

MidAmerican Energy to complete commitments to gain approval of PacifiCorp acquisition

MidAmerican Energy has filed to gain approval of the holding company's planned acquisition of PacifiCorp from ScottishPower.

"MidAmerican is poised to deploy significant amounts of capital to ensure PacifiCorp can develop and maintain the infrastructure needed to provide reliable and economic electric service," explained company president Greg Abel in testimony filed with regulators in the six states where PacifiCorp operates.

MidAmerican's investment commitment will support PacifiCorp's capital requirements of approximately \$1 billion annually for at least five years for transmission and distribution enhancements, generation additions and environmental improvements.

"Since the acquisition was announced, MidAmerican and PacifiCorp executives have met with interested parties to better understand their objectives for the acquisition. We appreciate their candor and input, which have contributed greatly to the content of our filings," added Abel.

In the filed testimony, Abel outlined a series of specific commitments. MidAmerican's commitments include:

- Installing pollution controls at PacifiCorp

plants in Utah, Wyoming and Arizona to reduce emissions of sulfur dioxide, nitrogen oxides and pollutants.

- Strengthening power delivery infrastructure to improve the flow of electricity from generation sources to customers and to enhance opportunities for development of renewable energy.

- Pursuing 100 megawatts of new wind generation within a year of closing the transaction and an additional 400 megawatts of new renewable resources after the completion of needed transmission facilities.

- Lowering corporate and financing costs by \$36 million in aggregate during a five-year period.

"MidAmerican's business strategy should provide PacifiCorp customers, employees and regulators with valuable stability. Indeed, we intend that MidAmerican will be the last owner of PacifiCorp," said Abel.

Judi Johansen, president and chief executive officer of PacifiCorp, who also submitted testimony, said, "MidAmerican's willingness to invest, coupled with a solid track record in utility operations, will help PacifiCorp maintain its relative low-cost competitive position for customers in the face of its significant future

investment needs.

"PacifiCorp and MidAmerican have very similar operating philosophies. In 2004, the two companies took first and second place respectively in the TQS survey of customer satisfaction among large industrial companies," Johansen said. "We anticipate a similar result this year as a result of both companies' focus on customer service. We firmly believe that this transaction will be beneficial to our customers, employees and the communities that we serve."

Johansen, Abel and other MidAmerican witnesses submitted written testimony to the regulatory commissions in Oregon, Utah, Wyoming, Idaho, Washington and California in support of the acquisition of PacifiCorp from current owner ScottishPower.

"Over time, MidAmerican's comparatively lower cost of debt will lead to lower prices for customers than would be the case without the transaction," Abel said. He added that because the acquisition does not result in duplication of significant functions or services, the companies are not proposing a rate freeze or merger credits for PacifiCorp's customers. "However, we have identified and committed to specific cost savings, and these will benefit customers in future

rate cases. Such commitments on cost savings provide benefits equivalent to a merger credit," Abel added.

The acquisition is subject to approval from the regulatory commissions in the six states in which PacifiCorp operates and also from the Securities and Exchange Commission, Federal Energy Regulatory Commission, Nuclear Regulatory Commission and Federal Communications Commission, as well as necessary action pursuant to the Hart-Scott-Rodino Act. The acquisition also requires the approval of ScottishPower's shareholders to be sought at an Extraordinary General Meeting next Friday, July 22.

Copies of the testimonies filed today are available at www.pacificorp.com.

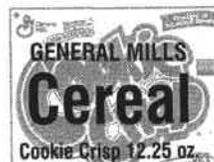
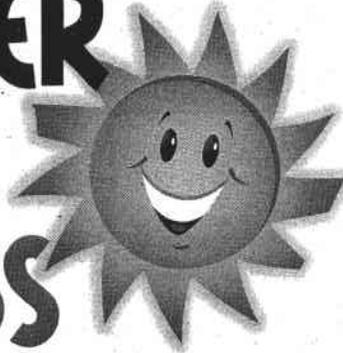
Approximately 1.6 million customers in six Western states look to PacifiCorp for safe, reliable electrical service. PacifiCorp operates as Pacific Power in Oregon, Washington, Wyoming and California; and as Utah Power in Utah and Idaho.

PacifiCorp is one of the lowest-cost electricity producers in the United States with a generation capacity of more than 8,400 megawatts of

(Continued on page 8A)

*Internal
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SUMMER STOCK-UP SAVINGS



Cookie Crisp 12.25 oz.

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- Ketchup, WESTERN FAMILY, 24 oz.59
- Cereal, KELLOGGS, Frosted Mini Wheats, (Bite-Size), Asst., 19 oz. 2/6.00
- Cereal, KELLOGGS, Frosted Flakes 20 oz. 2/6.00
- Cereal, KELLOGGS, All Bran 18.3 oz., Raisin Bran 25.5 oz. 2/6.00
- Juice, OLD ORCHARD, Asst., 64 oz. 4/5.00
- Juice Drink, CAPRI SUN, Asst., 10 ct. 2/4.00

Pepsi Products



Asst. 6 pk. 24 oz.

4/10⁰⁰

Asst. 2 Liter

2/3⁰⁰

PRWID discusses Helper payment agreement:

(Continued from page 1A) brought in front of the PRWID board for final approval.

Also brought up by the board were the shares of reservoir water Helper owns. Helper currently owns 300 shares of water and only plans on needing 60 of those shares at the present time.

Since cities cannot lease water, the possibility of transferring the shares to PRWID and allowing the district to

lease shares out for a period of time was discussed to help pay off what is owed to PRWID by Helper.

Since no decisions could be made, the issue was tabled until PRWID's Aug. 2 meeting, when Helper officials may be in attendance to discuss the agreement.

In another matter, PRWID discussed a possible increase in the district's current property tax rate to help shore up sagging finances.

Currently, PRWID is at a .000586 mill levy. But the district is considering increasing the levy to .000732, which is the maximum currently allowed by law.

During the July 5 meeting, Richens told the board that PRWID would be allowed to go to a .0008 mill levy, which would increase taxes by approximately \$16.32 a year on a home with a property assessment of \$150,000.

During Tuesday's meeting,

it was brought up that the .0008 reported at the previous meeting was wrong, but the .000732 would not change the expected amount of funds or revenues PRWID would bring in every year.

A vote on the subject would not occur until after a second public hearing has been conducted.

If passed, the property tax increase would not take place until the beginning of next year.

MidAmerican Energy:

(Continued from page 3A) energy. In 1999, PacifiCorp merged with United Kingdom-based ScottishPower. For more information, visit www.pacifi-corp.com.

MidAmerican Energy Holdings Company is based in Des Moines, Iowa, and is a privately owned global provider of energy services.

Through its energy-related business platforms - CalEnergy, CE Electric UK, Kern River Gas Transmission Company, Northern Natural Gas Company and MidAmerican

Energy Company - MidAmerican provides electric and natural gas service to 5 million customers worldwide. Information on MidAmerican is available on the Internet at www.midamerican.com.

Summary of new commitments contained in the state regulatory filings.

Investment in Transmission and Distribution:

- \$78 million investment in an Idaho-to-Utah transmission upgrade to increase the transfer capability between PacifiCorp's east and west control areas

- \$196 million investment in a Utah transmission line from Mona to Oquirrh to increase import capability into the Wasatch Front

- \$88 million investment in a Washington transmission link between Walla Walla and Yakima or Vantage to enhance the ability to accept wind energy

- \$75 million investment in the Asset Risk Program (distribution system reliability improvement project)

- \$69 million investment in local transmission risk projects in all states in PacifiCorp's service area (transmission system reliability improvement project)

Financial Benefits:

- At least a 10 basis-point reduction for five years (\$6.3 million total) in the cost of PacifiCorp's issuances of long-term debt

- At least a \$30 million reduction (over five years) in corporate overhead costs

- In aggregate, the \$36.3 million in cost reductions are comparable to a merger credit

Environmental Benefits:

- During the next seven years, \$812 million investment in emissions reduction technology for existing coal plants, which when coupled with the use of reduced emissions technology for new coal-fueled generation would be expected to reduce the sulfur dioxide (SO₂) emissions rate by more than 50 percent, to reduce the nitrogen oxide (NO_x) emissions rate by more than 40 percent, to reduce

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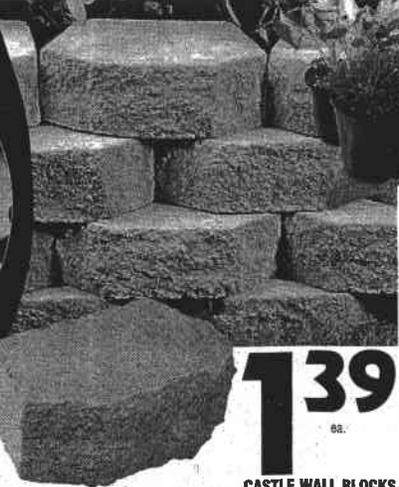
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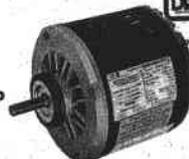
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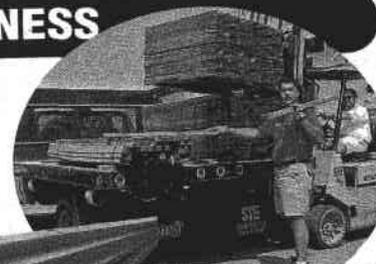
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2 X 6	4.85 3785268	6.05 3785342	7.25 3785425	8.45 3785508	9.65 3785581

the sulfur dioxide (SO₂) emissions rate by more than 50 percent, to reduce the nitrogen oxide (NO_x) emissions rate by more than 40 percent, to reduce the mercury emissions rate by nearly 40 percent and to avoid an increase in the carbon dioxide (CO₂) emissions rate

• Affirmation of PacifiCorp's goal of 1,400 megawatts of cost-effective renewable resources, including 100 megawatts of new wind energy within one year of the close of the transaction and up to 400 megawatts of new renewable resources after the transmission line projects are completed

• Reduction in sulfur hexafluoride emissions

• \$1 million shareholder-funded system-wide study designed to further demand-side management and energy efficiency programs where cost effective

• Offering a utility own/operate option for consideration in renewable energy requests for proposals

• Consideration of reduced-emissions coal technologies such as integrated gasification combined-cycle and supercritical

Other Benefits:

• A two-year extension of the customer service standards and performance guarantees

• A commitment of Mid-American Energy Holdings Company's resources and involvement, in cooperation with the PacifiCorp states, to look into transmission projects beneficial to the region, such as the Rocky Mountain Area Transmission Study and the Frontier Transmission Line Project

• Application of commitments from the prior PacifiCorp transaction to all six states.

Did You Know?

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