregon Commission Staff has valued the potential increase in PacifiCorp's total company revenue requirement from the loss of ScottishPower's captive insurance affiliate as \$4.3 million annually, which shall be the amount of the total company rate credit. This commitment expires on December 31, 2010.</p> <p>b) This commitment is offsetable if PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case, the costs included in PacifiCorp's rates for such insurance coverage is not more than \$7.4 million (total company). (This commitment is reflected in Row 3 in Appendix 2 of the Oregon Settlement.)</p>	Ongoing Compliance	The captive policies were renewed in March 2010 with premiums no greater than \$7.4 million.
C-13	<p>a) MEHC and PacifiCorp will hold customers harmless for increases in costs resulting from PacifiCorp corporate costs previously billed to PPM and other former affiliates of PacifiCorp. Oregon Commission Staff has valued the potential increase in total company revenue requirement if these costs are not eliminated as \$7.9 million annually (total company) through December 31, 2010 and \$6.4 million annually (total company) from January 1, 2011 through December 31, 2015, which shall be the amounts of the total company rate credit. This commitment shall expire on the earlier of December 31, 2015 or when PacifiCorp demonstrates to the Commission's satisfaction, in the context of a general rate case, that corporate costs previously billed to PPM and other former affiliates have not been included in PacifiCorp's rates. This Commitment is in lieu of Commitment 38, and a state must choose between this Commitment C-13 and Commitment 38.</p> <p>b) This commitment is offsetable 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 of the Oregon Settlement.)</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. See California-specific Commitment C14 for more details.</p> <p>b) In the most recent general rate case, Docket A.09-11-015, PacifiCorp provided testimony to demonstrate to the Commission that corporate costs previously billed to PPM and other former affiliates have not been included in PacifiCorp's rates.</p>
C-14	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 per year. This commitment expires December 31, 2010.	COMPLETE	COMPLETE – No action necessary through December 31, 2010. On November 20, 2009, PacifiCorp filed a general rate case for rates effective January 1, 2011.

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	<p>Beginning with the first month after the close of the transaction, California'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 C-14 and Commitments 22 and U 23.</p> <p>b) The credit will be offsetable, on a prospective basis, for every dollar that PacifiCorp demonstrates to the Commission's satisfaction, in a subsequent general rate case, that total company A&G expenses included in PacifiCorp's rates are less than \$6 million above the "stretch Goal" and have not been shifted to other regulatory accounts. The 2006 Stretch Goal will be \$222.8 million. Subsequent Stretch Goals shall equal the 2006 Stretch Goal multiplied by the ratio of the Global Insight's Utility Cost Information Service (UCIS)-Administrative and General - Total Operations and Maintenance Index (INDEX CODE Series JEADGOM), for the test period divided by the 2006 index value. If another index is adopted in a future PacifiCorp case, that index will replace the aforementioned index and will be used on a prospective basis only. If this occurs, the Stretch Goal for future years will equal the Stretch Goal from the most recent calendar year multiplied by the ratio of the new index for the test period divided by the new index value for that same most recent calendar year.</p>		
C-15	<p>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 C-15 and Commitment 37.</p> <p>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.</p>	COMPLETE	COMPLETE – effective March 21, 2007.
C-16	<p>a) MEHC commits that immediately following the closing of the transaction, the acquiring company (PPW Holdings LLC) will have no debt in its capital</p>	Ongoing Compliance	a) Accounting calculates PPW Holdings, LLC common equity capital and ratios on a quarterly basis and reports to Treasury. Common equity

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	<p>structure. MEHC and PacifiCorp commit that the consolidated capital structure of PPW Holdings LLC will not contain common equity capital below the following percentages of its Total Capital as defined in Commitment 18b:</p> <ul style="list-style-type: none"> • 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>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 California Public Utilities Code §854, limited to the consideration of additional ring-fencing provisions that may be appropriate.</p>		<p>capital as a percent of total adjusted capital has remained above the required minimum threshold.</p> <p>b) No debt has been issued by PPW Holdings, LLC.</p>
C-17	<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 16, 2006.
C-18	<p>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.</p>	Ongoing Compliance	The rating requirement has been added to the list of tests to be performed prior to PacifiCorp declaring dividends on common stock.
C-19	<p>MEHC commits to provide shareholder funding to hire a consultant to study and design for possible implementation of an arrearage management project for low-income customers that could be made applicable to California 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</p>	COMPLETE	COMPLETE - effective March 20, 2007.

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	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.		
C-20	MEHC and PacifiCorp commit to a total contribution level for California low-income bill payment assistance in the amount of \$30,000 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	The third year of this five year commitment was completed as of August 1, 2009. Contributions totaling \$30,000 were received by The Salvation Army, the agency that administers Project HELP, for the program year ending June 30, 2009. Of that total, PacifiCorp's share was \$22,025 and the balance of donations came from all other contributors. PacifiCorp will work with low income advocates and agencies in 2010 to help determine the future direction of funding as this commitment will be fulfilled by July 2011.
C-21	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.
C-22	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.

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C-23	<p>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 California stakeholders as well. Some issues and challenges to development that would be considered by the Working Group would include:</p> <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 a shared understanding of expected IGCC technology benefits, expected capital and O&M costs, and potential risks; • 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>	COMPLETE	COMPLETE – effective March 27, 2008.
C-24	<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 Utah Docket 05-035-47. PacifiCorp will also file the results of this study and the draft RFP with the CPUC 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</p>	COMPLETE	COMPLETE - effective March 27, 2008.

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	<p>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 constructed to be carbon capture ready.</p>		
C-25	MEHC commits that no amendments, revisions or modifications will be made to the ring-fencing provisions of Commitment 11 b) without prior Commission approval 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.
C-26	MEHC and PacifiCorp commit that PacifiCorp will not directly own equity shares of either Berkshire Hathaway or MEHC, if MEHC were ever to become publicly traded.	Ongoing Compliance	No additional action required unless specified activities occur.
C-27	MEHC commits to provide 30 days' notice to the Commission if it intends to create a corporate entity between PPW Holdings LLC and MEHC. MEHC further states that it has no current intention to create such a corporate entity.	Ongoing Compliance	No additional action required unless specified activities occur.
C-28	For accounting purposes, the premium paid by MEHC for PacifiCorp will be recorded in the accounts of the acquisition company and not in the utility accounts of PacifiCorp. MEHC and PacifiCorp will not recover the acquisition premium in PacifiCorp's regulated retail rates.	COMPLETE	COMPLETE – No additional action required unless specified activities occur.

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ORDERING PARAGRAPHS

ORDERING PARA- GRAPH NUMBERS	Commitment Description	Status	Status Description
4	If other states adopt most-favored-nation conditions that are not reflected in today's Decision, the Applicants shall file a petition to modify today's Decision to incorporate the additional conditions.	COMPLETE	COMPLETE – effective June 23, 2006.
5	None of the gain or loss from the sale of PacifiCorp shall accrue to PacifiCorp's ratepayers.	COMPLETE	COMPLETE - effective March 21, 2006.
6	The Applicants shall notify the Director of the Commission's Energy Division in writing of the transfer of control of PacifiCorp as authorized herein. The Applicants 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 28, 2006.
7	The authority to transfer control of PacifiCorp granted by this Order shall expire if not exercised within one year from the effective date of this Order.	COMPLETE	COMPLETE – effective March 21, 2006.
9	The Applicants shall notify the Director of the Commission's Energy Division of any changes to the ring-fencing protections within 30 days. Such notice shall contain the information specified in the body of this Decision.	Ongoing Compliance	Agreed. No action necessary to date.
10	Any benefits that MidAmerican Energy Holding Company (MEHC) receives from the acquisition premium shall accrue exclusively to MEHC. Any benefits of the transaction that occur solely at the holding company level, such as tax benefits to MEHC, shall not be imputed for ratemaking purposes.	Ongoing Compliance	MEHC and PacifiCorp will periodically review activity recorded at PPW Holdings, LLC; however, given no pushdown accounting from PPW Holdings, LLC to PacifiCorp, no further on-going action is required at the PacifiCorp level.

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of June 2010, at Portland, OR, I caused to be served, via email, if available, or via U.S. mail, a true and correct copy of the Compliance Filing of PacifiCorp (U 901-E) in Docket No. A.05-07-010 (excluding the Information Only Parties):

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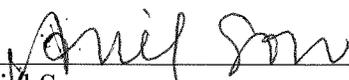
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