



# **2009 EEI Financial Conference**

**Patrick J. Goodman**

**Senior Vice President and Chief Financial Officer**



# Forward-Looking Statements

This report contains statements that do not directly or exclusively relate to historical facts. These statements are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can typically be identified by the use of forward-looking words, such as “may,” “could,” “project,” “believe,” “anticipate,” “expect,” “estimate,” “continue,” “intend,” “potential,” “plan,” “forecast” and similar terms. These statements are based upon MidAmerican Energy Holdings Company’s (“MEHC”) and its subsidiaries’ (collectively, the “Company”) current intentions, assumptions, expectations and beliefs and are subject to risks, uncertainties and other important factors. Many of these factors are outside the Company’s control and could cause actual results to differ materially from those expressed or implied by the Company’s forward-looking statements. These factors include, among others:

- general economic, political and business conditions in the jurisdictions in which the Company’s facilities operate;
- changes in governmental, legislative or regulatory requirements affecting the Company or the electric or gas utility, pipeline or power generation industries;
- changes in, and compliance with, environmental laws, regulations, decisions and policies that could increase operating and capital costs, reduce plant output or delay plant construction;
- the outcome of general rate cases and other proceedings conducted by regulatory commissions or other governmental and legal bodies;
- changes in economic, industry or weather conditions, as well as demographic trends, that could affect customer growth and usage or supply of electricity and gas or the Company’s ability to obtain long-term contracts with customers;
- a high degree of variance between actual and forecasted load and prices that could impact the hedging strategy and costs to balance electricity and load supply;
- changes in prices and availability for both purchases and sales of wholesale electricity, coal, natural gas, other fuel sources and fuel transportation that could have a significant impact on generation capacity and energy costs;
- the financial condition and creditworthiness of the Company’s significant customers and suppliers;
- changes in business strategy or development plans;
- availability, terms and deployment of capital, including severe reductions in demand for investment-grade commercial paper, debt securities and other sources of debt financing and volatility in the London Interbank Offered Rate, the base interest rate for MEHC’s and its subsidiaries’ credit facilities;

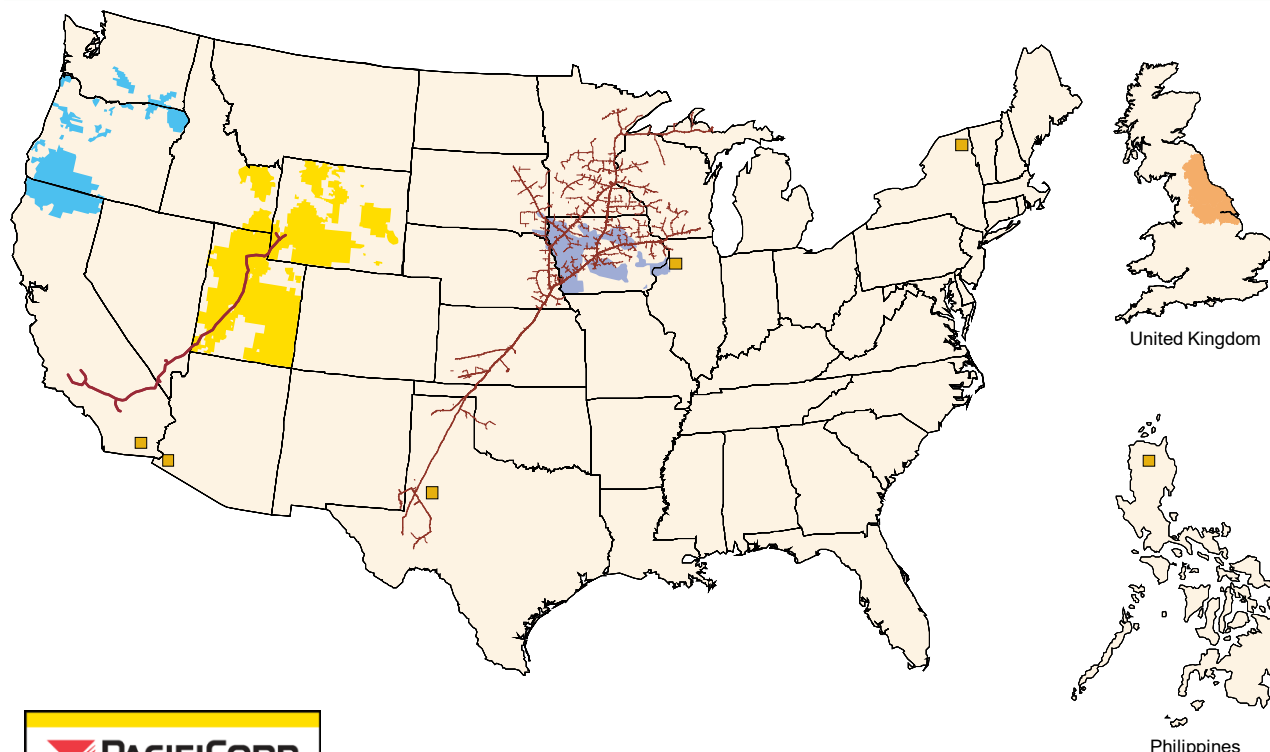
# Forward-Looking Statements

- changes in MEHC’s and its subsidiaries’ credit ratings;
- performance of the Company’s generating facilities, including unscheduled outages or repairs;
- risks relating to nuclear generation;
- the impact of derivative instruments used to mitigate or manage volume, price and interest rate risk, including increased collateral requirements, and changes in the commodity prices, interest rates and other conditions that affect the value of derivative instruments;
- the impact of increases in healthcare costs and changes in interest rates, mortality, morbidity, investment performance and legislation on pension and other postretirement benefits expense and funding requirements;
- changes in the residential real estate brokerage and mortgage industries that could affect brokerage transaction levels;
- unanticipated construction delays, changes in costs, receipt of required permits and authorizations, ability to fund capital projects and other factors that could affect future generating facilities and infrastructure additions;
- the impact of new accounting pronouncements or changes in current accounting estimates and assumptions on financial results;
- the Company’s ability to successfully integrate future acquired operations into its business;
- other risks or unforeseen events, including litigation, wars, the effects of terrorism, embargoes and other catastrophic events; and
- other business or investment considerations that may be disclosed from time to time in MEHC’s filings with the United States Securities and Exchange Commission (the “SEC”) or in other publicly disseminated written documents.

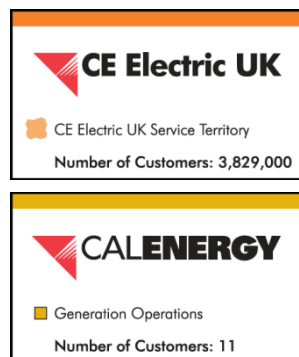
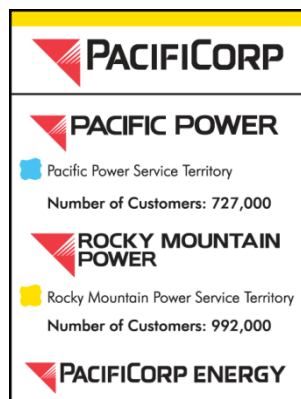
Further details of the potential risks and uncertainties affecting the Company are described in MEHC’s filings with the SEC. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors should not be construed as exclusive.

# MidAmerican Energy Holdings

## Company Energy Assets



- \$42 billion of assets as of June 30, 2009
- \$11.8 billion of revenue<sup>(1)</sup>
- 7 million electric and natural gas customers worldwide
- Nearly 17,000 miles of interstate natural gas pipeline with approximately 7.0 bcf capacity
- Approximately 18,000 megawatts<sup>(2)</sup> of owned generation
- Approximately 23 percent of this generation is renewable or noncarbon



<sup>(1)</sup> \$11.8 billion of revenue for the twelve months ended June 30, 2009

<sup>(2)</sup> Net owned megawatts in operation and under construction as of June 30, 2009



# Corporate Strategy

## MidAmerican's Strategy Has Delivered Outstanding Results

- **Own and operate a portfolio of high quality utility businesses**
  - Focus on operational efficiency, cost control and customer service
  - Cooperative approach with regulators and customers
  - Pursue internal capital investment opportunities to expand regulated asset base
- **Maintain prudent financial and risk management policies**
  - Committed to improve holding company and subsidiary credit profile
  - Stable and highly diversified asset base
- **Grow and diversify through a disciplined acquisition strategy**
  - Target additional energy assets
  - Focus on long-term risk-adjusted cash flow returns
  - Continue to utilize ring-fencing approach
  - Capitalize on access to long-term capital from Berkshire Hathaway
  - Continue track record of proven integration capabilities and improving financial performance

# MidAmerican Competitive Advantage

- **Diversified portfolio of regulated assets**
  - Weather, customer, regulatory, generation, economic and catastrophic risk diversity
- **Berkshire Hathaway provides MidAmerican with a \$3.5 billion equity commitment**
  - Access to capital even in times of utility and general market stress
    - **No other utility has this quality of explicit financial support**
- **No dividend requirement**
  - Cash flow is retained in the business and used to help fund growth and improve credit metrics
- **Berkshire Hathaway ownership**
  - Access to capital from Berkshire Hathaway allows us to take advantage of market opportunities
  - Berkshire Hathaway is a long-term holder of assets, and its owner for life philosophy promotes stability and helps make MidAmerican the buyer of choice among regulators



# Constellation Energy

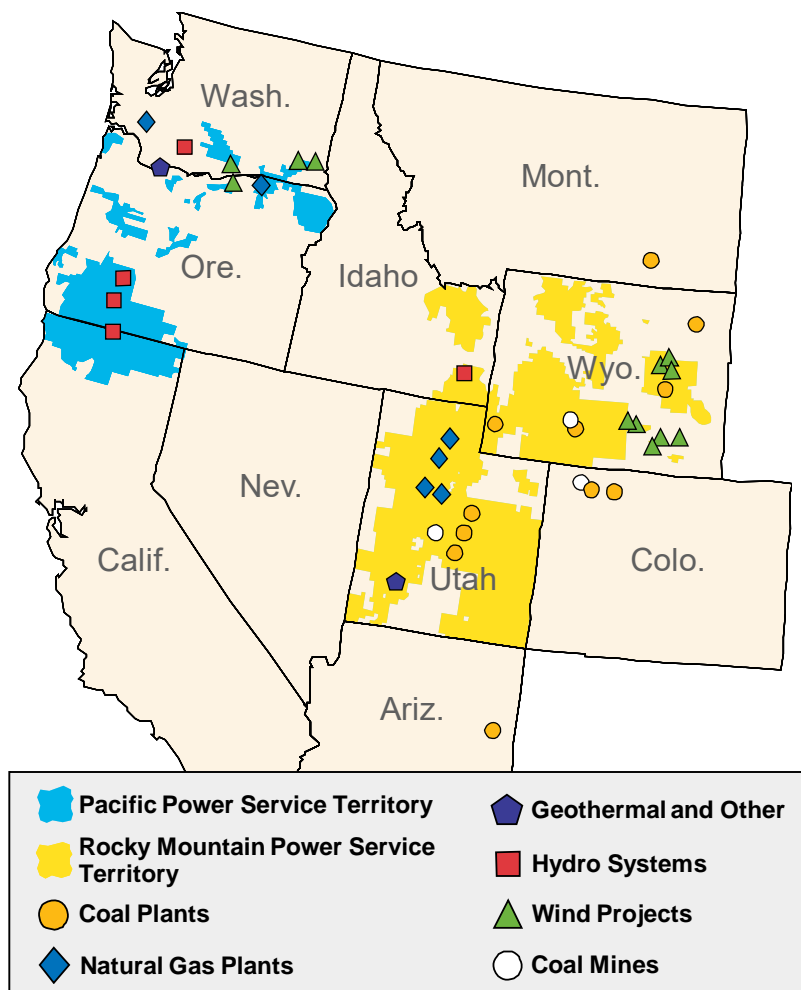
<b>Proceeds (\$ millions)</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Termination Fee	\$ 175	\$ -	\$ 175
Cash in Lieu of Shares	418	-	418
Repayment of 14% Note	-	1,000	1,000
Proceeds on Sale of Shares	-	536	536
<b>Total Proceeds</b>	<b>593</b>	<b>1,536</b>	<b>2,129</b>
Initial Investment in Constellation Energy 8% Series A Preferred Stock	(1,000)	-	(1,000)
<b>Net Proceeds</b>	<b>\$ (407)</b>	<b>\$ 1,536</b>	<b>\$ 1,129</b>
Cash Flows from Operating Activities Impact	\$ 175	\$ 128	\$ 303
Cash Flows from Investing Activities Impact	\$ (582)	\$ 1,000	\$ 418
Net Income Attributable to MEHC Impact	\$ 646	\$ 22	\$ 668

# Growth in Shareholders' Equity

- Termination of the Constellation Energy transaction and sale of stock added more than \$668 million to MEHC shareholders' equity
- BYD investment of \$232 million in July 2009 is valued at more than \$1.8 billion as of September 30, 2009
- Despite the difficult economic environment, MEHC shareholders' equity has grown from \$9.3 billion at December 31, 2007, to \$11 billion as of June 30, 2009
  - BYD after-tax gain will be reflected in September 30, 2009, results



# PacifiCorp



- Headquartered in Portland, Oregon
- 6,568 employees
- 1.7 million electricity customers in six western states
- 10,595 megawatts<sup>(1)</sup> of owned generation capacity
- Generating capacity by fuel type

	06/30/09 <sup>(1)</sup>	03/31/06
– Coal	58%	72%
– Natural gas	21%	13%
– Hydro	11%	14%
– Wind and geothermal	10%	1%

<sup>(1)</sup> Net owned megawatts in operation and under construction as of June 30, 2009



# PacifiCorp – Business Update

## Regulatory

- **Active regulatory agenda including rate cases, power cost adjustment mechanisms and renewable adjustment clauses**
  - Completed in 2009
    - Power cost adjustment mechanism approved in Idaho effective July 1, 2009
    - Utah general rate case completed – \$45.0 million annual revenue increase effective May 8, 2009
    - Oregon renewable cost recovery – \$30.8 million effective January 21, 2009
    - Oregon Senate Bill 408 tax surcharge – \$20.1 million effective June 1, 2009
    - Oregon transition adjustment mechanism – \$9.2 million effective January 1, 2009
    - Wyoming general rate case – \$18.0 million annual revenue increase effective May 24, 2009
    - Wyoming power cost adjustment mechanism settlement – \$7.0 million effective April 1, 2009
    - Idaho general rate case – \$4.4 million annual revenue increase effective April 18, 2009
  - Pending
    - Power cost adjustment mechanism requested in Utah
    - Oregon rate case and transition adjustment mechanism settlement – \$50.0 million annual increase for general rates and power costs; settlement filed and order pending
    - Oregon Senate Bill 408 tax surcharge – \$45.1 million filed October 15, 2009
    - Washington rate case settlement – \$13.5 million base rate increase and \$18.0 million Chehalis deferral; new rates expected to be effective January 1, 2010
    - Utah general rate case – \$66.9 million annual increase requested June 23, 2009; new rates expected to be effective February 18, 2010
    - Wyoming general rate case – \$70.9 million annual increase requested October 2, 2009; new rates expected to be effective August 1, 2010



# PacifiCorp – Regulatory Environment

## Utah

- Integrated resource planning
- As part of RFP process, regulatory approval of investment prudence may be obtained prior to construction/acquisition
- Rates effective no later than eight months after filed date
- Regulators have accepted use of forecast test periods
- Regulators are required to allow utility to use single issue rate case or deferred accounting for major plant additions (>1% of rate base)
- Regulators may approve power cost recovery mechanisms – PacifiCorp filed an application in 2009 for approval of a mechanism

## Oregon

- Integrated resource planning
- Rate case test periods are based on forecast data
- 10-month time limit on consideration of proposed rate increase
- Regulators authorized to approve power cost recovery mechanisms
- Annual update to forecast power costs outside of general rate case; i.e. transition adjustment mechanism
- Annual renewable resource cost recovery outside of general rate case with deferral of cost of renewable resources that come on-line between annual proceedings

## Washington

- Integrated resource planning
- Rate case test periods are based on historical data with known and measurable adjustments
- 11-month time limit on consideration of proposed rate increase
- Regulators authorized to approve power cost recovery mechanisms
- Commission required to allow deferral of costs related to eligible base-load and renewable generation resources between rate cases for future recovery

# PacifiCorp – Regulatory Environment

## Idaho

- Integrated resource planning
- Rates effective no later than seven months after filed date
- Rate case test periods based on historic data with known and measurable adjustments
- Ability to use single issue rate cases for significant new investment when filed within approximately six months of prior rate change
- PacifiCorp application for power cost adjustment mechanism approved; effective July 1, 2009, with annual true-up to actual costs
- New legislation implemented that allows pre-construction regulatory approval and binding rate-making principles (as in Iowa)

## Wyoming

- 10-month time period on consideration of proposed rate increase
- Rate case test periods may be historical with known and measurable adjustments or forecasted data based on each case circumstance
- Power cost adjustment mechanism in place with annual true-up

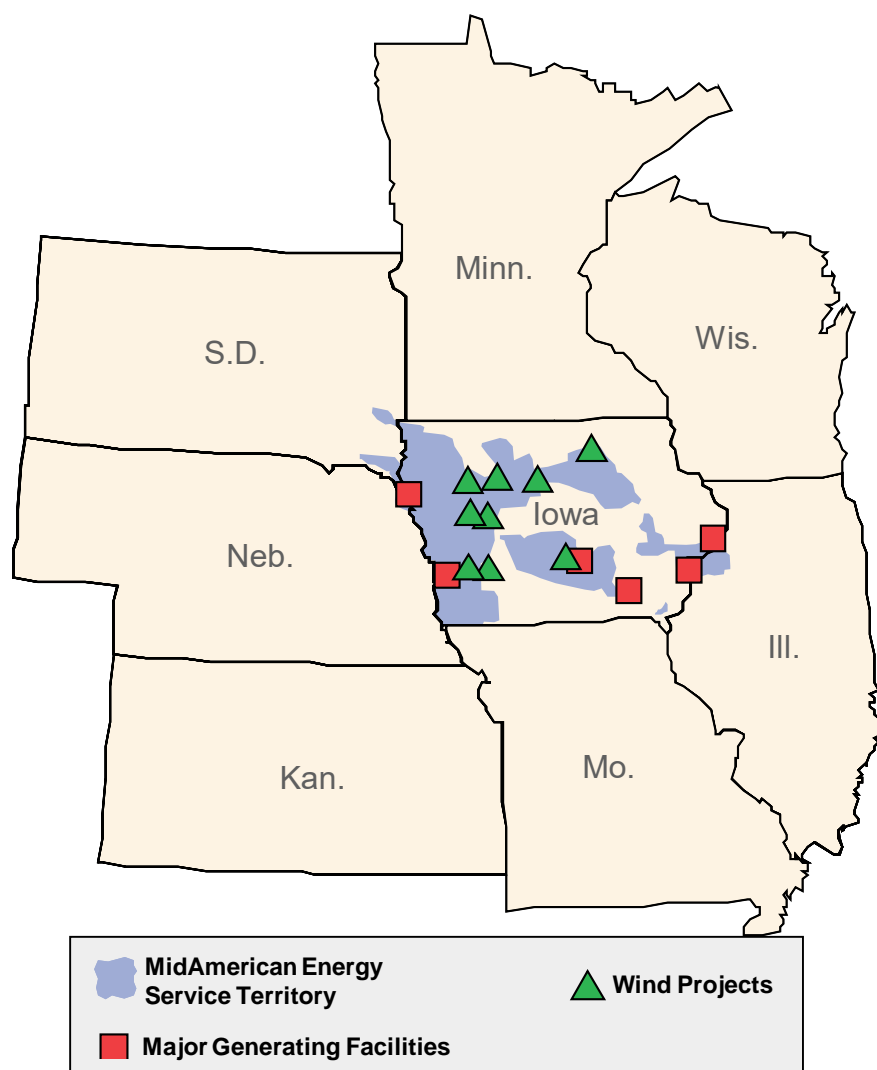
## California

- Rate case test periods are based on forecast data
- Three-year rate case cycle with adjustment mechanisms
  - Dollar-for-dollar recovery of power costs and annual update to forecast power costs
  - Annual inflation-based adjustment mechanism
  - Single-item filings provide for recovery of costs of capital additions in excess of \$50 million total company

# PacifiCorp – Business Update

- Retail load for the six-month period ended June 30, 2009, was 25,313 gigawatt hours, a 4.8% decrease versus the first six months of 2008
- 377 megawatts of new wind generation to be added in 2009-2010
  - Total owned wind generation capacity projected to be 1,033 megawatts by year-end 2010
  - Total wind capacity under long-term contract is projected to be 682 megawatts by year-end 2010
- Populus-to-Terminal segment of Energy Gateway Transmission Expansion Project under construction
  - Expected to be in-service during 2010
  - \$905 million project on budget

# MidAmerican Energy



- Headquartered in Des Moines, Iowa
- 3,565 employees
- 1.4 million electric and natural gas customers in four Midwestern states
- 6,443 net megawatts generation capacity<sup>(1)</sup>

	<u>06/30/09<sup>(1)</sup></u>	<u>12/31/00</u>
– Coal	52%	70%
– Natural gas	20%	19%
– Wind	20%	0%
– Nuclear and other	8%	11%

<sup>(1)</sup> Net owned megawatts in operation as of June 30, 2009



# MidAmerican Energy – Business Update

- Retail load for the six-month period ended June 30, 2009, was 9,889 gigawatt hours, a 3.5% decrease versus the first six months of 2008
- On September 1, 2009, MidAmerican Energy Company became a transmission-owning member of MISO
- Update on environmental capital expenditures
  - Walter Scott, Jr. Energy Center Unit 3 scrubber in-service May 2009
  - 1,679 megawatts of coal generation in-service with scrubbers
- Regulatory approval pending for up to 1,001 megawatts (nameplate ratings) of additional wind development in Iowa for potential construction through 2012
- Continue to receive high J.D. Power and Associates customer satisfaction ratings for gas and electric service

# Northern Natural Gas



## Business Overview

- 15,200 miles of natural gas pipeline
- 5.3 Bcf per day of market area design capacity, plus 2.0 Bcf per day field area capacity
- 73 Bcf firm storage capacity
- 78% of 2008 revenue based on demand charges

## Major Accomplishments

- Northern Lights project – growth in market-area transportation business
  - 2007 400,000 Dth/day
  - 2008 100,000 Dth/day
  - 2009/2010 150,000 Dth/day
- Firm gas storage expansions
  - 2006 – 6 Bcf
  - 2008 – 8 Bcf



# Kern River



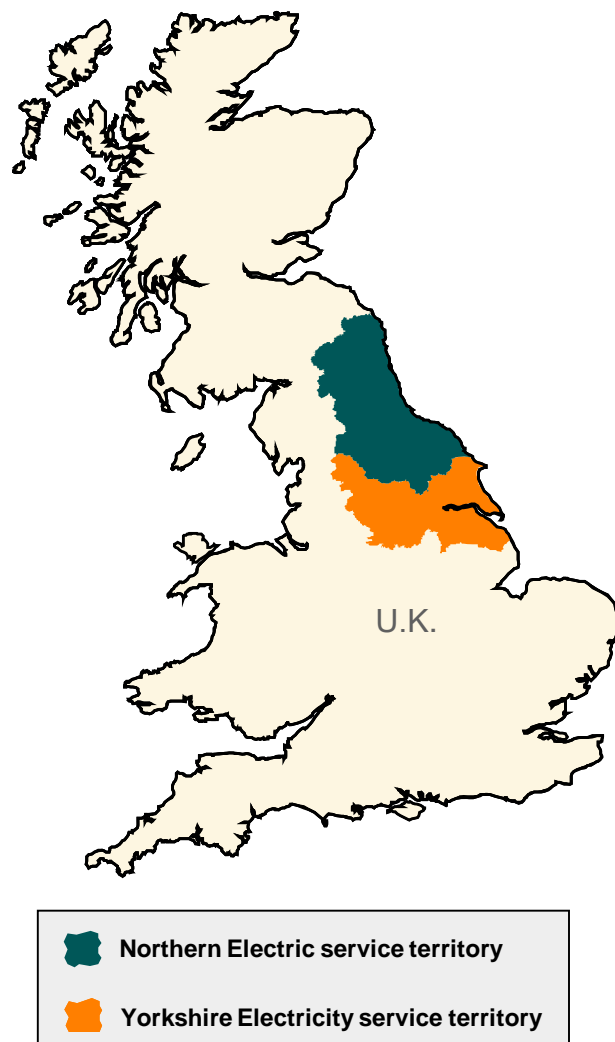
## Business Overview

- 1,700 miles of natural gas pipeline
- 1.8 million Dth/day of natural gas to markets in Utah, Nevada and California
- 65% of 2008 revenue based on demand charges

## Major Accomplishments

- Received FERC approval for 2010 Expansion for 145,000 Dth/day, in-service anticipated December 31, 2009
- Anticipate FERC approval in December 2010 for Apex expansion for 266,000 Dth/day

# CE Electric UK



## Business Overview

- 3.8 million end-users in northeast England
- 57,000 miles of distribution lines
- 72% of 2008 distribution revenue from residential and commercial customers

### 2008 Distribution Revenue (£ millions)

Residential	£240
Commercial	81
Industrial	117
Other	17
Total	<u>£455</u>

## Accomplishments

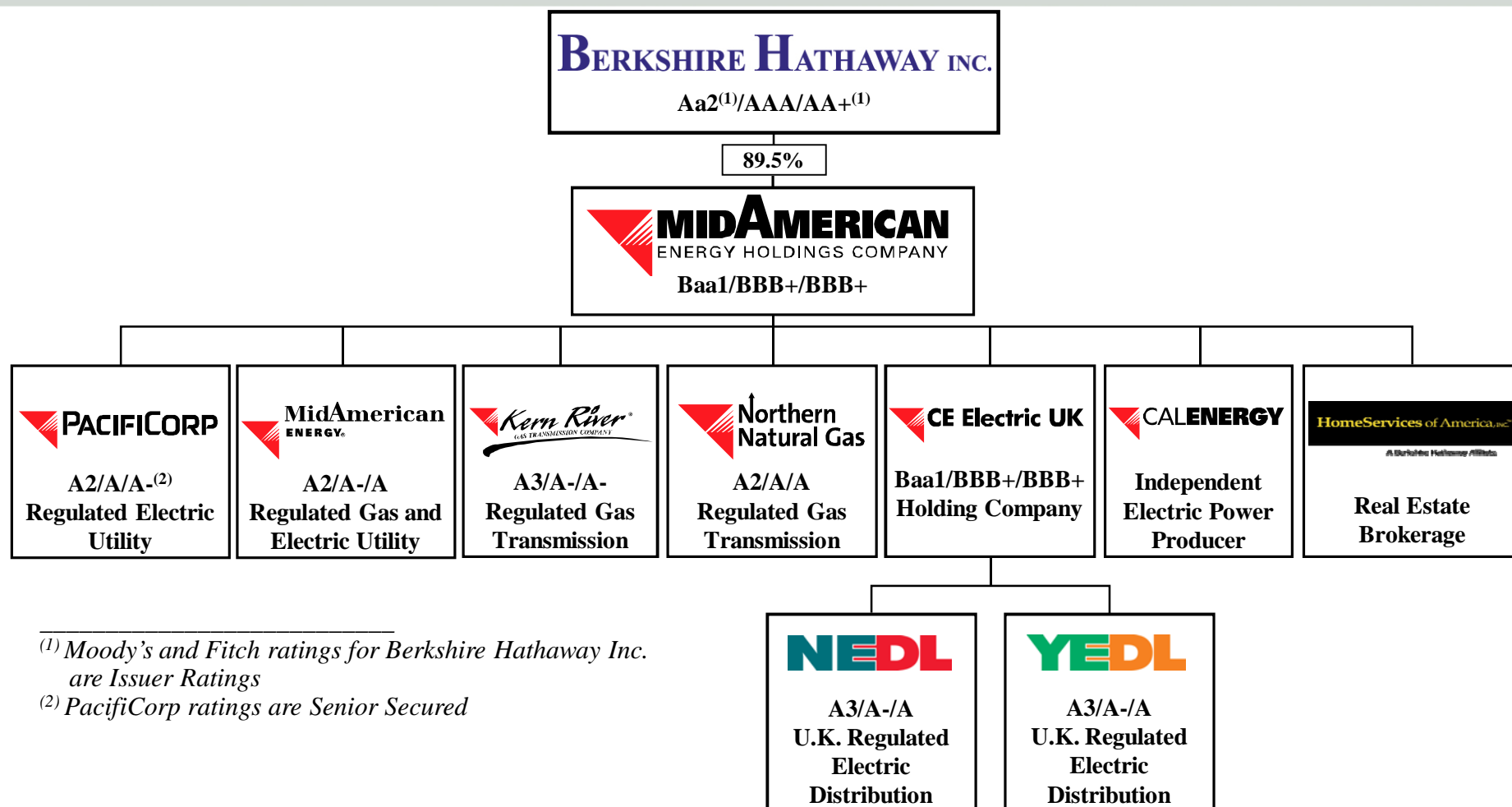
- Continuing negotiations with Ofgem in preparation for next price control period; final proposals expected in December 2009
- Improvement in customer service standards continues
- Excellent safety performance in each of the last five years
- Financial performance remains stable despite economic climate





# Financial Results

# Organizational Structure



<sup>(1)</sup> Moody's and Fitch ratings for Berkshire Hathaway Inc. are Issuer Ratings

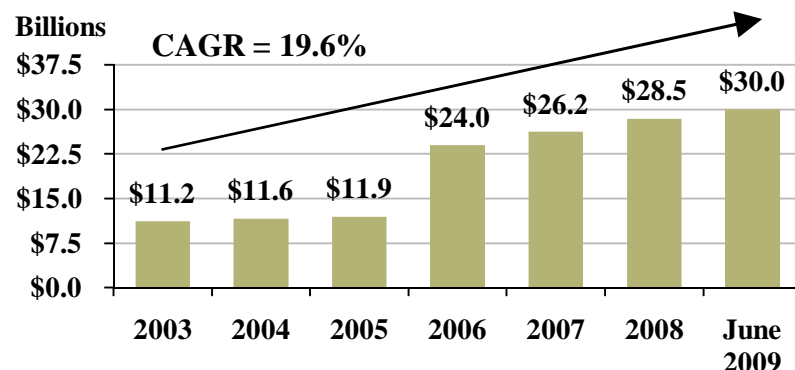
<sup>(2)</sup> PacifiCorp ratings are Senior Secured

**“Forever is our holding period” – Berkshire ownership philosophy**

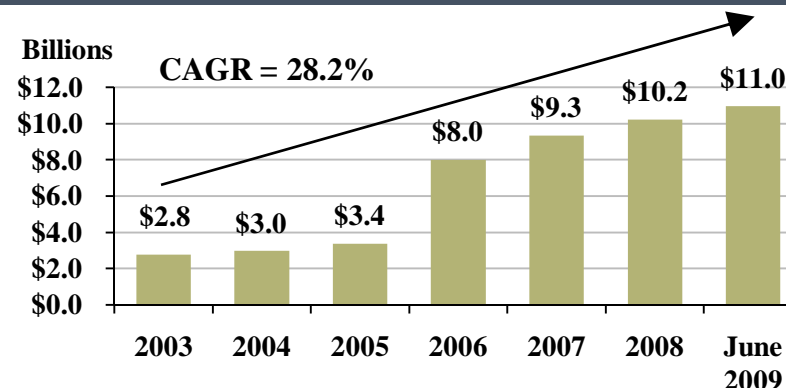


# MEHC Growth Summary

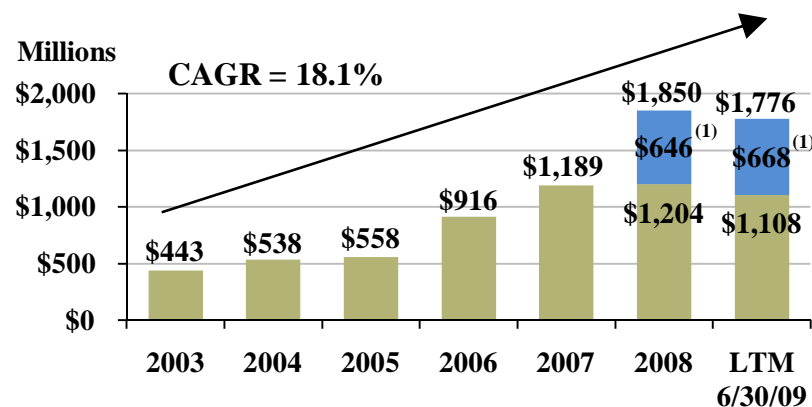
## Property, Plant and Equipment (Net)



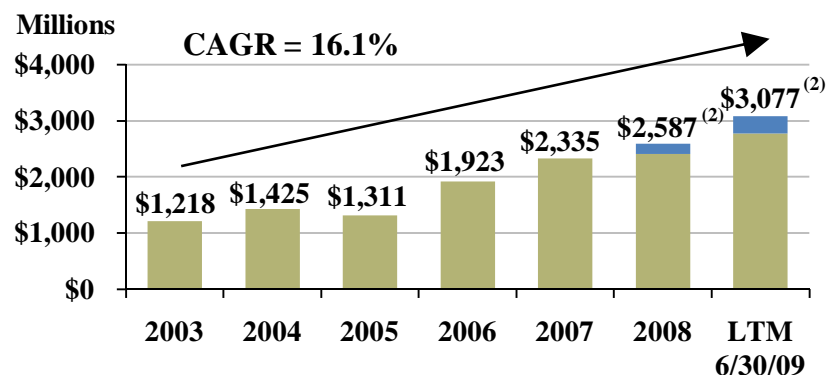
## MEHC Shareholders' Equity



## Net Income Attributable to MEHC



## Cash Flows From Operations



<sup>(1)</sup> \$646m and \$668m after-tax gains are related to the termination fee and profit from investment in Constellation Energy; CAGR calculation excludes this amount

<sup>(2)</sup> \$2,587m and \$3,077m cash flows from operations include \$175 and \$303 for 2008 and LTM 6/30/09, respectively, related to the termination fee and profit from investment in Constellation Energy; CAGR calculation excludes this amount



# Business Information (\$ millions)

<b>Operating Revenue</b>	<b>LTM</b>	<b>Year Ended</b>	
	<b>6/30/2009</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
PacifiCorp	\$ 4,480	\$ 4,498	\$ 4,258
MidAmerican Funding	4,160	4,715	4,267
Northern Natural Gas	759	769	664
Kern River	422	443	404
CE Electric UK	855	993	1,079
CalEnergy Generation-Foreign	136	138	220
CalEnergy Generation-Domestic	30	30	32
HomeServices	1,002	1,133	1,500
Corporate/other	(53)	(51)	(48)
<b>Total operating revenue</b>	<b>\$ 11,791</b>	<b>\$ 12,668</b>	<b>\$ 12,376</b>

# Business Information (\$ millions)

<b>Depreciation and Amortization</b>	<b>LTM</b>	<b>Year Ended</b>	
	<b>6/30/2009</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
PacifiCorp	\$ 524	\$ 490	\$ 496
MidAmerican Funding	299	282	269
Northern Natural Gas	62	60	58
Kern River	91	86	80
CE Electric UK	166	179	187
CalEnergy Generation-Foreign	22	22	50
CalEnergy Generation-Domestic	8	8	8
HomeServices	17	19	20
Corporate/other	(19)	(17)	(18)
Total depreciation and amortization	<u>\$ 1,170</u>	<u>\$ 1,129</u>	<u>\$ 1,150</u>

# Business Information (\$ millions)

<b>Operating Income</b>	<b>LTM</b>	<b>Year Ended</b>	
	<b>6/30/2009</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
PacifiCorp	\$ 1,000	\$ 952	\$ 917
MidAmerican Funding	551	590	514
Northern Natural Gas	458	457	308
Kern River	280	305	277
CE Electric UK	427	514	555
CalEnergy Generation-Foreign	101	103	142
CalEnergy Generation-Domestic	16	15	12
HomeServices	(49)	(58)	33
Corporate/other	(150)	(50)	(70)
Total operating income	2,634	2,828	2,688
Interest expense	(1,195)	(1,198)	(1,184)
Interest expense on subordinated debt - Berkshire	(100)	(111)	(108)
Interest expense on subordinated debt - other	(21)	(24)	(28)
Capitalized interest	49	54	54
Interest and dividend income	72	75	105
Constellation Energy	1,129	1,092	-
Other	97	96	112
Income before income tax expense and other	2,665	2,812	1,639
Income tax expense	(925)	(982)	(456)
Other	36	20	6
Net income attributable to MEHC	\$ 1,776	\$ 1,850	\$ 1,189





# Business Information (\$ millions)

<b>Interest Expense</b>	<b>LTM</b>	<b>Year Ended</b>	
	<b>6/30/2009</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
PacifiCorp	\$ 387	\$ 343	\$ 314
MidAmerican Funding	206	207	179
Northern Natural Gas	62	61	58
Kern River	59	67	75
CE Electric UK	159	186	241
CalEnergy Generation-Foreign	6	8	13
CalEnergy Generation-Domestic	16	17	17
HomeServices	1	2	2
Corporate/other	420	442	421
Total interest expense	<u>\$ 1,316</u>	<u>\$ 1,333</u>	<u>\$ 1,320</u>

# Business Information (\$ millions)

Net Income Attributable to MEHC	LTM	Year Ended	
	6/30/2009	12/31/2008	12/31/2007
PacifiCorp	\$ 487	\$ 463	\$ 449
MidAmerican Funding	296	317	300
Northern Natural Gas	252	251	160
Kern River	137	147	128
CE Electric UK	207	252	302
CalEnergy Generation-Foreign	75	80	103
CalEnergy Generation-Domestic	35	28	24
HomeServices	(17)	(26)	26
Constellation Energy	668	646	-
Corporate/other	(364)	(308)	(303)
Net income attributable to MEHC	<u>\$ 1,776</u>	<u>\$ 1,850</u>	<u>\$ 1,189</u>

# Business Information (\$ millions)

	Six Months		
	Ended	Year Ended	
<b>Capital Expenditures<sup>(1)</sup></b>	<b>6/30/2009</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
PacifiCorp <sup>(2)</sup>	\$ 1,148	\$ 2,097	\$ 1,518
MidAmerican Funding	235	1,473	1,300
Northern Natural Gas	82	196	225
CE Electric UK	199	440	422
Other reportable segments and corporate/other	29	39	47
<b>Total capital expenditures</b>	<b>\$ 1,693</b>	<b>\$ 4,245</b>	<b>\$ 3,512</b>

(1) Excludes amounts for non-cash equity allowances for funds used during construction

(2) PacifiCorp includes the acquisition of Chehalis in September 2008

# Business Information (\$ millions)

<b>Total Assets</b>	<b>6/30/2009</b>	<b>12/31/2008</b>	<b>12/31/2007</b>
PacifiCorp	\$ 19,469	\$ 18,339	\$ 16,049
MidAmerican Funding	10,463	10,632	9,377
Northern Natural Gas	2,641	2,595	2,488
Kern River	1,837	1,910	1,943
CE Electric UK	5,587	4,921	6,802
CalEnergy Generation-Foreign	421	442	479
CalEnergy Generation-Domestic	561	550	544
HomeServices	701	674	709
Corporate/other	158	1,378	825
<b>Total assets</b>	<b>\$ 41,838</b>	<b>\$ 41,441</b>	<b>\$ 39,216</b>

# Capitalization (\$ millions)

Capitalization	6/30/2009	12/31/2001
Short-term debt	\$ 314	\$ 256
Current portion of long-term debt	259	317
MEHC senior debt	5,121	1,834
Subsidiary debt	13,778	4,755
Total senior debt	19,472	7,162
Current portion of MEHC subordinated debt	234	-
MEHC subordinated debt	522	788
Subsidiary subordinated debt	-	100
Noncontrolling interests	267	165
Noncontrolling interests & subordinated debt	1,023	1,053
MEHC shareholders' equity	10,952	1,708
Total capitalization	\$ 31,447	\$ 9,923
Senior debt / Capitalization	62%	72%

- As of June 30, 2009, approximately 96% of total debt was fixed rate debt
- As of June 30, 2009, long-term debt had a weighted average life of approximately 16.6 years and a weighted average interest rate of approximately 6.0%





**MIDAMERICAN**  
ENERGY HOLDINGS COMPANY