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September 25, 2008

IDAHO PUBLIC  
UTILITIES COMMISSION

**VIA OVERNIGHT DELIVERY**

Idaho Public Utilities Commission  
472 West Washington Street  
Boise, ID 83720-5983

Attention: Jean Jewell  
Commission Secretary

**RE: Affiliated Interest Report for the calendar year 2007 Supplemental Filing – MEHC Insurance Services Ltd. Financial Statement**

On May 29, 2008 in accordance with MidAmerican Energy Holdings Company Transaction Commitment #8 approved in Docket No.PAC-E-05-08, PacifiCorp's (d.b.a. Rocky Mountain Power) filed the Affiliated Interest Report for calendar year 2007. At the time of filing MEHC Insurance Service Ltd (MILS) financial statements were being audited and were not available to include in the Affiliated Interest Report, as noted on page 37 of the report. MILS financial statements are now available and the Company is providing them to the Commission.

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

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By Fax: (503) 813-6060

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

Informal inquiries regarding this filing, or requests for copies of the report, can be directed to Ted Weston at (801) 220-2963.

Sincerely,

Jeffrey K. Larsen  
Vice President, Regulation

Cc: Service List PAC-E-05-08  
Enclosure

**MEHC Insurance Services Ltd.**

**Balance Sheets**

**December 31, 2007 and 2006**

|                               | <u>2007</u>             | <u>2006</u>             |
|-------------------------------|-------------------------|-------------------------|
| <b>Assets</b>                 |                         |                         |
| Cash and cash equivalents     | \$ 3,924,474            | \$ 7,540,026            |
| Accrued interest              | 27,860                  | 31,271                  |
| Deferred premium taxes        | 5,805                   | 6,214                   |
| Federal income tax receivable | <u>12,950</u>           | <u>-</u>                |
| <br>Total assets              | <br><u>\$ 3,971,089</u> | <br><u>\$ 7,577,511</u> |

**Liabilities and Shareholder's Deficit**

**Liabilities:**

|  |               |               |
|--|---------------|---------------|
| Claims payable to affiliate                | \$ 10,450,112 | \$ 7,403,906  |
| Unpaid losses and loss adjustment expenses | 4,688,754     | 4,596,020     |
| Unearned premiums                          | 1,527,452     | 1,615,123     |
| Federal income tax payable                 | -             | 49,178        |
| Accrued expenses                           | <u>66,232</u> | <u>68,002</u> |

Total liabilities 16,732,550 13,732,229

**Shareholder's deficit:**

|   |                     |                    |
|---|---------------------|--------------------|
| Common stock, no par value, 1,000,000 shares<br>authorized, 100,000 shares issued and outstanding | -                   | -                  |
| Accumulated deficit   | <u>(12,761,461)</u> | <u>(6,154,718)</u> |

Total shareholder's deficit (12,761,461) (6,154,718)

Total liabilities and shareholder's deficit \$ 3,971,089 \$ 7,577,511

**MEHC Insurance Services Ltd.**

**Statements of Operations**

**For the Year Ended December 31, 2007 and 2006 and for the Period from  
March 21, 2006 (Commencement of Operations) through December 31, 2006**

|  | <u>2007</u>           | <u>2006</u>           |
|--|-----------------------|-----------------------|
| Revenues:                                    |                       |                       |
| Written premiums                             | \$ 6,969,001          | \$ 7,369,000          |
| Change in unearned premiums                  | <u>87,671</u>         | <u>(1,615,123)</u>    |
| Earned premiums                              | 7,056,672             | 5,753,877             |
| Investment income                            | <u>574,257</u>        | <u>262,521</u>        |
| Total revenues                               | 7,630,929             | 6,016,398             |
| Losses and expenses:                         |                       |                       |
| Losses and loss adjustment expenses incurred | 13,930,936            | 11,999,926            |
| General and administrative expenses          | <u>162,686</u>        | <u>122,012</u>        |
| Total losses and expenses                    | <u>14,093,622</u>     | <u>12,121,938</u>     |
| Net loss before federal income tax expense   | (6,462,693)           | (6,105,540)           |
| Federal income tax expense                   | <u>144,050</u>        | <u>49,178</u>         |
| Net loss                                     | <u>\$ (6,606,743)</u> | <u>\$ (6,154,718)</u> |

I hereby certify that on this 25<sup>th</sup> day of September, 2008, I caused to be served, via E-mail, if address available or U.S mail, a true and correct copy of PacifiCorp's Supplemental Filing for the Affiliated Interest report for the calendar year 2007 in Case No. PAC-E-05-8.

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Carrie Meyer  
Coordinator, Administrative Services