

PacifiCorp

Affiliated Interest Report

For the year ended December 31, 2017

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I. ORGANIZATION

PacifiCorp is a United States regulated electric utility company headquartered in Oregon that serves 1.9 million retail electric customers in portions of Utah, Oregon, Wyoming, Washington, Idaho, and California. PacifiCorp is principally engaged in the business of generating, transmitting, distributing and selling electricity. PacifiCorp's combined service territory covers approximately 141,000 square miles and includes diverse regional economies across six states. No single segment of the economy dominates the service territory, which helps mitigate PacifiCorp's exposure to economic fluctuations. In the eastern portion of the service territory, consisting of Utah, Wyoming and southeastern Idaho, the principal industries are manufacturing, mining or extraction of natural resources, agriculture, technology, recreation, and government. In the western portion of the service territory, consisting of Oregon, southern Washington, and northern California, the principal industries are agriculture, manufacturing, forest products, food processing, technology, government and primary metals. In addition to retail sales, PacifiCorp buys and sells electricity on the wholesale market with other utilities, energy marketing companies, financial institutions and other market participants to balance and optimize the economic benefits of electricity generation, retail customer loads and existing wholesale transactions.

PacifiCorp's principal executive offices are located at 825 N.E. Multnomah Street, Portland, Oregon 97232, and its telephone number is (503) 813-5258. PacifiCorp was initially incorporated in 1910 under the laws of the state of Maine under the name Pacific Power & Light Company. In 1984, Pacific Power & Light Company changed its name to PacifiCorp. In 1989, it merged with Utah Power and Light Company, a Utah corporation, in a transaction wherein both corporations merged into a newly formed Oregon corporation. The resulting Oregon corporation was re-named PacifiCorp, which is the operating entity today.

Certain PacifiCorp subsidiaries support its electric utility operations by providing coal mining services. PacifiCorp delivers electricity to customers in Utah, Wyoming, and Idaho under the trade name Rocky Mountain Power and to customers in Oregon, Washington, and California under the trade name Pacific Power.

PacifiCorp is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company ("BHE"), a holding company that owns a highly diversified portfolio of locally managed businesses principally engaged in the energy industry and is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway"). BHE controls substantially all of PacifiCorp's voting securities, which include both common and preferred stock.

The following pages provide organization charts of PacifiCorp's and BHE's subsidiaries. See section I.C. Affiliate Descriptions for discussion of affiliates with which PacifiCorp did business during the year ended December 31, 2017, including Berkshire Hathaway affiliates.

Subsidiaries of PacifiCorp as of December 31, 2017

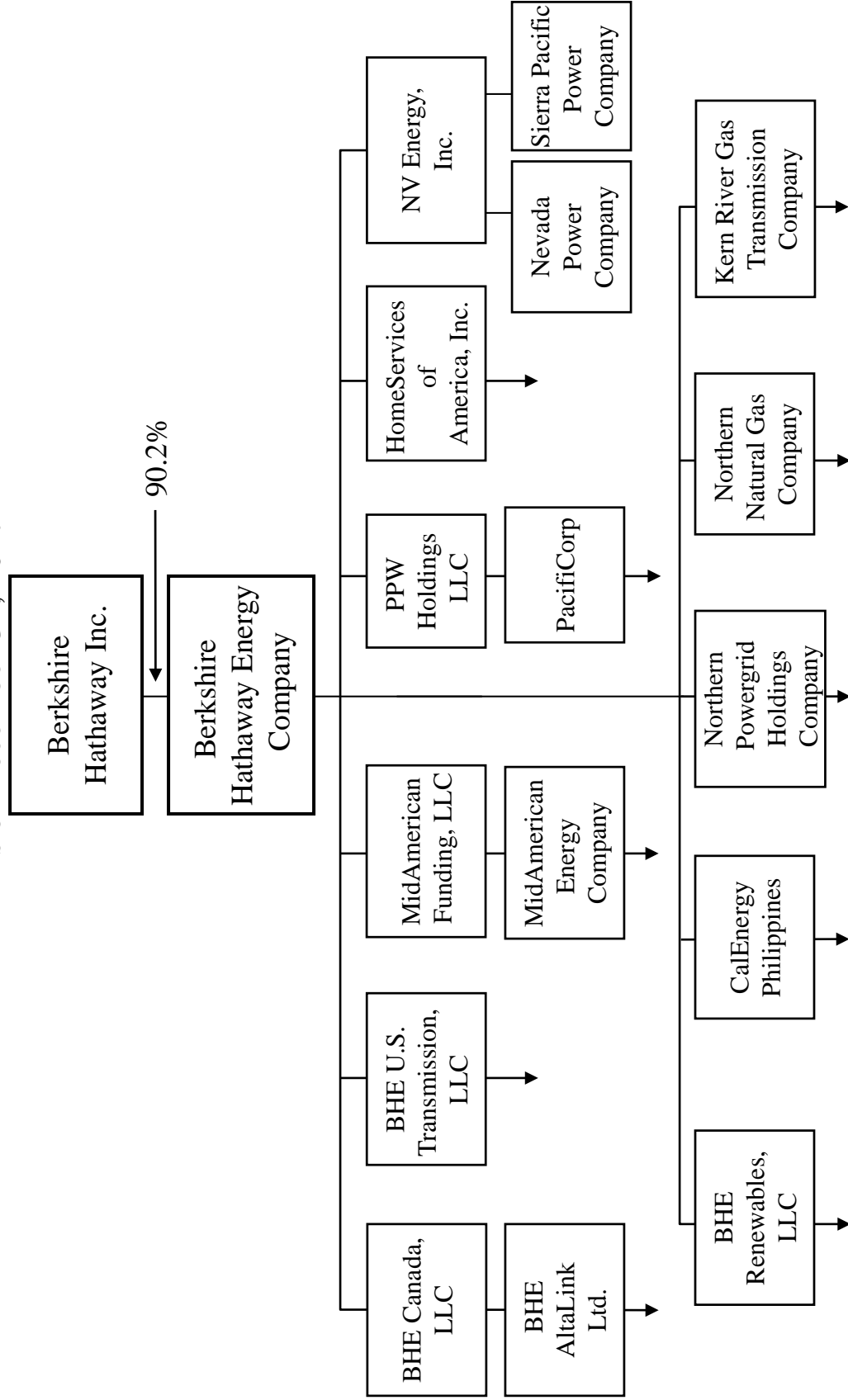
Name of Subsidiary	Approximate Percentage of Voting Securities Owned	State of Jurisdiction of Incorporation or Organization
Energy West Mining Company ^(a)	100%	Utah
Fossil Rock Fuels, LLC	100%	Delaware
Glenrock Coal Company ^(b)	100%	Wyoming
Interwest Mining Company	100%	Oregon
Pacific Minerals, Inc. ^(c)	100%	Wyoming
- Bridger Coal Company, a joint venture ^(d)	66.67%	Wyoming
Trapper Mining Inc. ^(e)	21.40%	Delaware

- (a) Energy West Mining Company ceased mining operations in 2015.
- (b) Glenrock Coal Company ceased mining operations in 1999.
- (c) Pacific Minerals, Inc. is a wholly owned subsidiary of PacifiCorp that holds a 66.67% ownership interest in Bridger Coal Company.
- (d) Bridger Coal Company is a coal mining joint venture with Idaho Energy Resources Company, a subsidiary of Idaho Power Company, and is jointly controlled by Pacific Minerals, Inc. and Idaho Energy Resources Company.
- (e) PacifiCorp is a minority owner in Trapper Mining Inc., a cooperative. The members are Salt River Project Agricultural Improvement and Power District (32.10%), Tri-State Generation and Transmission Association, Inc. (26.57%), PacifiCorp (21.40%) and Platte River Power Authority (19.93%).

Berkshire Hathaway Energy Company*

Organization Chart

As of December 31, 2017



*This chart does not include all subsidiaries of PacifiCorp or of its affiliates. For a list of certain subsidiaries of BHE, refer to Exhibit 21.1 included in BHE's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 001-14881) at www.sec.gov.

I. A. Officers and Directors

Information regarding directors and officers common to the regulated utility and affiliated interest are described in these categories:

- 1. PacifiCorp board of directors and committees of the board of directors during the year ended December 31, 2017**
- 2. PacifiCorp executive officers during the year ended December 31, 2017**
- 3. PacifiCorp executive officers and directors with affiliated positions as of December 31, 2017**

The positions listed for the directors and executive officers in each of these sections are those positions that were held as of or during the year ended December 31, 2017, as indicated. Changes that occurred subsequent to December 31, 2017 (if any) are annotated.

1. PacifiCorp Board of Directors and Committees of the Board of Directors During the Year Ended December 31, 2017 (a)

Director	Address	From	To	Director at 12/31/2017	Elected During the Year Ended 12/31/2017	Resigned During the Year Ended 12/31/2017
Gregory E. Abel	666 Grand Avenue 29th Floor Des Moines, Iowa 50309	3/21/2006	1/10/2018	Yes	No	No
Stefan A. Bird	825 NE Multnomah Street Suite 2000 Portland, Oregon 97232	3/10/2015		Yes	No	No
Cindy A. Crane	1407 West North Temple Suite 310 Salt Lake City, Utah 84116	3/10/2015		Yes	No	No
Nikki L. Kobliha	825 NE Multnomah Street Suite 1900 Portland, Oregon 97232	2/1/2017		Yes	Yes	No
Douglas L. Anderson	1111 South 103 rd Street Omaha, Nebraska 68124	3/21/2006	1/13/2017	No	No	Yes
Patrick J. Goodman	666 Grand Avenue 29th Floor Des Moines, Iowa 50309	3/21/2006		Yes	No	No
Natalie L. Hocken	825 NE Multnomah Street Suite 2000 Portland, Oregon 97232	8/30/2007		Yes	No	No

(a) Gregory E. Abel resigned as PacifiCorp's Chairman of the Board of Directors and Chief Executive Officer, and William J. Fehrman was elected as PacifiCorp's Chairman of the Board of Directors and Chief Executive Officer, effective January 10, 2018.

Committees of the Board of Directors: The Compensation Committee is the only PacifiCorp board committee. PacifiCorp's Chairman of the Board of Directors and Chief Executive Officer is the sole member of the Compensation Committee. All other board committees are at the Berkshire Hathaway Energy Company level.

2. PacifiCorp Executive Officers During the Year Ended December 31, 2017 (a)

Title	Officer	Address	From	To	Officer at 12/31/2017	Elected During the Year Ended 12/31/2017	Resigned During the Year Ended 12/31/2017
Chairman of the Board of Directors and Chief Executive Officer	Gregory E. Abel	666 Grand Avenue 29th Floor Des Moines, Iowa 50309	3/21/2006	1/10/2018	Yes	No	No
President and Chief Executive Officer, Pacific Power	Stefan A. Bird	825 NE Multnomah Street Suite 2000 Portland, Oregon 97232	3/10/2015		Yes	No	No
President and Chief Executive Officer, Rocky Mountain Power	Cindy A. Crane	1407 West North Temple Suite 310 Salt Lake City, Utah 84116	12/18/2014		Yes	No	No
Vice President, Chief Financial Officer, and Treasurer	Nikki L. Koblaha	825 NE Multnomah Street Suite 1900 Portland, Oregon 97232	8/13/2015		Yes	No	No

(a) Gregory E. Abel resigned as PacifiCorp's Chairman of the Board of Directors and Chief Executive Officer, and William J. Fehrman was elected as PacifiCorp's Chairman of the Board of Directors and Chief Executive Officer, effective January 10, 2018.

3. PacifiCorp Executive Officers and Directors with Affiliated Positions as of December 31, 2017

Abel, Gregory E.

Business Entity	Title
AltaLink Management Ltd.	Director
Berkshire Hathaway Energy Canada Foundation	Director
Berkshire Hathaway Energy Canada Foundation	Member
Berkshire Hathaway Energy Company	Director
Berkshire Hathaway Energy Company	Chairman, President, & Chief Executive Officer
CE Casecan Ltd.	Chairman, President, & Chief Executive Officer
HomeServices of America, Inc.	Director
HomeServices of America, Inc.	Chairman of the Board
HomeServices of America, Inc.	Compensation Committee Member
HomeServices of America, Inc.	Executive Committee Member
HomeServices of America, Inc.	Finance Committee Member
NNGC Acquisition, LLC	President
Norming Investments B.V.	Chairman, President, & Chief Executive Officer
Northern Natural Gas Company	Director
Northern Natural Gas Company	Chairman
Northern Powergrid Holdings Company	Director
Northern Powergrid Holdings Company	Chairman
Northern Powergrid UK Holdings	Chief Executive Officer
NV Energy, Inc.	Director
NV Energy, Inc.	Chairman
PPW Holdings LLC	President

Bird, Stefan A.

Business Entity	Title
PacifiCorp Foundation	President
PacifiCorp Foundation	Director

Crane, Cindy A.

Business Entity	Title
Energy West Mining Company	Director
Energy West Mining Company	President
Fossil Rock Fuels, LLC	Board Member
Fossil Rock Fuels, LLC	President
Glenrock Coal Company	Director
Glenrock Coal Company	President
Interwest Mining Company	Director
Interwest Mining Company	President
Pacific Minerals, Inc.	Director
Pacific Minerals, Inc.	President
PacifiCorp Foundation	Director & Chairman

Kobliha, Nikki L.

Business Entity	Title
PacifiCorp Foundation	Treasurer

Goodman, Patrick J.

Business Entity	Title
Alamo 6, LLC	Manager ⁽¹⁾
Alaska Gas Pipeline Company, LLC	Manager ⁽¹⁾
Alaska Gas Transmission Company, LLC	Manager ⁽¹⁾
Alaska Storage Holding Company, LLC	Manager ⁽¹⁾
AltaLink Management Ltd.	Director
Andromeda Community Solar Gardens, LLC	Manager ⁽¹⁾
Andromeda CSG1, LLC	Manager ⁽¹⁾
Andromeda CSG2, LLC	Manager ⁽¹⁾
Andromeda CSG3, LLC	Manager ⁽¹⁾
Andromeda CSG4, LLC	Manager ⁽¹⁾
Andromeda CSG5, LLC	Manager ⁽¹⁾
Antares Community Solar Gardens, LLC	Manager ⁽¹⁾
Antares CSG1, LLC	Manager ⁽¹⁾
Antares CSG2, LLC	Manager ⁽¹⁾
Antares CSG3, LLC	Manager ⁽¹⁾
Antlia Community Solar Gardens, LLC	Manager ⁽¹⁾
Antlia CSG1, LLC	Manager ⁽¹⁾
Antlia CSG2, LLC	Manager ⁽¹⁾
Argo Navis Community Solar Gardens, LLC	Manager ⁽¹⁾
Argo Navis CSG1, LLC	Manager ⁽¹⁾
Argo Navis CSG2, LLC	Manager ⁽¹⁾
Argo Navis CSG3, LLC	Manager ⁽¹⁾
Aries Community Solar Gardens, LLC	Manager ⁽¹⁾
Aries CSG1, LLC	Manager ⁽¹⁾
Aries CSG2, LLC	Manager ⁽¹⁾
Aries CSG3, LLC	Manager ⁽¹⁾
Aries CSG4, LLC	Manager ⁽¹⁾
Berkshire Hathaway Energy Canada Foundation	Director
Berkshire Hathaway Energy Canada Foundation	Member
Berkshire Hathaway Energy Company	Executive Vice President & Chief Financial Officer
Berkshire Hathaway Energy Foundation	Director
BG Energy Holding LLC	Director
BHE AC Holding, LLC	Manager ⁽¹⁾
BHE Canada (BC) Holdings Corporation	Director
BHE Canada Holdings Corporation	Director
BHE Canada, LLC	Manager ⁽¹⁾
BHE Canada, LLC	Executive Vice President & Chief Financial Officer
BHE Community Solar, LLC	Manager ⁽¹⁾
BHE Geothermal, LLC	Manager ⁽¹⁾
BHE Hydro, LLC	Manager ⁽¹⁾
BHE Midcontinent Transmission Holdings, LLC	Manager ⁽¹⁾
BHE Solar Holdings, LLC	Manager ⁽¹⁾
BHE Solar, LLC	Manager ⁽¹⁾
BHE U.K. Electric, Inc.	Director
BHE U.K. Inc.	Director
BHE U.K. Inc.	President
BHE U.K. Power, Inc.	Director
BHE U.S. Transmission, LLC	Manager ⁽¹⁾
BHE Wind, LLC	Manager ⁽¹⁾
BHER Santa Rita Investment, LLC	Manager ⁽¹⁾
BHES CSG Holdings, LLC	Manager ⁽¹⁾
Bishop Hill II Holdings, LLC	Manager ⁽¹⁾

Goodman, Patrick J. (continued)

Business Entity	Title
Black Rock 1, LLC	Manager ⁽¹⁾
Black Rock 2, LLC	Manager ⁽¹⁾
Black Rock 3, LLC	Manager ⁽¹⁾
Black Rock 4, LLC	Manager ⁽¹⁾
Black Rock 5, LLC	Manager ⁽¹⁾
Black Rock 6, LLC	Manager ⁽¹⁾
Caelum Community Solar Gardens, LLC	Manager ⁽¹⁾
Caelum CSG1, LLC	Manager ⁽¹⁾
Caelum CSG2, LLC	Manager ⁽¹⁾
CalEnergy Company, Inc.	Director
CalEnergy Generation Operating Company	Director
CalEnergy Geothermal Holding, LLC	Manager ⁽¹⁾
CalEnergy International Ltd.	Director
CalEnergy International Ltd.	Executive Vice President & Chief Financial Officer
CalEnergy International Services, Inc.	Director
CalEnergy Pacific Holdings Corp.	Director
California Utility HoldCo, LLC	Manager ⁽¹⁾
Capella Community Solar Gardens, LLC	Manager ⁽¹⁾
Capella CSG1, LLC	Manager ⁽¹⁾
Capella CSG2, LLC	Manager ⁽¹⁾
Capella CSG3, LLC	Manager ⁽¹⁾
Capella CSG4, LLC	Manager ⁽¹⁾
Capella CSG5, LLC	Manager ⁽¹⁾
Carina Community Solar Gardens, LLC	Manager ⁽¹⁾
Carina CSG1, LLC	Manager ⁽¹⁾
Carina CSG2, LLC	Manager ⁽¹⁾
Carina CSG3, LLC	Manager ⁽¹⁾
Carina CSG4, LLC	Manager ⁽¹⁾
CE Asia Limited	Director
CE Asia Limited	Executive Vice President & Chief Financial Officer
CE Black Rock Holdings LLC	Manager ⁽¹⁾
CE Butte Energy Holdings LLC	Manager ⁽¹⁾
CE Butte Energy LLC	Manager ⁽¹⁾
CE Casecnan II, Inc.	Director
CE Casecnan Ltd.	Director
CE Casecnan Ltd.	Executive Vice President & Chief Financial Officer
CE Casecnan Water and Energy Company, Inc.	Director
CE Casecnan Water and Energy Company, Inc.	Executive Vice President & Chief Financial Officer
CE Electric (NY), Inc.	Director
CE Geothermal, Inc.	Director
CE International (Bermuda) Limited	Director
CE International (Bermuda) Limited	Executive Vice President & Chief Financial Officer
CE International Investments, Inc.	Director
CE International Investments, Inc.	President
CE Mahanagdong Ltd.	Director
CE Mahanagdong Ltd.	Executive Vice President & Chief Financial Officer
CE Obsidian Energy LLC	Manager ⁽¹⁾
CE Obsidian Holding LLC	Manager ⁽¹⁾

Goodman, Patrick J. (continued)

Business Entity	Title
CE Philippines Ltd.	Director
CE Philippines Ltd.	Executive Vice President & Chief Financial Officer
Centaurus Community Solar Gardens, LLC	Manager ⁽¹⁾
Centaurus CSG1, LLC	Manager ⁽¹⁾
Centaurus CSG2, LLC	Manager ⁽¹⁾
Cook Inlet Natural Gas Storage Alaska, LLC	Manager ⁽¹⁾
Corvus Community Solar, LLC	Manager ⁽¹⁾
Corvus CSG1, LLC	Manager ⁽¹⁾
Corvus CSG2, LLC	Manager ⁽¹⁾
Corvus CSG3, LLC	Manager ⁽¹⁾
Corvus CSG4, LLC	Manager ⁽¹⁾
Corvus CSG5, LLC	Manager ⁽¹⁾
Crater Community Solar Gardens, LLC	Manager ⁽¹⁾
Crater CSG1, LLC	Manager ⁽¹⁾
Crater CSG2, LLC	Manager ⁽¹⁾
Crater CSG3, LLC	Manager ⁽¹⁾
Delphinus Community Solar Gardens, LLC	Manager ⁽¹⁾
Delphinus CSG1, LLC	Manager ⁽¹⁾
Delphinus CSG2, LLC	Manager ⁽¹⁾
DG-SB Project Holdings, LLC	Manager ⁽¹⁾
Gemini Community Solar, LLC	Manager ⁽¹⁾
Gemini CSG1, LLC	Manager ⁽¹⁾
Gemini CSG2, LLC	Manager ⁽¹⁾
Gemini CSG3, LLC	Manager ⁽¹⁾
Geronimo Community Solar Gardens Holding Company, LLC	Manager ⁽¹⁾
Geronimo Community Solar Gardens, LLC	Manager ⁽¹⁾
GPWH Holdings, LLC	Manager ⁽¹⁾
Grande Prairie Land Holding, LLC	Manager ⁽¹⁾
Grande Prairie Wind Holdings, LLC	Manager ⁽¹⁾
Grande Prairie Wind II, LLC	Manager ⁽¹⁾
HomeServices of America, Inc.	Director
HomeServices of America, Inc.	Finance Committee Member
Kern River Gas Transmission Company	Director
KR Holding, LLC	Manager ⁽¹⁾
KR Holding, LLC	Vice President & Treasurer
Lyra Community Solar Gardens, LLC	Manager ⁽¹⁾
Lyra CSG1, LLC	Manager ⁽¹⁾
Lyra CSG2, LLC	Manager ⁽¹⁾
Lyra CSG3, LLC	Manager ⁽¹⁾
M & M Ranch Acquisition Company, LLC	Manager ⁽¹⁾
M & M Ranch Holding Company, LLC	Manager ⁽¹⁾
Magma Netherlands B.V.	Director
Magma Netherlands B.V.	Senior Vice President
Mapleton Community Solar, LLC	Manager ⁽¹⁾
Mapleton CSG1, LLC	Manager ⁽¹⁾
Mapleton CSG2, LLC	Manager ⁽¹⁾
MEHC Investment, Inc.	Director
MEHC Investment, Inc.	President, Chief Financial Officer, & Treasurer
MEHC Merger Sub Inc.	Senior Vice President
MES Holding, LLC	Manager ⁽¹⁾
MidAmerican Central California Transco, LLC	Manager ⁽¹⁾
MidAmerican Energy Machining Services LLC	Manager ⁽¹⁾

Goodman, Patrick J. (continued)

Business Entity	Title
MidAmerican Funding, LLC	Manager ⁽¹⁾
MidAmerican Geothermal Development Corporation	Manager ⁽¹⁾
Morgan Community Solar, LLC	Manager ⁽¹⁾
Morgan CSG1, LLC	Manager ⁽¹⁾
Morgan CSG2, LLC	Manager ⁽¹⁾
Morgan CSG3, LLC	Manager ⁽¹⁾
MSPS Holdings, LLC	Manager ⁽¹⁾
NNGC Acquisition, LLC	Manager ⁽¹⁾
Norming Investments B.V.	Senior Vice President & Chief Financial Officer
Northern Electric plc.	Director
Northern Natural Gas Company	Director
Northern Powergrid Holdings Company	Director
NVE Holdings, LLC	Manager ⁽¹⁾
O.E. Merger Sub II, LLC	Director
O.E. Merger Sub Inc.	Director
Pegasus Community Solar Gardens, LLC	Manager ⁽¹⁾
Pegasus CSG1, LLC	Manager ⁽¹⁾
Pegasus CSG2, LLC	Manager ⁽¹⁾
Pinyon Pines Funding, LLC	Manager ⁽¹⁾
Pinyon Pines I Holding Company, LLC	Manager ⁽¹⁾
Pinyon Pines II Holding Company, LLC	Manager ⁽¹⁾
Pinyon Pines Projects Holding, LLC	Manager ⁽¹⁾
Pollux Community Solar Gardens, LLC	Manager ⁽¹⁾
Pollux CSG1, LLC	Manager ⁽¹⁾
Pollux CSG2, LLC	Manager ⁽¹⁾
PPW Holdings LLC	Manager ⁽¹⁾
Solar Star 3, LLC	Manager ⁽¹⁾
Solar Star 4, LLC	Manager ⁽¹⁾
Solar Star Funding, LLC	Manager ⁽¹⁾
Solar Star Projects Holding, LLC	Manager ⁽¹⁾
Spica Community Solar Gardens, LLC	Manager ⁽¹⁾
Spica CSG1, LLC	Manager ⁽¹⁾
Spica CSG2, LLC	Manager ⁽¹⁾
SSC XIX, LLC	Manager ⁽¹⁾
SSC XX, LLC	Manager ⁽¹⁾
Sundial Holding, LLC	Manager ⁽¹⁾
Taurus Community Solar, LLC	Manager ⁽¹⁾
Taurus CSG1, LLC	Manager ⁽¹⁾
Taurus CSG2, LLC	Manager ⁽¹⁾
Taurus CSG3, LLC	Manager ⁽¹⁾
Taurus CSG4, LLC	Manager ⁽¹⁾
Tongonan Power Investment, Inc.	Director
Tongonan Power Investment, Inc.	Executive Vice President & Chief Financial Officer
TPZ Holding, LLC	Manager ⁽¹⁾
Vega Community Solar Gardens, LLC	Manager ⁽¹⁾
Vega CSG1, LLC	Manager ⁽¹⁾
Vega CSG2, LLC	Manager ⁽¹⁾
Vega CSG3, LLC	Manager ⁽¹⁾
Vega CSG4, LLC	Manager ⁽¹⁾
Vega CSG5, LLC	Manager ⁽¹⁾
Visayas Geothermal Power Company	Senior Vice President & Chief Financial Officer

Hocken, Natalie L.

Business Entity	Title
AltaLink Management Ltd.	Director
Berkshire Hathaway Energy Canada Foundation	Member
Berkshire Hathaway Energy Company	Senior Vice President, General Counsel & Corp. Secretary
Berkshire Hathaway Energy Foundation	Director
BHE Canada (BC) Holdings Corporation	Director
BHE Canada Holdings Corporation	Director
BHE Canada Holdings Corporation	Executive Vice President & Secretary
BHE Canada, LLC	Manager ⁽¹⁾
BHE Canada, LLC	Executive Vice President & General Counsel
BHE U.K. Electric, Inc.	Director
BHE U.K. Electric, Inc.	President
BHE U.K. Inc.	Director
BHE U.K. Power, Inc.	Director
BHE U.K. Power, Inc.	President
BHE U.S. Transmission, LLC	Manager ⁽¹⁾
HomeServices of America, Inc.	Director
Kern River Gas Transmission Company	Director
KR Holding, LLC	Manager ⁽¹⁾
KR Holding, LLC	Vice President & Secretary
M & M Ranch Acquisition Company, LLC	Manager ⁽¹⁾
M & M Ranch Acquisition Company, LLC	President
M & M Ranch Holding Company, LLC	Manager ⁽¹⁾
M & M Ranch Holding Company, LLC	President
MEHC Investment, Inc.	Director
MEHC Investment, Inc.	Senior Vice President
MEHC Merger Sub Inc.	Corporate Secretary
MHC Inc.	Director
MHC Inc.	Executive Vice President, General Counsel & Assistant Secretary
MHC Investment Company	Director
MidAmerican Funding, LLC	Manager ⁽¹⁾
NNGC Acquisition, LLC	Manager ⁽¹⁾
Northern Natural Gas Company	Director
NVE Holdings, LLC	Manager ⁽¹⁾
NVE Insurance Company, Inc.	Director
NVE Insurance Company, Inc.	President
O.E. Merger Sub Inc.	Secretary & Treasurer
PPW Holdings LLC	Manager ⁽¹⁾

(1) For LLCs, a manager is the equivalent of a director.

I. B. Changes in Ownership

Changes in Successive Ownership Between the Regulated Utility and Affiliated Interest For the Year Ended December 31, 2017

Refer to Exhibit 21 of the Berkshire Hathaway Inc. (“Berkshire Hathaway”) Form 10-K (File No. 001-14905) for a list of certain subsidiaries of Berkshire Hathaway Energy Company’s parent company, Berkshire Hathaway, as of December 31, 2017. Refer to Exhibit 21.1 of the Berkshire Hathaway Energy Company (“BHE”) Form 10-K (File No. 001-14881) for a list of certain subsidiaries of BHE as of December 31, 2017.

I. C. Affiliate Descriptions

A narrative description of each affiliated entity with which the regulated utility does business. State the factor(s) giving rise to the affiliation.

Narrative Descriptions for Each Affiliated Entity

Affiliated interests of PacifiCorp are defined by Oregon Revised Statutes 757.015, Revised Code of Washington 80.16.010 and California Public Utilities Commission Decision 97-12-088, as amended by Decision 98-08-035, as having two or more officers or directors in common with PacifiCorp, or by meeting the ownership requirements of five percent direct or indirect ownership.

In the ordinary course of business, PacifiCorp engaged in various transactions with several of its affiliated companies during the year ended December 31, 2017. Services provided by PacifiCorp and charged to affiliates related primarily to administrative services provided under the Intercompany Administrative Services Agreement (“IASA”) among Berkshire Hathaway Energy Company (“BHE”) and its affiliates, as well as wholesale energy supply and marketing activities, information technology, and administrative support services and joint use services. Services provided by affiliates and charged to PacifiCorp related primarily to coal mining, the transportation of natural gas and coal, wholesale energy purchases and transmission of electricity, information technology goods and services, banking services, employee relocation services and administrative services provided under the IASA. Refer to Section III for information regarding the Umbrella Loan Agreement between PacifiCorp and Pacific Minerals, Inc. Throughout this report, the term “services” includes labor, overheads and related employee expenses.

Although PacifiCorp provides retail electricity services to certain affiliates within its service territory, such transactions are excluded from this report because they are billed at tariff rates. Due to the volume and breadth of the Berkshire Hathaway Inc. (“Berkshire Hathaway”) family of companies, it is possible that employees of PacifiCorp have made purchases from certain Berkshire Hathaway affiliates not listed here, and have been reimbursed by PacifiCorp for those purchases as a valid business expense. PacifiCorp does not believe those transactions would be material individually or in aggregate.

American Express Travel Related Services Company, Inc. (“American Express Travel”) – At December 31, 2017, Berkshire Hathaway held a 15.7% ownership interest in American Express Company, which wholly owns American Express Travel. American Express Company is a global services company whose principal products and services are charge and credit card products and travel-related services to consumers and businesses around the world. American Express Travel provides PacifiCorp travel arrangement services.

BNSF Railway Company (“BNSF”) – an indirect wholly owned subsidiary of Berkshire Hathaway. BNSF operates one of the largest railroad networks in North America. PacifiCorp has long-term coal transportation contracts with BNSF, including indirectly through a generating facility that is jointly owned by PacifiCorp and another utility, as well as right-of-way agreements.

Environment One Corporation (“Environment One”) –Environment One is an operating company of Precision Castparts Corp., which is a wholly owned subsidiary of Berkshire Hathaway. Environment One is a manufacturer and provider of products and services for sewer systems and instruments used by electric utilities to protect and optimize the performance of assets. Environment One provides PacifiCorp with certain mechanical parts, supplies, and services used by PacifiCorp’s large thermal generation plants, including vacuum pumps, cloud chamber assemblies and collector analysis, cleaning and repair.

FlightSafety International Inc. (“FlightSafety”) – a wholly owned subsidiary of Berkshire Hathaway, provides aviation educational courses. FlightSafety provides aviation training to PacifiCorp.

International Business Machines Corporation (“IBM”) – During the third quarter of 2017, Berkshire Hathaway’s ownership interest in IBM decreased to less than five percent of IBM’s outstanding common shares. Accordingly, this report reflects the transactions between PacifiCorp and IBM that occurred between January 1, 2017, and November 14, 2017 (the date Berkshire Hathaway filed its Form 13-F for the Quarter ended September 30, 2017, and its ownership of IBM became known). IBM provides integrated solutions and products, drawing from a portfolio of consulting and information technology implementation services, cloud and cognitive offerings and enterprise systems and software. IBM provides PacifiCorp with computer hardware and software and computer systems maintenance and support services.

Marmon Utility, LLC – an affiliate of Marmon Holdings, Inc. (“Marmon”), which Berkshire Hathaway held a 100% ownership interest at December 31, 2017. Marmon is an international association of numerous manufacturing and service businesses in energy-related and other markets. Marmon Utility, LLC provides materials to PacifiCorp.

Moody’s Investors Service (“Moody’s”) – At December 31, 2017, Berkshire Hathaway held a 12.9% ownership interest in Moody’s Corporation, which wholly owns Moody’s. Moody’s provides credit ratings and research covering debt instruments and securities. Moody’s provides PacifiCorp with credit rating services.

Phillips 66 Company – At December 31, 2017, Berkshire Hathaway held a 14.3% ownership interest in Phillips 66, which wholly owns Phillips 66 Company. Phillips 66 is a diversified energy manufacturing and logistics company that processes, transports, stores and markets fuels and products globally. Phillips 66 Company provides PacifiCorp with lubricating oil and grease products.

U.S. Bancorp – At December 31, 2017, Berkshire Hathaway held a six percent ownership interest in U.S. Bancorp. U.S. Bancorp is a financial services company providing lending and depository services, credit card, merchant, and ATM processing, mortgage banking, cash management, capital markets, insurance, trust and investment management, brokerage and leasing activities. U.S. Bancorp provides banking services to PacifiCorp.

Wells Fargo & Company (“Wells Fargo”) – At December 31, 2017, Berkshire Hathaway held a 10% ownership interest in Wells Fargo. Wells Fargo is a financial services company providing banking, insurance, trust and investments, mortgage banking, investment banking, retail banking, brokerage, and consumer and commercial finance to consumers, businesses, and institutions. Wells Fargo provides banking services and financial transactions related to energy hedging activity to PacifiCorp.

Berkshire Hathaway Energy Company – a holding company owning subsidiaries that are principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway. As of February 16, 2018, Berkshire Hathaway owned 90.2% of BHE’s common stock. The balance of BHE’s common stock is owned by Walter Scott, Jr., a member of BHE’s Board of Directors (along with his family members and related or affiliated entities) (8.8% ownership interest as of February 16, 2018), and Gregory E. Abel, BHE’s Executive Chairman (1.0% ownership interest as of February 16, 2018). BHE and its subsidiaries provide administrative services to PacifiCorp under the IASA. PacifiCorp also provides administrative services to BHE and its subsidiaries under the IASA. Refer to Section VII for further discussion.

BHE AltaLink Ltd. (“AltaLink”) – an indirect wholly owned subsidiary of BHE Canada, LLC (“BHE Canada”) and the indirect parent company of AltaLink, L.P., a regulated electric transmission-only company headquartered in Alberta, Canada. PacifiCorp provides administrative services to AltaLink under the IASA.

BHE Renewables, LLC (“BHE Renewables”) – a wholly owned subsidiary of BHE. BHE Renewables was developed to oversee unregulated solar, wind, hydro and geothermal projects. BHE Renewables provides administrative services to PacifiCorp under the IASA. PacifiCorp also provides administrative services to BHE Renewables under the IASA.

CalEnergy Generation Operating Company (“CalEnergy Generation”) – an indirect wholly owned subsidiary of BHE Renewables. CalEnergy Generation is organized to manage and operate independent power projects in the United States. PacifiCorp provides administrative services to CalEnergy Generation under the IASA.

BHE U.S. Transmission, LLC (“BTL”) – a wholly owned subsidiary of BHE. BTL is engaged in various joint ventures to develop, own and operate transmission assets and is pursuing additional investment opportunities in the United States. BTL provides administrative services to PacifiCorp under the IASA. PacifiCorp also provides administrative services to BTL under the IASA.

Electric Transmission Texas, LLC (“ETT”) – a joint venture owned equally by a wholly owned subsidiary of BTL and subsidiaries of American Electric Power Company, Inc. ETT owns and operates electric transmission assets in the Electric Reliability Council of Texas. PacifiCorp provides administrative services to ETT under the IASA.

MidAmerican Central California Transco, LLC (“MCCT”) – an indirect wholly owned subsidiary of BTL. MCCT was formed to construct, finance, own, operate and maintain new high-voltage transmission facilities, and will become a transmission-owning member of the California Independent System Operator Corporation as soon as it is eligible to do so. PacifiCorp provides administrative services to MCCT under the IASA.

MTL Canyon Holdings, LLC (“MTL”) – a wholly owned subsidiary of BTL. MTL and a subsidiary of Pinnacle West Capital Corporation formed TransCanyon, LLC, a joint venture to identify, develop, own and construct electric transmission projects in the 11 western states comprising the Western Electricity Coordinating Council footprint. PacifiCorp provides administrative services to MTL under the IASA.

CalEnergy Philippines – a group of wholly owned and majority-owned subsidiaries of BHE located in the Philippines. The primary operating asset within this group is a 128-megawatt combined hydro and irrigation facility operated and maintained by CE Casecanan Water, and Energy Company, Inc. PacifiCorp provides administrative services to CalEnergy Philippines under the IASA.

HomeServices of America, Inc. (“HomeServices”) – a majority-owned subsidiary of BHE, which held 97.8% ownership at December 31, 2017. HomeServices is a residential real estate brokerage firm whose services include relocation services and provides such services to employees of PacifiCorp and its affiliates. PacifiCorp provides administrative services to HomeServices under the IASA.

Iowa Realty Co., Inc. (“Iowa Realty”) – a wholly owned subsidiary of HomeServices. Iowa Realty provides real estate brokerage and relocation services in Iowa. PacifiCorp provides administrative services to Iowa Realty under the IASA.

Kern River Gas Transmission Company (“Kern River”) – an indirect wholly owned subsidiary of BHE. Kern River owns an interstate natural gas pipeline system that extends from supply areas in the Rocky Mountains to consuming markets in Utah, Nevada, and California. Kern River’s pipeline system consists of 1,700 miles of natural gas pipelines. Kern River’s transportation operations are subject to a regulated tariff that is on file with the Federal Energy Regulatory Commission. Kern River provides transportation of natural gas to certain PacifiCorp generating facilities in Utah, lease of temporary construction workspace and provides administrative services to PacifiCorp under the IASA. PacifiCorp provides administrative services to Kern River under the IASA.

MHC Inc. – an indirect wholly owned subsidiary of BHE. MHC Inc. is a holding company owning all of the common stock of MidAmerican Energy Company. MHC Inc. provides administrative services to PacifiCorp under the IASA.

MEC Construction Services Co. (“MCS”) – a wholly owned subsidiary of MHC Inc. MCS is a provider of non-regulated utility construction services. PacifiCorp provides administrative services to MCS under the IASA.

MidAmerican Energy Company (“MEC”) – a wholly owned subsidiary of MHC Inc. MEC is principally engaged in the business of generating, transmitting, distributing and selling electricity and in distributing, selling and transporting natural gas. MEC provides administrative services to PacifiCorp under the IASA. PacifiCorp also provides administrative services to MEC under the IASA.

Midwest Capital Group, Inc. (“MCG”) – a wholly owned subsidiary of MHC Inc. MCG holds a 100% interest in MHC Investment Company, as well as interests in other operating, financing and development companies. PacifiCorp provides administrative services to MCG under the IASA.

Northern Natural Gas Company (“Northern Natural”) – an indirect wholly owned subsidiary of BHE. Northern Natural owns the largest interstate natural gas pipeline system in the United States, as measured by pipeline miles, which reaches from west Texas to Michigan's Upper Peninsula. Northern Natural primarily transports and stores natural gas for utilities, municipalities, gas marketing companies and industrial and commercial users. Northern Natural provides administrative services to PacifiCorp under the IASA. PacifiCorp also provides administrative services to Northern Natural under the IASA.

Northern Powergrid Holdings Company (“Northern Powergrid”) – an indirect wholly owned subsidiary of BHE. Northern Powergrid owns two companies that distribute electricity in Great Britain, Northern Powergrid (Northeast) Limited and Northern Powergrid (Yorkshire) plc. Northern Powergrid also owns a meter asset rental business that leases smart meters to energy suppliers in the United Kingdom and Ireland, an engineering contracting business that provides electrical infrastructure contracting services primarily to third parties and a hydrocarbon exploration and development business that is focused on developing integrated upstream gas projects in Europe and Australia. PacifiCorp provides administrative services to Northern Powergrid under the IASA.

NV Energy, Inc. (“NV Energy”) – an indirect wholly owned subsidiary of BHE. NV Energy is an energy holding company owning subsidiaries that are public utilities that are principally engaged in the business of generating, transmitting, distributing and selling electricity and distributing, selling and transporting natural gas. NV Energy provides administrative services to PacifiCorp under the IASA. PacifiCorp also provides administrative services to NV Energy under the IASA.

Nevada Power Company (“Nevada Power”) – a wholly owned subsidiary of NV Energy. Nevada Power is a regulated electric utility company serving retail customers in Nevada. PacifiCorp purchases wholesale energy and transmission services from Nevada Power and pays Nevada Power for its share of the costs to operate and maintain assets on the Harry Allen substation. PacifiCorp sells wholesale energy and transmission services to Nevada Power. Nevada Power also provides administrative services to PacifiCorp under the IASA. PacifiCorp also provides administrative services under the IASA.

Sierra Pacific Power Company (“Sierra Pacific”) – a wholly owned subsidiary of NV Energy. Sierra Pacific is a regulated electric and natural gas utility company serving retail electric customers and retail and transportation natural gas customers in Nevada. PacifiCorp purchases transmission services from Sierra Pacific. PacifiCorp sells transmission services to Sierra Pacific. Sierra Pacific provides administrative services to PacifiCorp under the IASA. PacifiCorp also provides administrative services to Sierra Pacific under the IASA.

MidAmerican Energy Services, LLC (“MES”) – an indirect wholly owned subsidiary of BHE. MES is a nonregulated energy business consisting of competitive electricity and natural gas retail sales. PacifiCorp provides administrative services under the IASA.

PPW Holdings LLC – the holding company for PacifiCorp and a direct subsidiary of BHE. PacifiCorp pays dividends to PPW Holdings LLC. PPW Holdings LLC remits income taxes on behalf of PacifiCorp to BHE.

Energy West Mining Company (“Energy West”) – a wholly owned subsidiary of PacifiCorp. Energy West has historically provided to PacifiCorp coal-mining services and mining operations of the Deer Creek mine utilizing PacifiCorp's assets. The Deer Creek mine is in the process of closure activities. PacifiCorp provided information technology and administrative services to Energy West.

Fossil Rock Fuels, LLC (“Fossil Rock”) – a wholly owned subsidiary of PacifiCorp. Fossil Rock served as the leaseholder for certain coal reserves until June 5, 2015, when the associated coal reserves were sold to Fossil Rock Resources, LLC.

Interwest Mining Company (“Interwest Mining”) – a wholly owned subsidiary of PacifiCorp that provides technical and administrative services to PacifiCorp and Bridger Coal Company. Interwest Mining manages PacifiCorp’s mining operations and charges a management fee to Bridger Coal Company and Energy West that is intended to compensate it, without profit, for its cost of managing these entities. PacifiCorp provides financial support services and employee benefits to Interwest Mining, and these costs are included in the management fee that Interwest Mining charges. All costs incurred by Interwest Mining are absorbed by PacifiCorp, Bridger Coal Company and Energy West.

Pacific Minerals, Inc. (“PMI”) – a wholly owned subsidiary of PacifiCorp that owns 66.67% of Bridger Coal Company, the coal mining joint venture with Idaho Energy Resources Company (“IERC”), a subsidiary of Idaho Power Company. PMI is the entity that employs the individuals that work for Bridger Coal Company.

Bridger Coal Company (“Bridger Coal”) – a coal mining joint venture 66.67% owned by PMI and 33.33% owned by IERC. Bridger Coal was formed to supply coal to the Jim Bridger generating facility. The Jim Bridger generating facility is 66.67% owned by PacifiCorp and 33.33% owned by Idaho Power Company. PacifiCorp provides information technology and administrative services to Bridger Coal.

PacifiCorp Foundation – an independent non-profit foundation created by PacifiCorp in 1988. PacifiCorp Foundation supports the growth and vitality of the communities where PacifiCorp and its businesses have operations, employees or interests. PacifiCorp Foundation operates as the Rocky Mountain Power Foundation and the Pacific Power Foundation. PacifiCorp provides administrative services to the PacifiCorp Foundation.

Trapper Mining Inc. – a cooperative in which PacifiCorp holds a 21.40% interest, the Salt River Project Agricultural Improvement and Power District, an unaffiliated entity, holds a 32.10% interest, Tri-State Generation and Transmission Association, Inc., an unaffiliated entity, holds a 26.57% interest and the Platte River Power Authority, an unaffiliated entity, holds a 19.93% interest. Trapper Mining Inc. was formed to supply coal to the Craig generating facility. The Craig generating facility is 19.28% owned by PacifiCorp. In addition to Trapper Mining Inc. providing coal to PacifiCorp, two PacifiCorp employees serve on the Trapper Mining Inc. board of directors. PacifiCorp is compensated for this service.

Cottonwood Creek Consolidated Irrigation Company (“CCCIC”) – a non-profit mutual irrigation company, which is a privately owned water stock company. PacifiCorp holds approximately 26% of the outstanding water stock in CCCIC. PacifiCorp pays annual assessment fees to CCCIC to help cover its operating and maintenance costs, as well as other costs pertinent to conducting its business, in exchange for receiving access to water used by PacifiCorp’s Hunter generating facility. PacifiCorp also previously made capital investments in CCCIC to ensure a long-term, firm water supply for its Hunter generating facility.

Ferron Canal & Reservoir Company (“FCRC”) – a non-profit mutual irrigation company, which is a privately owned water stock company. PacifiCorp holds approximately 37% of the outstanding water stock in FCRC. PacifiCorp pays annual assessment fees to FCRC to help cover its operating and maintenance costs, as well as other costs pertinent to conducting its business, in exchange for receiving access to water used by PacifiCorp’s Hunter generating facility. PacifiCorp also contracts additional water from FCRC, which is made available to the Hunter generating facility through a long-term agreement between FCRC and PacifiCorp. The agreement calls for PacifiCorp to make an annual payment to FCRC and in return, FCRC provides PacifiCorp up to 7,000 acre-feet of water.

Huntington Cleveland Irrigation Company (“HCIC”) – a non-profit mutual irrigation company, which is a privately owned water stock company. PacifiCorp holds approximately 34% of the outstanding water stock in HCIC. PacifiCorp pays annual assessment fees to HCIC to help cover its operating and maintenance costs, as well as other costs pertinent to conducting its business, in exchange for receiving access to water used by PacifiCorp’s Huntington generating facility. PacifiCorp also previously made capital investments in HCIC to ensure a long-term, firm water supply for its Huntington generating facility.

I. D. Financial Statements

Financial statements or trial balances for the year ended December 31, 2017, are included in Section II. Transactions.

Summary of transactions included in Section II for the Year Ended December 31, 2017

Affiliated Entity	Ownership Interest as of 12/31/2017	Services provided pursuant to the IASA ⁽¹⁾			Non-IASA goods and services		
		PacifiCorp Received Services	PacifiCorp Provided Services	Total PacifiCorp Received and Provided Services	PacifiCorp Received Services	PacifiCorp Provided Services	Total PacifiCorp Received and Provided Services
American Express Travel Related Services Company, Inc.	15.7%	-	-	-	34,817	-	34,817
BNSF Railway Company	100%	-	-	-	35,118,660	-	35,118,660
Environment One Corporation	100%	-	-	-	181,294	-	181,294
FlightSafety International Inc.	100%	-	-	-	20,000	-	20,000
International Business Machines Corporation ⁽²⁾	<5%	-	-	-	3,585,236	-	3,585,236
Marmon Utility LLC	100.0%	-	-	-	85,791	-	85,791
Moody's Investors Service	12.9%	-	-	-	116,335	-	116,335
Phillips 66 Company	14.3%	-	-	-	897,207	-	897,207
U.S. Bancorp	6.1%	-	-	-	414,545	-	414,545
Wells Fargo & Company	9.9%	-	-	-	1,903,997	-	1,903,997
Berkshire Hathaway Energy Company	90.2%	5,952,892	144,423	6,097,315	-	-	-
BHE AltaLink Ltd.	100%	-	46,635	46,635	-	-	-
BHE Renewables, LLC	100%	1,983	65,986	67,969	-	-	-
CalEnergy Generation Operating Company	100%	-	31,162	31,162	-	-	-
BHE U.S. Transmission, LLC	100%	774,375	260,261	1,034,636	-	-	-
Electric Transmission Texas, LLC	50.0%	-	88	88	-	-	-
MidAmerican Central California Transco, LLC	100%	-	7,116	7,116	-	-	-
MTL Canyon Holdings, LLC	100%	-	16	16	-	-	-
CalEnergy Philippines	various	-	1,776	1,776	-	-	-
HomeServices of America, Inc.	97.8%	-	149,345	149,345	1,491,577	-	1,491,577
Iowa Realty Co., Inc.	100%	-	3,877	3,877	-	-	-
Kern River Gas Transmission Company	100%	1,355	77,108	78,463	3,080,346	-	3,080,346
MHC Inc.	100%	337,353	-	337,353	-	-	-
MEC Construction Services Co.	100%	-	3,455	3,455	-	-	-
MidAmerican Energy Company	100%	3,469,506	942,339	4,411,845	-	878,532	878,532
Midwest Capital Group, Inc.	100%	-	395	395	-	-	-
Northern Natural Gas Company	100%	1,520	200,866	202,386	-	-	-
Northern Powergrid Holdings Company	100%	-	74,290	74,290	-	-	-
NV Energy, Inc.	100%	5,013	107,956	112,969	-	-	-
Nevada Power Company	100%	115,941	111,586	227,527	2,484,672	613,712	3,098,384
Sierra Pacific Power Company	100%	128	63,103	63,231	2,401	17,337	19,738
MidAmerican Energy Services, LLC	100%	-	6,755	6,755	-	-	-
PPW Holdings LLC	100%	-	-	-	-	-	-
Energy West Mining Company	100%	-	-	-	-	33,511	33,511
Fossil Rock Fuels, LLC	100%	-	-	-	-	-	-
Interwest Mining Company	100%	-	-	-	160,602	271,111	431,713
Pacific Minerals, Inc.	100%	-	-	-	-	-	-
Bridger Coal Company	66.7%	-	-	-	154,323,994	1,118,025	155,442,019
PacifiCorp Foundation	0%	-	-	-	-	141,014	141,014
Trapper Mining Inc.	21.4%	-	-	-	15,196,860	9,530	15,206,390
Cottonwood Creek Consolidated Irrigation Company	26.0%	-	-	-	333,443	-	333,443
Ferron Canal & Reservoir Company	36.8%	-	-	-	1,033,998	-	1,033,998
Huntington Cleveland Irrigation Company	34.1%	-	-	-	528,309	-	528,309
Total Affiliated Services by Category		10,660,066	2,298,538	12,958,604	220,994,084	3,082,772	224,076,856

(1) Intercompany Administrative Services Agreement

(2) This entity was an affiliate for only part of the year ended December 31, 2017. Accordingly, the amounts reported reflect only transactions between PacifiCorp and the entity that occurred during the period the entity was an affiliate. For further information, refer to the entity's page in this Section II. Transactions.

II. Transactions

The following pages include the following information about services⁽¹⁾ rendered by the regulated utility to the affiliate and vice versa:

- **A description of the nature of the transactions**
- **Total charges or billings**
- **Information about the basis of pricing, cost of service, the margin of charges over costs, assets allocable to the services and the overall rate of return on assets**

Refer to Appendix A for a discussion of public utility commission orders approving transactions with affiliates.

At times, entities controlled by PacifiCorp directly transact with one another. Additionally, entities controlled by PacifiCorp may transact directly with Berkshire Hathaway Energy Company (“BHE”) and its subsidiaries. As PacifiCorp is not a party to these transactions, such transactions have been excluded from the tables presented on the following pages and instead are disclosed in the footnotes to the tables.

The following items are excluded from this report as they do not constitute “services” as required by this report.

- “Convenience” payments made to vendors by one entity within the BHE group on behalf of, and charged to, other entities within the BHE group. Such convenience payments reflect the ability to obtain price discounts as a result of larger purchasing power.
- Reimbursements by BHE for payments made by PacifiCorp to its employees under the long-term incentive plan that was maintained by BHE upon vesting of the previously granted awards and reimbursements of payments related to wages and benefits associated with transferred employees.

Refer to the following page for a summary of the transactions included in this Section II.

⁽¹⁾ In this Section II. Transactions, the term “services” as used in the headers “PacifiCorp Received Services” and “PacifiCorp Provided Services” encompasses both service and non-service transactions, which may include, but is not limited to, goods, assets, and fees.

American Express Travel Related Services Company, Inc.
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Travel arrangement services	\$ 34,817	\$ -
Total	<u>\$ 34,817</u>	<u>\$ -</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	(a)	N/A
Assets allocable to the services	(a)	N/A
The overall rate of return on assets	(a)	N/A

(a) American Express Travel Related Services Company, Inc. provides services to PacifiCorp in the normal course of business at standard pricing.

American Express Travel Related Services Company, Inc. is not a public company, and its financial statements are not available. The financial statements of its parent company, American Express Company, are included. For further information on the following financial statements, refer to American Express Company's Form 10-K for the year ended December 31, 2017 (File No. 1-7657) at www.sec.gov.

CONSOLIDATED BALANCE SHEETS

December 31 (<i>Millions, except share data</i>)	2017	2016
Assets		
Cash and cash equivalents		
Cash and due from banks	\$ 5,148	\$ 3,278
Interest-bearing deposits in other banks (includes securities purchased under resale agreements: 2017, \$48; 2016, \$115)	27,709	20,779
Short-term investment securities	70	1,151
Total cash and cash equivalents	<u>32,927</u>	<u>25,208</u>
Accounts receivable		
Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2017, \$8,919; 2016, \$8,874), less reserves: 2017, \$521; 2016, \$467	53,526	46,841
Other receivables, less reserves: 2017, \$31; 2016, \$45	3,163	3,232
Loans		
Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2017, \$25,695; 2016, \$26,129), less reserves: 2017, \$1,706; 2016, \$1,223	71,693	64,042
Other loans, less reserves: 2017, \$80; 2016, \$42	2,607	1,419
Investment securities	3,159	3,157
Premises and equipment, less accumulated depreciation and amortization: 2017, \$5,455; 2016, \$5,145	4,329	4,433
Other assets (includes restricted cash of consolidated variable interest entities: 2017, \$62; 2016, \$38)	9,755	10,561
Total assets	\$ 181,159	\$ 158,893
Liabilities and Shareholders' Equity		
Liabilities		
Customer deposits	\$ 64,452	\$ 53,042
Travelers Cheques and other prepaid products	2,593	2,812
Accounts payable	14,657	11,190
Short-term borrowings	3,278	5,581
Long-term debt (includes debt issued by consolidated variable interest entities: 2017, \$18,560; 2016, \$15,113)	55,804	46,990
Other liabilities	22,148	18,777
Total liabilities	<u>\$ 162,932</u>	<u>\$ 138,392</u>
Contingencies and Commitments (Note 13)		
Shareholders' Equity		
Preferred shares, \$1.66 ^{2/3} par value, authorized 20 million shares; issued and outstanding 1,600 shares as of December 31, 2017 and 2016 (Note 17)	—	—
Common shares, \$0.20 par value, authorized 3.6 billion shares; issued and outstanding 859 million shares as of December 31, 2017 and 904 million shares as of December 31, 2016	172	181
Additional paid-in capital	12,210	12,733
Retained earnings	8,273	10,371
Accumulated other comprehensive loss		
Net unrealized securities gains, net of tax of: 2017, \$1; 2016, \$5	—	7
Foreign currency translation adjustments, net of tax of: 2017, \$(363); 2016, \$24	(1,961)	(2,262)
Net unrealized pension and other postretirement benefits, net of tax of: 2017, \$(179); 2016, \$(186)	(467)	(529)
Total accumulated other comprehensive loss	<u>(2,428)</u>	<u>(2,784)</u>
Total shareholders' equity	<u>18,227</u>	<u>20,501</u>
Total liabilities and shareholders' equity	\$ 181,159	\$ 158,893

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31 (Millions, except per share amounts)	2017	2016	2015
Revenues			
Non-interest revenues			
Discount revenue	\$ 19,186	\$ 18,680	\$ 19,297
Net card fees	3,090	2,886	2,700
Other fees and commissions	3,022	2,753	2,866
Other	1,732	2,029	2,033
Total non-interest revenues	27,030	26,348	26,896
Interest income			
Interest on loans	8,138	7,205	7,309
Interest and dividends on investment securities	89	131	157
Deposits with banks and other	326	139	79
Total interest income	8,553	7,475	7,545
Interest expense			
Deposits	779	598	475
Long-term debt and other	1,333	1,106	1,148
Total interest expense	2,112	1,704	1,623
Net interest income	6,441	5,771	5,922
Total revenues net of interest expense	33,471	32,119	32,818
Provisions for losses			
Charge card	795	696	737
Card Member loans	1,868	1,235	1,190
Other	96	95	61
Total provisions for losses	2,759	2,026	1,988
Total revenues net of interest expense after provisions for losses	30,712	30,093	30,830
Expenses			
Marketing and promotion	3,217	3,650	3,109
Card Member rewards	7,608	6,793	6,996
Card Member services and other	1,439	1,133	1,018
Salaries and employee benefits	5,258	5,259	4,976
Other, net	5,776	5,162	6,793
Total expenses	23,298	21,997	22,892
Pretax income	7,414	8,096	7,938
Income tax provision	4,678	2,688	2,775
Net income	\$ 2,736	\$ 5,408	\$ 5,163
Earnings per Common Share — (Note 22)^(a)			
Basic	\$ 2.98	\$ 5.67	\$ 5.07
Diluted	\$ 2.97	\$ 5.65	\$ 5.05
Average common shares outstanding for earnings per common share:			
Basic	883	933	999
Diluted	886	935	1,003

(a) Represents net income less (i) earnings allocated to participating share awards of \$21 million, \$43 million and \$38 million for the years ended December 31, 2017, 2016 and 2015, respectively, and (ii) dividends on preferred shares of \$81 million, \$80 million and \$62 million for the years ended December 31, 2017, 2016 and 2015, respectively.

See Notes to Consolidated Financial Statements.

BNSF Railway Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Rail services	\$ 35,067,803	\$ -
Right-of-way fees	<u>50,857</u>	<u>-</u>
Total	<u>\$ 35,118,660</u>	<u>\$ -</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	(a)	N/A
Assets allocable to the services	(a)	N/A
The overall rate of return on assets	(a)	N/A

(a) Rail services are based on negotiated prices under long-term contracts. Right-of-way fees are based on factors such as square footage.

For further information on the following financial statements, refer to BNSF Railway Company's Form 10-K for the year ended December 31, 2017 (File No. 1-6324) at www.sec.gov.

BNSF Railway Company and Subsidiaries

Consolidated Balance Sheets

In millions

	December 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 516	\$ 570
Accounts receivable, net	1,668	1,508
Materials and supplies	803	825
Other current assets	204	278
Total current assets	3,191	3,181
Property and equipment, net of accumulated depreciation of \$8,611 and \$6,124, respectively	62,281	61,213
Goodwill	14,803	14,803
Intangible assets, net	392	423
Other assets	2,431	2,155
Total assets	\$ 83,098	\$ 81,775
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 3,069	\$ 3,492
Long-term debt due within one year	90	85
Total current liabilities	3,159	3,577
Deferred income taxes	13,542	20,001
Long-term debt	1,355	1,467
Casualty and environmental liabilities	499	584
Intangible liabilities, net	471	567
Pension and retiree health and welfare liability	310	321
Other liabilities	1,104	1,120
Total liabilities	20,440	27,637
Commitments and contingencies (see Notes 11 and 12)		
Stockholder's equity:		
Common stock, \$1 par value, 1,000 shares authorized; issued and outstanding and paid-in-capital	42,920	42,920
Retained earnings	39,337	27,218
Intercompany notes receivable	(19,830)	(16,119)
Accumulated other comprehensive income (loss)	231	119
Total stockholder's equity	62,658	54,138
Total liabilities and stockholder's equity	\$ 83,098	\$ 81,775

See accompanying Notes to Consolidated Financial Statements.

BNSF Railway Company and Subsidiaries

Consolidated Statements of Income

In millions

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenues	\$ 20,747	\$ 19,278	\$ 21,401
Operating expenses:			
Compensation and benefits	4,914	4,717	4,994
Fuel	2,518	1,934	2,656
Depreciation and amortization	2,341	2,115	1,993
Purchased services	2,019	2,037	2,056
Equipment rents	784	766	801
Materials and other	875	1,072	1,134
Total operating expenses	13,451	12,641	13,634
Operating income	7,296	6,637	7,767
Interest expense	43	50	35
Interest income, related parties	(360)	(197)	(131)
Other expense, net	30	5	20
Income before income taxes	7,583	6,779	7,843
Income tax expense (benefit)	(4,536)	2,519	2,928
Net income	\$ 12,119	\$ 4,260	\$ 4,915

See accompanying Notes to Consolidated Financial Statements.

Environment One Corporation
Affiliated Transactions
For the Period Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Equipment parts	\$ 181,294	\$ -
Total	<u>\$ 181,294</u>	<u>\$ -</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	(a)	N/A
Assets allocable to the services	(a)	N/A
The overall rate of return on assets	(a)	N/A

(a) Environment One provides services to PacifiCorp in the normal course of business at standard pricing.

Environment One is not a public company, and its financial statements are not available.

FlightSafety International Inc.
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Aviation training	\$ <u>20,000</u>	\$ <u>-</u>
Total	\$ <u>20,000</u>	\$ <u>-</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	(a)	N/A
Assets allocable to the services	(a)	N/A
The overall rate of return on assets	(a)	N/A

(a) FlightSafety International Inc. provides services to PacifiCorp in the normal course of business at standard pricing.

FlightSafety International Inc. is not a public company, and its financial statements are not available.

International Business Machines Corporation
Affiliated Transactions
For the Period from January 1, 2017 to November 14, 2017 ^(a)

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Computer hardware and software and computer systems maintenance and support services	\$ 3,585,236	\$ -
Total	<u>\$ 3,585,236</u>	<u>\$ -</u>
Basis of pricing	(b)	N/A
Cost of service	(b)	N/A
The margin of charges over costs	(b)	N/A
Assets allocable to the services	(b)	N/A
The overall rate of return on assets	(b)	N/A

(a) During the third quarter of 2017, Berkshire Hathaway's ownership interest in IBM decreased to less than five percent of IBM's outstanding common shares. Accordingly, this report reflects the transactions between PacifiCorp and IBM that occurred between January 1, 2017, and November 14, 2017 (the date Berkshire Hathaway filed its Form 13-F for the Quarter ended September 30, 2017, and its ownership of IBM became known).

(b) International Business Machines Corporation provides services to PacifiCorp in the normal course of business at standard pricing.

For further information on the following financial statements, refer to International Business Machines Corporation's Form 10-K for the year ended December 31, 2017 (File No. 1-2360) at www.sec.gov.

Consolidated Statement of Financial Position
International Business Machines Corporation and Subsidiary Companies

(\$ in millions except per share amounts)

At December 31:	Notes	2017	2016
Assets			
Current assets			
Cash and cash equivalents		\$ 11,972	\$ 7,826
Marketable securities	D	608	701
Notes and accounts receivable — trade (net of allowances of \$297 in 2017 and \$290 in 2016)		8,928	9,182
Short-term financing receivables (net of allowances of \$261 in 2017 and \$337 in 2016)	F	21,721	19,006
Other accounts receivable (net of allowances of \$36 in 2017 and \$48 in 2016)		981	1,057
Inventories	E	1,583	1,553
Prepaid expenses and other current assets		3,942	4,564
Total current assets		49,735	43,888
Property, plant and equipment	G	32,331	30,133
Less: Accumulated depreciation	G	21,215	19,303
Property, plant and equipment — net	G	11,116	10,830
Long-term financing receivables (net of allowances of \$74 in 2017 and \$101 in 2016)	F	9,550	9,021
Prepaid pension assets	S	4,643	3,034
Deferred taxes	N	4,862	5,224
Goodwill	I	36,788	36,199
Intangible assets — net	I	3,742	4,688
Investments and sundry assets	H	4,919	4,585
Total assets		\$ 125,356	\$ 117,470
Liabilities and equity			
Current liabilities			
Taxes	N	\$ 4,219	\$ 3,235
Short-term debt	D&J	6,987	7,513
Accounts payable		6,451	6,209
Compensation and benefits		3,644	3,577
Deferred income		11,552	11,035
Other accrued expenses and liabilities		4,510	4,705
Total current liabilities		37,363	36,275
Long-term debt	D&J	39,837	34,655
Retirement and nonpension postretirement benefit obligations	S	16,720	17,070
Deferred income		3,746	3,600
Other liabilities	K	9,965	7,477
Total liabilities		107,631	99,078
Contingencies and commitments	M		
Equity	L		
IBM stockholders' equity			
Common stock, par value \$.20 per share, and additional paid-in capital		54,566	53,935
Shares authorized: 4,687,500,000			
Shares issued (2017 — 2,229,428,813; 2016 — 2,225,116,815)			
Retained earnings		153,126	152,759
Treasury stock, at cost (shares: 2017 — 1,307,249,588; 2016 — 1,279,249,412)		(163,507)	(159,050)
Accumulated other comprehensive income/(loss)		(26,592)	(29,398)
Total IBM stockholders' equity		17,594	18,246
Noncontrolling interests	A	131	146
Total equity		17,725	18,392
Total liabilities and equity		\$ 125,356	\$ 117,470

Amounts may not add due to rounding.

The accompanying notes on pages 84 through 146 are an integral part of the financial statements.

Consolidated Statement of Earnings
International Business Machines Corporation and Subsidiary Companies

(\$ in millions except per share amounts)

For the year ended December 31:	Notes	2017	2016	2015
Revenue				
Services		\$50,709	\$51,268	\$49,911
Sales		26,715	26,942	29,967
Financing		1,715	1,710	1,864
Total revenue	T	79,139	79,919	81,741
Cost				
Services		34,447	34,021	33,126
Sales		7,256	6,559	6,920
Financing		1,210	1,044	1,011
Total cost		42,913	41,625	41,057
Gross profit				
		36,227	38,294	40,684
Expense and other (income)				
Selling, general and administrative		20,107	21,069	20,430
Research, development and engineering	O	5,787	5,751	5,247
Intellectual property and custom development income		(1,466)	(1,631)	(682)
Other (income) and expense		(216)	145	(724)
Interest expense	D&J	615	630	468
Total expense and other (income)		24,827	25,964	24,740
Income from continuing operations before income taxes				
		11,400	12,330	15,945
Provision for income taxes	N	5,642	449	2,581
Income from continuing operations				
		5,758	11,881	13,364
Loss from discontinued operations, net of tax	C	(5)	(9)	(174)
Net income		\$ 5,753	\$11,872	\$13,190
Earnings/(loss) per share of common stock				
Assuming dilution				
Continuing operations	P	\$ 6.14	\$ 12.39	\$ 13.60
Discontinued operations	P	0.00	(0.01)	(0.18)
Total	P	\$ 6.14	\$ 12.38	\$ 13.42
Basic				
Continuing operations	P	\$ 6.17	\$ 12.44	\$ 13.66
Discontinued operations	P	0.00	(0.01)	(0.18)
Total	P	\$ 6.17	\$ 12.43	\$ 13.48
Weighted-average number of common shares outstanding				
Assuming dilution		937,385,625	958,714,097	982,700,267
Basic		932,828,295	955,422,530	978,744,523

Amounts may not add due to rounding.

The accompanying notes on pages 84 through 146 are an integral part of the financial statements.

Marmon Utility, LLC
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Materials	\$ <u>85,791</u>	\$ <u>-</u>
Total	\$ <u><u>85,791</u></u>	\$ <u><u>-</u></u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	(a)	N/A
Assets allocable to the services	(a)	N/A
The overall rate of return on assets	(a)	N/A

(a) Marmon Utility, LLC provides services to PacifiCorp in the normal course of business at standard pricing.

Marmon Utility, LLC is not a public company, and its financial statements are not available.

**Moody's Investors Service
Affiliated Transactions
For the Year Ended December 31, 2017**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Credit rating services	\$ <u>116,335</u>	\$ <u>-</u>
Total	<u>\$ 116,335</u>	<u>\$ -</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	(a)	N/A
Assets allocable to the services	(a)	N/A
The overall rate of return on assets	(a)	N/A

(a) Moody's Investors Service provides services to PacifiCorp in the normal course of business at standard pricing.

Moody's Investors Service is not a public company, and its financial statements are not available. The financial statements of its parent company, Moody's Corporation, are included. For further information on the following financial statements, refer to Moody's Corporation's Form 10-K for the year ended December 31, 2017 (File No. 1-14037) at www.sec.gov.

MOODY'S CORPORATION
CONSOLIDATED BALANCE SHEETS

(Amounts in millions, except share and per share data)

	December 31,	
	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,071.5	\$ 2,051.5
Short-term investments	111.8	173.4
Accounts receivable, net of allowances of \$36.6 in 2017 and \$25.7 in 2016	1,147.2	887.4
Other current assets	250.1	140.8
Total current assets	2,580.6	3,253.1
Property and equipment, net	325.1	325.9
Goodwill	3,753.2	1,023.6
Intangible assets, net	1,631.6	296.4
Deferred tax assets, net	143.8	316.1
Other assets	159.9	112.2
Total assets	\$ 8,594.2	\$ 5,327.3
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 750.3	\$ 1,444.3
Commercial paper	129.9	—
Current portion of long-term debt	299.5	300.0
Deferred revenue	883.6	683.9
Total current liabilities	2,063.3	2,428.2
Non-current portion of deferred revenue	140.0	134.1
Long-term debt	5,111.1	3,063.0
Deferred tax liabilities, net	341.6	104.3
Unrecognized tax benefits	389.1	199.8
Other liabilities	664.0	425.2
Total liabilities	8,709.1	6,354.6
Contingencies (Note 19)	—	—
Shareholders' deficit:		
Preferred stock, par value \$.01 per share; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Series common stock, par value \$.01 per share; 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, par value \$.01 per share; 1,000,000,000 shares authorized; 342,902,272 shares issued At December 31, 2017 and December 31, 2016, respectively.	3.4	3.4
Capital surplus	528.6	477.2
Retained earnings	7,465.4	6,688.9
Treasury stock, at cost; 151,932,157 and 152,208,231 shares of common stock at December 31, 2017 and December 31, 2016, respectively	(8,152.9)	(8,029.6)
Accumulated other comprehensive loss	(172.2)	(364.9)
Total Moody's shareholders' deficit	(327.7)	(1,225.0)
Noncontrolling interests	212.8	197.7
Total shareholders' deficit	(114.9)	(1,027.3)
Total liabilities, noncontrolling interests and shareholders' deficit	\$ 8,594.2	\$ 5,327.3

The accompanying notes are an integral part of the consolidated financial statements.

MOODY'S CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in millions, except per share data)

	Year Ended December 31,		
	2017	2016	2015
Revenue	\$ 4,204.1	\$ 3,604.2	\$ 3,484.5
Expenses			
Operating	1,222.8	1,026.6	976.3
Selling, general and administrative	991.4	936.4	921.3
Restructuring	—	12.0	—
Depreciation and amortization	158.3	126.7	113.5
Acquisition-Related Expenses	22.5	—	—
Settlement Charge	—	863.8	—
Total expenses	2,395.0	2,965.5	2,011.1
Operating income	1,809.1	638.7	1,473.4
Non-operating (expense) income, net			
Interest expense, net	(188.4)	(137.8)	(115.1)
Other non-operating (expense) income, net	(4.7)	57.1	21.3
Purchase Price Hedge Gain	111.1	—	—
CCXI Gain	59.7	—	—
Non-operating (expense) income, net	(22.3)	(80.7)	(93.8)
Income before provision for income taxes	1,786.8	558.0	1,379.6
Provision for income taxes	779.1	282.2	430.0
Net income	1,007.7	275.8	949.6
Less: Net income attributable to noncontrolling interests	7.1	9.2	8.3
Net income attributable to Moody's	\$ 1,000.6	\$ 266.6	\$ 941.3
Earnings per share			
Basic	\$ 5.24	\$ 1.38	\$ 4.70
Diluted	\$ 5.15	\$ 1.36	\$ 4.63
Weighted average shares outstanding			
Basic	191.1	192.7	200.1
Diluted	194.2	195.4	203.4

The accompanying notes are an integral part of the consolidated financial statements.

**Phillips 66 Company
Affiliated Transactions
For the Year Ended December 31, 2017**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Lubricating oil and grease products	\$ <u>897,207</u>	\$ <u>-</u>
Total	<u>\$ 897,207</u>	<u>\$ -</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	(a)	N/A
Assets allocable to the services	(a)	N/A
The overall rate of return on assets	(a)	N/A

(a) Phillips 66 Company provides services to PacifiCorp in the normal course of business at standard pricing.

Phillips 66 Company is not a public company, and its financial statements are not available. The financial statements of its parent company, Phillips 66, are included. For further information on the following financial statements, refer to Phillips 66's Form 10-K for the year ended December 31, 2017 (File No. 001-35349) at www.sec.gov.

Consolidated Balance Sheet
Phillips 66

At December 31	Millions of Dollars	
	2017	2016
Assets		
Cash and cash equivalents	\$ 3,119	2,711
Accounts and notes receivable (net of allowances of \$29 million in 2017 and \$34 million in 2016)	6,424	5,485
Accounts and notes receivable—related parties	1,082	912
Inventories	3,395	3,150
Prepaid expenses and other current assets	370	422
Total Current Assets	14,390	12,680
Investments and long-term receivables	13,941	13,534
Net properties, plants and equipment	21,460	20,855
Goodwill	3,270	3,270
Intangibles	876	888
Other assets	434	426
Total Assets	\$ 54,371	51,653
Liabilities		
Accounts payable	\$ 7,242	6,395
Accounts payable—related parties	785	666
Short-term debt	41	550
Accrued income and other taxes	1,002	805
Employee benefit obligations	582	527
Other accruals	455	520
Total Current Liabilities	10,107	9,463
Long-term debt	10,069	9,588
Asset retirement obligations and accrued environmental costs	641	655
Deferred income taxes	5,008	6,743
Employee benefit obligations	884	1,216
Other liabilities and deferred credits	234	263
Total Liabilities	26,943	27,928
Equity		
Common stock (2,500,000,000 shares authorized at \$0.01 par value) Issued (2017—643,835,464 shares; 2016—641,593,854 shares)		
Par value	6	6
Capital in excess of par	19,768	19,559
Treasury stock (at cost: 2017—141,565,145 shares; 2016—122,827,264 shares)	(10,378)	(8,788)
Retained earnings	16,306	12,608
Accumulated other comprehensive loss	(617)	(995)
Total Stockholders' Equity	25,085	22,390
Noncontrolling interests	2,343	1,335
Total Equity	27,428	23,725
Total Liabilities and Equity	\$ 54,371	51,653

See Notes to Consolidated Financial Statements.

Consolidated Statement of Income
Phillips 66

Years Ended December 31	Millions of Dollars		
	2017	2016	2015
Revenues and Other Income			
Sales and other operating revenues*	\$ 102,354	84,279	98,975
Equity in earnings of affiliates	1,732	1,414	1,573
Net gain on dispositions	15	10	283
Other income	521	74	118
Total Revenues and Other Income	104,622	85,777	100,949
Costs and Expenses			
Purchased crude oil and products	79,409	62,468	73,399
Operating expenses	4,699	4,275	4,294
Selling, general and administrative expenses	1,695	1,638	1,670
Depreciation and amortization	1,318	1,168	1,078
Impairments	24	5	7
Taxes other than income taxes*	13,462	13,688	14,077
Accretion on discounted liabilities	22	21	21
Interest and debt expense	438	338	310
Foreign currency transaction (gains) losses	—	(15)	49
Total Costs and Expenses	101,067	83,586	94,905
Income before income taxes	3,555	2,191	6,044
Income tax expense (benefit)	(1,693)	547	1,764
Net Income	5,248	1,644	4,280
Less: net income attributable to noncontrolling interests	142	89	53
Net Income Attributable to Phillips 66	\$ 5,106	1,555	4,227
Net Income Attributable to Phillips 66 Per Share of Common Stock (dollars)			
Basic	\$ 9.90	2.94	7.78
Diluted	9.85	2.92	7.73
Dividends Paid Per Share of Common Stock (dollars)			
	\$ 2.73	2.45	2.18
Weighted-Average Common Shares Outstanding (thousands)			
Basic	515,090	527,531	542,355
Diluted	518,508	530,066	546,977
* Includes excise taxes on sales of petroleum products:	\$ 13,054	13,381	13,780

See Notes to Consolidated Financial Statements.

U.S. Bancorp
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Banking services	\$ <u>414,545</u>	\$ <u>-</u>
Total	\$ <u>414,545</u>	\$ <u>-</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	(a)	N/A
Assets allocable to the services	(a)	N/A
The overall rate of return on assets	(a)	N/A

(a) U.S. Bancorp provides banking services to PacifiCorp in the normal course of business at standard pricing for certain transactions and at negotiated rates below standard pricing for other certain transactions.

For further information on the following financial statements, refer to U.S. Bancorp's Form 10-K for the year ended December 31, 2017 (File No. 1-6880) at www.sec.gov.

U.S. Bancorp

Consolidated Balance Sheet

At December 31 (Dollars in Millions)

2017

2016

Assets

Cash and due from banks	\$ 19,505	\$ 15,705
Investment securities		
Held-to-maturity (fair value \$43,723 and \$42,435, respectively)	44,362	42,991
Available-for-sale (\$689 and \$755 pledged as collateral, respectively) ^(a)	68,137	66,284
Loans held for sale (including \$3,534 and \$4,822 of mortgage loans carried at fair value, respectively)	3,554	4,826
Loans		
Commercial	97,561	93,386
Commercial real estate	40,463	43,098
Residential mortgages	59,783	57,274
Credit card	22,180	21,749
Other retail	57,324	53,864
Total loans, excluding covered loans	277,311	269,371
Covered loans	3,121	3,836
Total loans	280,432	273,207
Less allowance for loan losses	(3,925)	(3,813)
Net loans	276,507	269,394
Premises and equipment	2,432	2,443
Goodwill	9,434	9,344
Other intangible assets	3,228	3,303
Other assets (including \$238 and \$314 of trading securities at fair value pledged as collateral, respectively) ^(a)	34,881	31,674
Total assets	<u>\$462,040</u>	<u>\$445,964</u>

Liabilities and Shareholders' Equity

Deposits		
Noninterest-bearing	\$ 87,557	\$ 86,097
Interest-bearing ^(b)	259,658	248,493
Total deposits	347,215	334,590
Short-term borrowings	16,651	13,963
Long-term debt	32,259	33,323
Other liabilities	16,249	16,155
Total liabilities	412,374	398,031
Shareholders' equity		
Preferred stock	5,419	5,501
Common stock, par value \$0.01 a share — authorized: 4,000,000,000 shares; issued: 2017 and 2016 — 2,125,725,742 shares	21	21
Capital surplus	8,464	8,440
Retained earnings	54,142	50,151
Less cost of common stock in treasury: 2017 — 470,080,231 shares; 2016 — 428,813,585 shares	(17,602)	(15,280)
Accumulated other comprehensive income (loss)	(1,404)	(1,535)
Total U.S. Bancorp shareholders' equity	49,040	47,298
Noncontrolling interests	626	635
Total equity	49,666	47,933
Total liabilities and equity	<u>\$462,040</u>	<u>\$445,964</u>

(a) Includes only collateral pledged by the Company where counterparties have the right to sell or pledge the collateral.

(b) Includes time deposits greater than \$250,000 balances of \$6.8 billion and \$3.0 billion at December 31, 2017 and 2016, respectively.

See Notes to Consolidated Financial Statements.

U.S. Bancorp

Consolidated Statement of Income

Year Ended December 31 (Dollars and Shares in Millions, Except Per Share Data)

	2017	2016	2015
Interest Income			
Loans	\$11,827	\$10,810	\$10,059
Loans held for sale	144	154	206
Investment securities	2,232	2,078	2,001
Other interest income	182	125	136
Total interest income	14,385	13,167	12,402
Interest Expense			
Deposits	1,041	622	457
Short-term borrowings	319	263	245
Long-term debt	784	754	699
Total interest expense	2,144	1,639	1,401
Net interest income	12,241	11,528	11,001
Provision for credit losses	1,390	1,324	1,132
Net interest income after provision for credit losses	10,851	10,204	9,869
Noninterest Income			
Credit and debit card revenue	1,252	1,177	1,070
Corporate payment products revenue	753	712	708
Merchant processing services	1,590	1,592	1,547
ATM processing services	362	338	318
Trust and investment management fees	1,522	1,427	1,321
Deposit service charges	751	725	702
Treasury management fees	618	583	561
Commercial products revenue	849	871	867
Mortgage banking revenue	834	979	906
Investment products fees	163	158	185
Securities gains (losses), net			
Realized gains (losses), net	57	27	1
Total other-than-temporary impairment	—	(6)	(1)
Portion of other-than-temporary impairment recognized in other comprehensive income (loss)	—	1	—
Total securities gains (losses), net	57	22	—
Other	860	993	907
Total noninterest income	9,611	9,577	9,092
Noninterest Expense			
Compensation	5,746	5,212	4,812
Employee benefits	1,186	1,119	1,167
Net occupancy and equipment	1,019	988	991
Professional services	419	502	423
Marketing and business development	542	435	361
Technology and communications	977	955	887
Postage, printing and supplies	323	311	297
Other intangibles	175	179	174
Other	2,558	1,975	1,819
Total noninterest expense	12,945	11,676	10,931
Income before income taxes	7,517	8,105	8,030
Applicable income taxes	1,264	2,161	2,097
Net income	6,253	5,944	5,933
Net (income) loss attributable to noncontrolling interests	(35)	(56)	(54)
Net income attributable to U.S. Bancorp	\$ 6,218	\$ 5,888	\$ 5,879
Net income applicable to U.S. Bancorp common shareholders	\$ 5,913	\$ 5,589	\$ 5,608
Earnings per common share	\$ 3.53	\$ 3.25	\$ 3.18
Diluted earnings per common share	\$ 3.51	\$ 3.24	\$ 3.16
Dividends declared per common share	\$ 1.16	\$ 1.07	\$ 1.01
Average common shares outstanding	1,677	1,718	1,764
Average diluted common shares outstanding	1,683	1,724	1,772

See Notes to Consolidated Financial Statements.

Wells Fargo & Company

Affiliated Transactions

For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Banking services	\$ 1,128,574	\$ -
Financial transactions related to energy hedging activity ^(a)	775,423	-
Total	\$ 1,903,997	\$ -
Basis of pricing	(b)	N/A
Cost of service	(b)	N/A
The margin of charges over costs	(b)	N/A
Assets allocable to the services	(b)	N/A
The overall rate of return on assets	(b)	N/A

(a) Represents the financial impact realized on natural gas swaps during the year ended December 31, 2017. In conjunction with these swap arrangements, PacifiCorp had no collateral at Wells Fargo as of December 31, 2017. Please refer to the further discussion below.

(b) Wells Fargo & Company provides financial services to PacifiCorp in the normal course of business at standard pricing for certain transactions and at negotiated rates below standard pricing for other certain transactions.

The costs incurred with Wells Fargo & Company for the natural gas swaps included above are only one component of PacifiCorp's overall risk management process, which is designed to identify, assess, monitor, report, manage and mitigate each of the various types of risk involved in PacifiCorp's business, including commodity risk. PacifiCorp manages certain risks, including price risk, relating to its supply of electricity and fuel requirements by entering into various contracts, which may be accounted for as derivatives and may include forwards, options, swaps and other agreements. PacifiCorp's energy costs are subject to numerous operational and economic factors such as planned and unplanned outages, fuel commodity prices, fuel transportation costs, weather, environmental considerations, transmission constraints, and wholesale market prices of electricity. For further information regarding PacifiCorp's risk management process and hedging activities, including its use of commodity derivative contracts, please refer to PacifiCorp's Annual Report on Form 10-K for the year ended December 31, 2017.

For further information on the following financial statements, refer to Wells Fargo & Company's Form 10-K for the year ended December 31, 2017 (File No. 001-2979) at www.sec.gov.

Wells Fargo & Company and Subsidiaries

Consolidated Balance Sheet

(in millions, except shares)	Dec 31, 2017	Dec 31, 2016
Assets		
Cash and due from banks	\$ 23,367	20,729
Federal funds sold, securities purchased under resale agreements and other short-term investments	272,605	266,038
Trading assets	92,329	74,397
Investment securities:		
Available-for-sale, at fair value	277,085	308,364
Held-to-maturity, at cost (fair value \$138,985 and \$99,155)	139,335	99,583
Mortgages held for sale (includes \$16,116 and \$22,042 carried at fair value) (1)	20,070	26,309
Loans held for sale	108	80
Loans (includes \$376 and \$758 carried at fair value) (1)	956,770	967,604
Allowance for loan losses	(11,004)	(11,419)
Net loans	945,766	956,185
Mortgage servicing rights:		
Measured at fair value	13,625	12,959
Amortized	1,424	1,406
Premises and equipment, net	8,847	8,333
Goodwill	26,587	26,693
Derivative assets	12,228	14,498
Other assets (includes \$4,867 and \$3,275 carried at fair value) (1)	118,381	114,541
Total assets (2)	\$ 1,951,757	1,930,115
Liabilities		
Noninterest-bearing deposits	\$ 373,722	375,967
Interest-bearing deposits	962,269	930,112
Total deposits	1,335,991	1,306,079
Short-term borrowings	103,256	96,781
Derivative liabilities	8,796	14,492
Accrued expenses and other liabilities	70,615	57,189
Long-term debt	225,020	255,077
Total liabilities (3)	1,743,678	1,729,618
Equity		
Wells Fargo stockholders' equity:		
Preferred stock	25,358	24,551
Common stock – \$1-2/3 par value, authorized 9,000,000,000 shares; issued 5,481,811,474 shares	9,136	9,136
Additional paid-in capital	60,893	60,234
Retained earnings	145,263	133,075
Cumulative other comprehensive income (loss)	(2,144)	(3,137)
Treasury stock – 590,194,846 shares and 465,702,148 shares	(29,892)	(22,713)
Unearned ESOP shares	(1,678)	(1,565)
Total Wells Fargo stockholders' equity	206,936	199,581
Noncontrolling interests	1,143	916
Total equity	208,079	200,497
Total liabilities and equity	\$ 1,951,757	1,930,115

(1) Parenthetical amounts represent assets and liabilities for which we have elected the fair value option.

(2) Our consolidated assets at December 31, 2017 and 2016, include the following assets of certain variable interest entities (VIEs) that can only be used to settle the liabilities of those VIEs: Cash and due from banks, \$116 million and \$168 million; Federal funds sold, securities purchased under resale agreements and other short-term investments, \$376 million and \$74 million; Trading assets, \$294 million and \$130 million; Investment securities, \$0 million and \$0 million; Net loans, \$12.5 billion and \$12.6 billion; Derivative assets, \$0 million and \$1 million; Other assets, \$349 million and \$452 million; and Total assets, \$13.6 billion and \$13.4 billion, respectively.

(3) Our consolidated liabilities at December 31, 2017 and 2016, include the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Derivative liabilities, \$5 million and \$33 million; Accrued expenses and other liabilities, \$132 million and \$107 million; Long-term debt, \$1.5 billion and \$3.7 billion; and Total liabilities, \$1.6 billion and \$3.8 billion, respectively.

The accompanying notes are an integral part of these statements.

Wells Fargo & Company and Subsidiaries

Consolidated Statement of Income

(in millions, except per share amounts)	Year ended December 31,		
	2017	2016	2015
Interest income			
Trading assets	\$ 2,928	2,506	1,971
Investment securities	10,664	9,248	8,937
Mortgages held for sale	786	784	785
Loans held for sale	12	9	19
Loans	41,388	39,505	36,575
Other interest income	3,131	1,611	990
Total interest income	58,909	53,663	49,277
Interest expense			
Deposits	3,013	1,395	963
Short-term borrowings	758	330	64
Long-term debt	5,157	3,830	2,592
Other interest expense	424	354	357
Total interest expense	9,352	5,909	3,976
Net interest income	49,557	47,754	45,301
Provision for credit losses	2,528	3,770	2,442
Net interest income after provision for credit losses	47,029	43,984	42,859
Noninterest income			
Service charges on deposit accounts	5,111	5,372	5,168
Trust and investment fees	14,495	14,243	14,468
Card fees	3,960	3,936	3,720
Other fees	3,557	3,727	4,324
Mortgage banking	4,350	6,096	6,501
Insurance	1,049	1,268	1,694
Net gains from trading activities	1,053	834	614
Net gains on debt securities (1)	479	942	952
Net gains from equity investments (2)	1,268	879	2,230
Lease income	1,907	1,927	621
Other	1,603	1,289	464
Total noninterest income	38,832	40,513	40,756
Noninterest expense			
Salaries	17,363	16,552	15,883
Commission and incentive compensation	10,442	10,247	10,352
Employee benefits	5,566	5,094	4,446
Equipment	2,237	2,154	2,063
Net occupancy	2,849	2,855	2,886
Core deposit and other intangibles	1,152	1,192	1,246
FDIC and other deposit assessments	1,287	1,168	973
Other	17,588	13,115	12,125
Total noninterest expense	58,484	52,377	49,974
Income before income tax expense	27,377	32,120	33,641
Income tax expense	4,917	10,075	10,365
Net income before noncontrolling interests	22,460	22,045	23,276
Less: Net income from noncontrolling interests	277	107	382
Wells Fargo net income	\$ 22,183	21,938	22,894
Less: Preferred stock dividends and other	1,629	1,565	1,424
Wells Fargo net income applicable to common stock	\$ 20,554	20,373	21,470
Per share information			
Earnings per common share	\$ 4.14	4.03	4.18
Diluted earnings per common share	4.10	3.99	4.12
Dividends declared per common share	1.540	1.515	1.475
Average common shares outstanding	4,964.6	5,052.8	5,136.5
Diluted average common shares outstanding	5,017.3	5,108.3	5,209.8

- (1) Total other-than-temporary impairment (OTTI) losses were \$205 million, \$207 million and \$136 million for the years ended December 31, 2017, 2016 and 2015, respectively. Of total OTTI, losses of \$262 million, \$189 million and \$183 million were recognized in earnings, and losses (reversal of losses) of \$(57) million, \$18 million and \$(47) million were recognized as non-credit-related OTTI in other comprehensive income for the years ended December 31, 2017, 2016 and 2015, respectively.
- (2) Includes OTTI losses of \$344 million, \$453 million and \$376 million for the years ended December 31, 2017, 2016 and 2015, respectively.

The accompanying notes are an integral part of these statements.

Berkshire Hathaway Energy Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ <u>5,952,892</u>	\$ <u>144,423</u>
Total	\$ <u>5,952,892</u>	\$ <u>144,423</u>
Basis of pricing	(a)	(a)
Cost of service	(a)	(a)
The margin of charges over costs	None	None
Assets allocable to the services	None	None
The overall rate of return on assets	None	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amounts in the table above reflect the cost of the services.

PacifiCorp is party to an income tax-sharing arrangement and is part of the Berkshire Hathaway Inc. United States federal income tax return. For certain state income taxes, PacifiCorp is part of Berkshire Hathaway Energy Company (“BHE”) combined or consolidated state income tax returns. PacifiCorp’s provision for income taxes has been computed on a stand-alone basis. PacifiCorp remits federal and certain state income tax payments to PPW Holdings LLC. PPW Holdings LLC then remits income tax payments to BHE, and BHE remits any federal income tax payments to Berkshire Hathaway Inc. At December 31, 2017, PPW Holdings LLC owed PacifiCorp \$65,569,497, and Pacific Minerals, Inc. owed PPW Holdings LLC \$6,351,524 under this arrangement.

For further information on the following financial statements, refer to Berkshire Hathaway Energy Company’s Form 10-K for the year ended December 31, 2017 (File No. 001-14881) at www.sec.gov. PacifiCorp is included in the following financial statements as a consolidated subsidiary of BHE.

BERKSHIRE HATHAWAY ENERGY COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in millions)

ASSETS	As of December 31,	
	2017	2016
Current assets:		
Cash and cash equivalents	\$ 935	\$ 721
Restricted cash and short-term investments	327	211
Trade receivables, net	2,014	1,751
Income taxes receivable	334	—
Inventories	888	925
Mortgage loans held for sale	465	359
Other current assets	815	706
Total current assets	5,778	4,673
Property, plant and equipment, net	65,871	62,509
Goodwill	9,678	9,010
Regulatory assets	2,761	4,307
Investments and restricted cash and investments	4,872	3,945
Other assets	1,248	996
Total assets	\$ 90,208	\$ 85,440

The accompanying notes are an integral part of these consolidated financial statements.

BERKSHIRE HATHAWAY ENERGY COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
(Amounts in millions)

	As of December 31,	
	2017	2016
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,519	\$ 1,317
Accrued interest	488	454
Accrued property, income and other taxes	354	389
Accrued employee expenses	274	261
Short-term debt	4,488	1,869
Current portion of long-term debt	3,431	1,006
Other current liabilities	1,049	1,017
Total current liabilities	11,603	6,313
BHE senior debt	5,452	7,418
BHE junior subordinated debentures	100	944
Subsidiary debt	26,210	26,748
Regulatory liabilities	7,309	2,933
Deferred income taxes	8,242	13,879
Other long-term liabilities	2,984	2,742
Total liabilities	61,900	60,977
 Commitments and contingencies (Note 16)		
 Equity:		
BHE shareholders' equity:		
Common stock - 115 shares authorized, no par value, 77 shares issued and outstanding	—	—
Additional paid-in capital	6,368	6,390
Retained earnings	22,206	19,448
Accumulated other comprehensive loss, net	(398)	(1,511)
Total BHE shareholders' equity	28,176	24,327
Noncontrolling interests	132	136
Total equity	28,308	24,463
 Total liabilities and equity	 \$ 90,208	 \$ 85,440

The accompanying notes are an integral part of these consolidated financial statements.

BERKSHIRE HATHAWAY ENERGY COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in millions)

	Years Ended December 31,		
	2017	2016	2015
Operating revenue:			
Energy	\$ 15,171	\$ 14,621	\$ 15,354
Real estate	3,443	2,801	2,526
Total operating revenue	<u>18,614</u>	<u>17,422</u>	<u>17,880</u>
Operating costs and expenses:			
Energy:			
Cost of sales	4,518	4,315	5,079
Operating expense	3,773	3,707	3,732
Depreciation and amortization	2,580	2,560	2,399
Real estate	3,229	2,589	2,342
Total operating costs and expenses	<u>14,100</u>	<u>13,171</u>	<u>13,552</u>
Operating income	<u>4,514</u>	<u>4,251</u>	<u>4,328</u>
Other income (expense):			
Interest expense	(1,841)	(1,854)	(1,904)
Capitalized interest	45	139	74
Allowance for equity funds	76	158	91
Interest and dividend income	111	120	107
Other, net	(398)	36	39
Total other income (expense)	<u>(2,007)</u>	<u>(1,401)</u>	<u>(1,593)</u>
Income before income tax (benefit) expense and equity (loss) income	2,507	2,850	2,735
Income tax (benefit) expense	(554)	403	450
Equity (loss) income	<u>(151)</u>	<u>123</u>	<u>115</u>
Net income	2,910	2,570	2,400
Net income attributable to noncontrolling interests	40	28	30
Net income attributable to BHE shareholders	<u>\$ 2,870</u>	<u>\$ 2,542</u>	<u>\$ 2,370</u>

The accompanying notes are an integral part of these consolidated financial statements.

BHE AltaLink Ltd.
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 46,635
Total	<u>\$ _____ -</u>	<u>\$ _____ 46,635</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the indirect parent company of BHE AltaLink Ltd.

BHE Renewables, LLC
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ <u>1,983</u>	\$ <u>65,986</u>
Total	<u>\$ 1,983</u>	<u>\$ 65,986</u>
Basis of pricing	(a)	(a)
Cost of service	(a)	(a)
The margin of charges over costs	None	None
Assets allocable to the services	None	None
The overall rate of return on assets	None	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amounts in the table above reflect the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the parent company of BHE Renewables, LLC.

**CalEnergy Generation Operating Company
Affiliated Transactions
For the Year Ended December 31, 2017**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 31,162
Total	<u>\$ _____ -</u>	<u>\$ _____ 31,162</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the indirect parent company of CalEnergy Generation Operating Company.

BHE U.S. Transmission, LLC
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ <u>774,375</u>	\$ <u>260,261</u>
Total	<u>\$ 774,375</u>	<u>\$ 260,261</u>
Basis of pricing	(a)	(a)
Cost of service	(a)	(a)
The margin of charges over costs	None	None
Assets allocable to the services	None	None
The overall rate of return on assets	None	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amounts in the table above reflect the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the parent company of BHE U.S. Transmission, LLC.

Electric Transmission Texas, LLC
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 88
Total	<u>\$ _____ -</u>	<u>\$ _____ 88</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Electric Transmission Texas, LLC is not a consolidated subsidiary of Berkshire Hathaway Energy Company nor is it a public company. Accordingly, its financial statements are not available.

MidAmerican Central California Transco, LLC
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 7,116
Total	<u>\$ _____ -</u>	<u>\$ _____ 7,116</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the indirect parent company of MidAmerican Central California Transco, LLC.

MTL Canyon Holdings, LLC
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 16
Total	<u>\$ _____ -</u>	<u>\$ _____ 16</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the indirect parent company of MTL Canyon Holdings, LLC.

**CalEnergy Philippines
 Affiliated Transactions
 For the Year Ended December 31, 2017**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 1,776
Total	<u>\$ _____ -</u>	<u>\$ _____ 1,776</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the parent company of CalEnergy Philippines.

HomeServices of America, Inc.
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Employee relocation services	\$ 1,491,577	\$ -
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	<u>-</u>	<u>149,345</u>
Total	<u>\$ 1,491,577</u>	<u>\$ 149,345</u>

Basis of pricing	(a)	(b)
Cost of service	(a)	(b)
The margin of charges over costs	(a)	None
Assets allocable to the services	(a)	None
The overall rate of return on assets	(a)	None

(a) HomeServices of America, Inc. (“HomeServices”) charges PacifiCorp a flat fee of \$295 per lump sum relocation, \$350 per homeowner relocation, \$400 per union relocation, \$895 per renter relocation and \$600 per missed referral for its services, plus the actual costs of services procured from its vendors and service providers.

(b) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Excluded from the table above are services provided by HomeServices of America, Inc. to Bridger Coal Company in the amount of \$125,966.

Refer to the financial statements of Berkshire Hathaway Energy Company, the parent company of HomeServices of America, Inc.

Iowa Realty Co., Inc.
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 3,877
Total	<u>\$ _____ -</u>	<u>\$ _____ 3,877</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the indirect parent company of Iowa Realty Co., Inc.

Kern River Gas Transmission Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Natural gas transportation services ^(a)	\$ 3,061,107	\$ -
Lease of temporary construction workspace ^(b)	19,239	-
Administrative services under the Intercompany Administrative Services Agreement (“IASA”) ^(c)	<u>1,355</u>	<u>77,108</u>
Total	<u>\$ 3,081,701</u>	<u>\$ 77,108</u>

Basis of pricing	(a), (c)	(b), (c)
Cost of service	(a), (c)	(b), (c)
The margin of charges over costs	None, (a)	None, (b)
Assets allocable to the services	None, (a)	None, (b)
The overall rate of return on assets	None, (a)	None, (b)

(a) Natural gas transportation services are priced at a tariff rate on file with the Federal Energy Regulatory Commission (“FERC”), or as priced in a negotiated rate transportation service agreement filed with and approved by the FERC.

(b) The lease of temporary construction workspace was priced based on the fair market value of the property.

(c) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amounts in the table above reflect the cost of the services.

KR Holding, LLC Consolidated
Balance Sheets
December 2017
(In thousands)

	<u>December</u> <u>2017</u>	<u>December</u> <u>2016</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 7,766	\$ 30,782
Restricted cash and short-term investments	1,437	1,558
Receivables, net	23,747	22,578
Amounts due from affiliates	5,437	6,181
Inventories	11,097	10,615
Derivative contracts	823	558
Regulatory assets	835	877
Other current assets	<u>2,090</u>	<u>2,873</u>
Total current assets	53,232	76,022
Property, plant and equipment:		
Property, plant and equipment	2,878,355	2,868,888
Accumulated depreciation and amortization	(1,312,016)	(1,261,577)
Construction in progress	<u>4,222</u>	<u>2,434</u>
Total property, plant and equipment, net	1,570,561	1,609,746
Other assets:		
Goodwill	33,900	33,900
Regulatory assets	79,639	28,998
Other investments	1,182	1,003
Restricted cash and long-term investments	12,335	20,069
Deferred charges and other assets	<u>7,035</u>	<u>6,921</u>
Total other assets	134,090	90,891
Total assets	\$ 1,757,883	\$ 1,776,659
<u>Liabilities and Equity</u>		
Current liabilities:		
Accounts payable	\$ 4,104	\$ 3,874
Amounts due to affiliates	750	607
Accrued interest		854
Accrued property, income and other taxes	8,400	5,935
Accrued employee expenses	1,397	1,353
Derivative contracts		
Regulatory liabilities	75	48
Other current liabilities	6,060	4,237
Current portion of long-term debt		66,392
Total current liabilities	20,786	83,300
Regulatory liabilities	548,433	283,601
Subsidiary long-term debt		128,953
Deferred income taxes	219,061	400,571
Other long-term accrued liabilities	<u>14,705</u>	<u>21,364</u>
Total liabilities	802,986	917,789
Equity:		
Common stock		
Additional paid-in capital	1,224,324	1,056,824
Retained earnings	(270,042)	(198,297)
Accumulated other comprehensive income (loss), net	616	343
Total common shareholder's equity	<u>954,897</u>	<u>858,870</u>
Total equity	954,897	858,870
Total liabilities and equity	\$ 1,757,883	\$ 1,776,659
<u>Retained Earnings Summary</u>		
Beginning retained earnings	\$ (198,297)	\$ (131,700)
Net income (loss)	101,217	90,135
Dividends paid	<u>(172,962)</u>	<u>(156,731)</u>
Ending retained earnings	\$ (270,042)	\$ (198,297)

**KR Holding, LLC Consolidated
Statement of Operations
For the period ended December 2017
(In thousands)**

Operating revenue	\$	301,620
Operating expenses:		
Operations, maintenance, administration and general		42,335
Depreciation and amortization		82,117
Property and other taxes		11,881
Total operating expenses		136,333
Operating income (loss)		<u>165,287</u>
Other income (expense):		
Interest expense		(2,708)
Capitalized interest		20
Allowance for equity funds		190
Interest and dividend income		128
Other, net		(6,008)
Total other income (expense)		<u>(8,378)</u>
Income (loss) before income tax		156,910
Income tax expense (benefit)		55,693
Net income (loss)	\$	101,217

MHC Inc.
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ <u>337,353</u>	\$ <u>-</u>
Total	\$ <u>337,353</u>	\$ <u>-</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	None	N/A
Assets allocable to the services	None	N/A
The overall rate of return on assets	None	N/A

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

For further information on the following financial statements, refer to MidAmerican Funding, LLC’s Form 10-K for the year ended December 31, 2017 (File No. 333-90553) at www.sec.gov.

MHC INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in millions)

	As of December 31,	
	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 172	\$ 15
Receivables, net	346	284
Income taxes receivable	51	9
Inventories	245	264
Other current assets	135	35
Total current assets	949	607
Property, plant and equipment, net	14,221	12,835
Goodwill	1,270	1,270
Regulatory assets	204	1,161
Investments and restricted cash and investments	730	655
Receivable from affiliate	431	301
Other assets	233	216
Total assets	\$ 18,038	\$ 17,045

The accompanying notes are an integral part of these consolidated financial statements.

MHC INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (continued)
(Amounts in millions)

As of December 31,

2017 2016

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities:

Accounts payable	\$ 451	\$ 302
Accrued interest	48	45
Accrued property, income and other taxes	133	138
Note payable to affiliate	164	31
Short-term debt	—	99
Current portion of long-term debt	350	250
Other current liabilities	128	159
Total current liabilities	1,274	1,024

Long-term debt	4,692	4,051
Deferred income taxes	2,235	3,568
Regulatory liabilities	1,661	883
Asset retirement obligations	528	510
Other long-term liabilities	326	291
Total liabilities	10,716	10,327

Commitments and contingencies (Note 15)

Shareholder's equity:

Common stock - no par value, 1,000 shares authorized, 1,000 shares issued and outstanding	—	—
Additional paid-in capital	2,430	2,430
Retained earnings	4,892	4,288
Total shareholder's equity	7,322	6,718

Total liabilities and shareholder's equity	\$ 18,038	\$ 17,045
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The accompanying notes are an integral part of these consolidated financial statements.

MHC INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in millions)

	Years Ended December 31,		
	2017	2016	2015
Operating revenue:			
Regulated electric	\$ 2,108	\$ 1,985	\$ 1,837
Regulated gas and other	738	646	678
Total operating revenue	<u>2,846</u>	<u>2,631</u>	<u>2,515</u>
Operating costs and expenses:			
Cost of fuel, energy and capacity	434	410	433
Cost of gas sold and other	447	371	407
Operations and maintenance	784	693	707
Depreciation and amortization	500	479	407
Property and other taxes	119	112	110
Total operating costs and expenses	<u>2,284</u>	<u>2,065</u>	<u>2,064</u>
Operating income	<u>562</u>	<u>566</u>	<u>451</u>
Other income and (expense):			
Interest expense	(215)	(196)	(184)
Allowance for borrowed funds	15	8	8
Allowance for equity funds	41	19	20
Other, net	21	18	20
Total other income and (expense)	<u>(138)</u>	<u>(151)</u>	<u>(136)</u>
Income before income tax benefit	424	415	315
Income tax benefit	<u>(180)</u>	<u>(130)</u>	<u>(141)</u>
Income from continuing operations	604	545	456
Discontinued operations (Note 3):			
Income from discontinued operations	—	—	22
Income tax expense	—	—	6
Income on discontinued operations	<u>—</u>	<u>—</u>	<u>16</u>
Net income	<u>\$ 604</u>	<u>\$ 545</u>	<u>\$ 472</u>

The accompanying notes are an integral part of these consolidated financial statements.

**MEC Construction Services Co.
 Affiliated Transactions
 For the Year Ended December 31, 2017**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 3,455
Total	<u>\$ _____ -</u>	<u>\$ _____ 3,455</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of MHC Inc., the parent company of MEC Construction Services Co.

MidAmerican Energy Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Operational support services	\$ -	\$ 878,532
Administrative services under the Intercompany Administrative Services Agreement (“IASA”) ^(a)	<u>3,469,506</u>	<u>942,339</u>
Total	<u>\$ 3,469,506</u>	<u>\$ 1,820,871</u>
Basis of pricing	(b)	(b)
Cost of service	(b)	(b)
The margin of charges over costs	None	None
Assets allocable to the services	None	None
The overall rate of return on assets	None	None

(a) PacifiCorp received services includes \$6,667 of amounts that were ultimately reimbursed by joint owners of PacifiCorp’s generating facilities.

(b) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amounts in the table above reflect the cost of the services.

The following items are excluded from the table above:

- Services provided by MidAmerican Energy Company to Bridger Coal Company in the amount of \$694.

For further information on the following financial statements, refer to MidAmerican Energy Company’s Form 10-K for the year ended December 31, 2017 (File No. 333-15387) at www.sec.gov.

MIDAMERICAN ENERGY COMPANY
BALANCE SHEETS
(Amounts in millions)

As of December 31,
2017 2016

ASSETS

Current assets:

Cash and cash equivalents	\$ 172	\$ 14
Receivables, net	344	285
Income taxes receivable	51	9
Inventories	245	264
Other current assets	134	35
Total current assets	946	607
Property, plant and equipment, net	14,207	12,821
Regulatory assets	204	1,161
Investments and restricted cash and investments	728	653
Other assets	233	217
Total assets	\$ 16,318	\$ 15,459

The accompanying notes are an integral part of these financial statements.

MIDAMERICAN ENERGY COMPANY
BALANCE SHEETS (continued)
(Amounts in millions)

As of December 31,

2017 2016

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities:

Accounts payable	\$ 452	\$ 303
Accrued interest	48	45
Accrued property, income and other taxes	132	137
Short-term debt	—	99
Current portion of long-term debt	350	250
Other current liabilities	128	159
Total current liabilities	1,110	993

Long-term debt	4,692	4,051
Deferred income taxes	2,237	3,572
Regulatory liabilities	1,661	883
Asset retirement obligations	528	510
Other long-term liabilities	326	290
Total liabilities	10,554	10,299

Commitments and contingencies (Note 15)

Shareholder's equity:

Common stock - 350 shares authorized, no par value, 71 shares issued and outstanding	—	—
Additional paid-in capital	561	561
Retained earnings	5,203	4,599
Total shareholder's equity	5,764	5,160

Total liabilities and shareholder's equity	\$ 16,318	\$ 15,459
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The accompanying notes are an integral part of these financial statements.

MIDAMERICAN ENERGY COMPANY
STATEMENTS OF OPERATIONS
(Amounts in millions)

	Years Ended December 31,		
	2017	2016	2015
Operating revenue:			
Regulated electric	\$ 2,108	\$ 1,985	\$ 1,837
Regulated gas and other	729	640	665
Total operating revenue	<u>2,837</u>	<u>2,625</u>	<u>2,502</u>
Operating costs and expenses:			
Cost of fuel, energy and capacity	434	409	433
Cost of gas sold and other	442	367	398
Operations and maintenance	781	693	705
Depreciation and amortization	500	479	407
Property and other taxes	119	112	110
Total operating costs and expenses	<u>2,276</u>	<u>2,060</u>	<u>2,053</u>
Operating income	<u>561</u>	<u>565</u>	<u>449</u>
Other income and (expense):			
Interest expense	(214)	(196)	(183)
Allowance for borrowed funds	15	8	8
Allowance for equity funds	41	19	20
Other, net	19	14	5
Total other income and (expense)	<u>(139)</u>	<u>(155)</u>	<u>(150)</u>
Income before income tax benefit	422	410	299
Income tax benefit	<u>(183)</u>	<u>(132)</u>	<u>(147)</u>
Income from continuing operations	605	542	446
Discontinued operations (Note 3):			
Income from discontinued operations	—	—	22
Income tax expense	—	—	6
Income on discontinued operations	<u>—</u>	<u>—</u>	<u>16</u>
Net income	<u>\$ 605</u>	<u>\$ 542</u>	<u>\$ 462</u>

The accompanying notes are an integral part of these financial statements.

Midwest Capital Group, Inc.
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 395
Total	<u>\$ _____ -</u>	<u>\$ _____ 395</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of MHC Inc., the parent company of Midwest Capital Group, Inc.

Northern Natural Gas Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ <u>1,520</u>	\$ <u>200,866</u>
Total	<u>\$ 1,520</u>	<u>\$ 200,866</u>
Basis of pricing	(a)	(a)
Cost of service	(a)	(a)
The margin of charges over costs	None	None
Assets allocable to the services	None	None
The overall rate of return on assets	None	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amounts in the table above reflect the cost of the services.

For further information on the following financial statements, refer to the Northern Natural Gas Company Financial Statements for the year ended December 31, 2017, at www.berkshirehathawayenergyco.com.

Northern Natural Gas Company
Balance Sheets
(Amounts in thousands, except share data)

	As of December 31,	
	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 21,005	\$ 48,398
Accounts receivable, net	82,748	75,147
Accounts receivable from affiliates	8,953	8,708
Notes receivable from BHE	175,000	155,000
Transportation and exchange gas receivables	14,098	12,028
Inventories	30,038	28,314
Income tax receivable	9,998	—
Other current assets	18,059	10,057
Total current assets	359,899	337,652
Property, plant and equipment, net	3,015,628	2,812,523
Regulatory assets	128,723	150,436
Other assets	45,003	40,969
Total assets	\$ 3,549,253	\$ 3,341,580
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 54,779	\$ 44,312
Accounts payable to affiliates	1,401	1,253
Accrued interest	12,260	12,260
Accrued property, income and other taxes	52,030	55,501
Transportation and exchange gas payables	11,167	10,630
Derivative contracts	12,224	14,025
Current portion of long-term debt	199,871	—
Other current liabilities	24,614	35,446
Total current liabilities	368,346	173,427
Regulatory liabilities	455,299	25,393
Derivative contracts	—	50,507
Asset retirement obligations	32,367	32,676
Long-term debt	595,922	795,478
Deferred income taxes	495,073	832,758
Other long-term liabilities	22,208	21,923
Total liabilities	1,969,215	1,932,162
Commitments and contingencies (Notes 9 and 12)		
Shareholder's equity:		
Series A preferred stock - 1,000 shares authorized, \$0.01 par value, no shares issued and outstanding	—	—
Common stock - 10,000 shares authorized, \$1.00 par value, 1,002 shares issued and outstanding	1	1
Additional paid-in capital	981,868	981,868
Retained earnings	598,169	427,549
Total shareholder's equity	1,580,038	1,409,418
Total liabilities and shareholder's equity	\$ 3,549,253	\$ 3,341,580

The accompanying notes are an integral part of these financial statements.

Northern Natural Gas Company
Statements of Income
(Amounts in thousands)

	Years Ended December 31,	
	2017	2016
Operating revenue:		
Transportation	\$ 590,115	\$ 556,768
Storage	70,774	68,701
Gas, liquids and other sales	30,331	10,950
Total operating revenue	691,220	636,419
Operating costs and expenses:		
Operating and maintenance	217,647	196,499
Cost of gas and liquids sales	34,330	16,577
Depreciation and amortization	76,909	74,360
Taxes, other than income taxes	51,972	52,342
Total operating costs and expenses	380,858	339,778
Operating income	310,362	296,641
Other income (expense):		
Interest expense, net	(38,213)	(38,721)
Interest income	4,439	1,779
Other, net	12,862	6,423
Total other income (expense)	(20,912)	(30,519)
Income before income tax expense	289,450	266,122
Income tax expense	118,830	106,743
Net income	\$ 170,620	\$ 159,379

The accompanying notes are an integral part of these financial statements.

Northern Powergrid Holdings Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 74,290
Total	<u>\$ _____ -</u>	<u>\$ _____ 74,290</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the indirect parent company of Northern Powergrid Holdings Company.

NV Energy, Inc.
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ <u>5,013</u>	\$ <u>107,956</u>
Total	<u>\$ 5,013</u>	<u>\$ 107,956</u>
Basis of pricing	(a)	(a)
Cost of service	(a)	(a)
The margin of charges over costs	None	None
Assets allocable to the services	None	None
The overall rate of return on assets	None	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amounts in the table above reflect the cost of the services.

For further information on the following financial statements, refer to the NV Energy, Inc. and Subsidiaries Consolidated Financial Statements (Unaudited) for the year ended December 31, 2017, at www.berkshirehathawayenergyco.com.

NV ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Amounts in millions, except share data)

		<u>As of December 31,</u>	
		<u>2017</u>	<u>2016</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$	62	\$ 330
Accounts receivable, net		341	293
Inventories		108	118
Regulatory assets		60	45
Other current assets		61	51
Total current assets		<u>632</u>	<u>837</u>
Property, plant and equipment, net		9,769	9,819
Regulatory assets		1,242	1,410
Other assets		65	64
		<u> </u>	<u> </u>
Total assets	\$	<u>11,708</u>	\$ <u>12,130</u>
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities:			
Accounts payable	\$	203	\$ 234
Accrued interest		66	66
Accrued property, income and other taxes		36	35
Regulatory liabilities		110	106
Current portion of long-term debt and financial and capital lease obligations		844	18
Customer deposits		88	95
Other current liabilities		28	50
Total current liabilities		<u>1,375</u>	<u>604</u>
NV Energy long-term debt		314	313
Subsidiary long-term debt and financial and capital lease obligations		3,385	4,201
Regulatory liabilities		1,511	637
Deferred income taxes		1,098	2,035
Other long-term liabilities		394	405
Total liabilities		<u>8,077</u>	<u>8,195</u>
Commitments and contingencies (Note 14)			
Shareholder's equity:			
Common stock - 1,000 shares authorized, \$0.01 par value, 1 share issued and outstanding		—	—
Other paid-in capital		3,128	3,128
Retained earnings		509	811
Accumulated other comprehensive loss, net		(6)	(4)
Total shareholder's equity		<u>3,631</u>	<u>3,935</u>
		<u> </u>	<u> </u>
Total liabilities and shareholder's equity	\$	<u>11,708</u>	\$ <u>12,130</u>

The accompanying notes are an integral part of the consolidated financial statements.

NV ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in millions)

	Years Ended December 31,	
	2017	2016
Operating revenue:		
Regulated electric	\$ 2,919	\$ 2,785
Regulated natural gas	99	110
Nonregulated	(2)	—
Total operating revenue	3,016	2,895
Operating costs and expenses:		
Cost of fuel, energy and capacity	1,170	1,033
Natural gas purchased for resale	42	55
Operations and maintenance	563	568
Depreciation and amortization	422	421
Property and other taxes	64	62
Total operating costs and expenses	2,261	2,139
Operating income	755	756
Other income (expense):		
Interest expense	(242)	(259)
Allowance for borrowed funds	3	8
Allowance for equity funds	4	1
Other, net	28	29
Total other income (expense)	(207)	(221)
Income before income tax expense	548	535
Income tax expense	204	194
Net income	\$ 344	\$ 341

The accompanying notes are an integral part of these consolidated financial statements.

Nevada Power Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Wholesale energy purchases	\$ 913,111	\$ -
Transmission line losses	163,193	-
Settlement adjustment	(25,327)	-
Electricity transmission services	1,354,137	177,438
Transmission ancillary services	79,558	7,847
Wholesale energy sales	-	428,427
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	<u>115,941</u>	<u>111,586</u>
Total	<u>\$ 2,600,613</u>	<u>\$ 725,298</u>

Basis of pricing	(a)	(b)	(a)	(b)
Cost of service	(a)	(b)	(a)	(b)
The margin of charges over costs	(a)	N/A	(a)	N/A
Assets allocable to the services	(a)	N/A	(a)	N/A
The overall rate of return on assets	(a)	N/A	(a)	N/A

(a) Wholesale energy purchases and sales are priced based on a negotiated rate capped by the selling entity’s cost. Electricity transmission services and ancillary transmission services provided by Nevada Power Company (“Nevada Power”) are priced pursuant to Nevada Power’s Open Access Transmission Tariff (“OATT”). Transmission line losses provided by Nevada Power are priced pursuant to a Nevada Power OATT schedule. Electricity transmission services provided by PacifiCorp are priced based on a formula rate on file with the Federal Energy Regulatory Commission (“FERC”). Transmission ancillary services provided by PacifiCorp are priced pursuant to PacifiCorp’s OATT Schedules.

(b) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

For further information on the following financial statements, refer to Nevada Power Company’s Form 10-K for the year ended December 31, 2017 (File No. 000-52378) at www.sec.gov.

NEVADA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in millions, except share data)

ASSETS	As of December 31,	
	2017	2016
Current assets:		
Cash and cash equivalents	\$ 57	\$ 279
Accounts receivable, net	238	243
Inventories	59	73
Regulatory assets	28	20
Other current assets	44	38
Total current assets	426	653
Property, plant and equipment, net	6,877	6,997
Regulatory assets	941	1,000
Other assets	35	39
Total assets	\$ 8,279	\$ 8,689
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 156	\$ 187
Accrued interest	50	50
Accrued property, income and other taxes	63	93
Regulatory liabilities	91	37
Current portion of long-term debt and financial and capital lease obligations	842	17
Customer deposits	73	78
Other current liabilities	16	39
Total current liabilities	1,291	501
Long-term debt and financial and capital lease obligations	2,233	3,049
Regulatory liabilities	1,030	416
Deferred income taxes	767	1,474
Other long-term liabilities	280	277
Total liabilities	5,601	5,717
Commitments and contingencies (Note 14)		
Shareholder's equity:		
Common stock - \$1.00 stated value, 1,000 shares authorized, issued and outstanding	—	—
Other paid-in capital	2,308	2,308
Retained earnings	374	667
Accumulated other comprehensive loss, net	(4)	(3)
Total shareholder's equity	2,678	2,972
Total liabilities and shareholder's equity	\$ 8,279	\$ 8,689

The accompanying notes are an integral part of the consolidated financial statements.

NEVADA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in millions)

	Years Ended December 31,		
	2017	2016	2015
Operating revenue	\$ 2,206	\$ 2,083	\$ 2,402
Operating costs and expenses:			
Cost of fuel, energy and capacity	902	768	1,084
Operations and maintenance	393	394	372
Depreciation and amortization	308	303	297
Property and other taxes	40	38	36
Total operating costs and expenses	<u>1,643</u>	<u>1,503</u>	<u>1,789</u>
Operating income	<u>563</u>	<u>580</u>	<u>613</u>
Other income (expense):			
Interest expense	(179)	(185)	(190)
Allowance for borrowed funds	1	4	3
Allowance for equity funds	1	2	4
Other, net	25	24	20
Total other income (expense)	<u>(152)</u>	<u>(155)</u>	<u>(163)</u>
Income before income tax expense	411	425	450
Income tax expense	156	146	162
Net income	<u>\$ 255</u>	<u>\$ 279</u>	<u>\$ 288</u>

The accompanying notes are an integral part of these consolidated financial statements.

Sierra Pacific Power Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Electricity transmission services	\$ 893	\$ -
Transmission ancillary services	121	3,133
Electricity transmission service over agreed-upon facilities	-	29,177
Operations and maintenance	-	(16,793)
Reserve share	1,387	1,820
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	<u>128</u>	<u>63,103</u>
Total	<u>\$ 2,529</u>	<u>\$ 80,440</u>

Basis of pricing	(a)	(b)	(a)	(b)
Cost of service	(a)	(b)	(a)	(b)
The margin of charges over costs	(a)	N/A	(a)	N/A
Assets allocable to the services	(a)	N/A	(a)	N/A
The overall rate of return on assets	(a)	N/A	(a)	N/A

(a) Electricity transmission services provided by Sierra Pacific Power Company (“Sierra Pacific”) are priced pursuant to Sierra Pacific’s Open Access Transmission Tariff (“OATT”). Transmission ancillary services provided by PacifiCorp are priced pursuant to PacifiCorp’s OATT Schedules. Electricity transmission services over agreed-upon facilities are priced based on a rate schedule negotiated per the contract between PacifiCorp and Sierra Pacific. Operations and maintenance costs are ultimately based on PacifiCorp’s share of actual operations and maintenance costs incurred. Reserve share is at standard pricing based on the Northwest Power Pool Reserve Sharing Agreement.

(b) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amounts in the table above reflect the cost of the services.

For further information on the following financial statements, refer to Sierra Pacific Power Company’s Form 10-K for the year ended December 31, 2017 (File No. 000-00508) at www.sec.gov.

SIERRA PACIFIC POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in millions, except share data)

	As of December 31,	
	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4	\$ 55
Accounts receivable, net	112	117
Inventories	49	45
Regulatory assets	32	25
Other current assets	17	13
Total current assets	214	255
Property, plant and equipment, net	2,892	2,822
Regulatory assets	300	410
Other assets	7	6
Total assets	\$ 3,413	\$ 3,493
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 92	\$ 146
Accrued interest	14	14
Accrued property, income and other taxes	10	10
Regulatory liabilities	19	69
Current portion of long-term debt and financial and capital lease obligations	2	1
Customer deposits	15	16
Other current liabilities	12	12
Total current liabilities	164	268
Long-term debt and financial and capital lease obligations	1,152	1,152
Regulatory liabilities	481	221
Deferred income taxes	330	617
Other long-term liabilities	114	127
Total liabilities	2,241	2,385
Commitments and contingencies (Note 13)		
Shareholder's equity:		
Common stock - \$3.75 stated value, 20,000,000 shares authorized and 1,000 issued and outstanding	—	—
Other paid-in capital	1,111	1,111
Retained earnings (accumulated deficit)	62	(2)
Accumulated other comprehensive loss, net	(1)	(1)
Total shareholder's equity	1,172	1,108
Total liabilities and shareholder's equity	\$ 3,413	\$ 3,493

The accompanying notes are an integral part of the consolidated financial statements.

SIERRA PACIFIC POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in millions)

	Years Ended December 31,		
	2017	2016	2015
Operating revenue:			
Electric	\$ 713	\$ 702	\$ 810
Natural gas	99	110	137
Total operating revenue	<u>812</u>	<u>812</u>	<u>947</u>
Operating costs and expenses:			
Cost of fuel, energy and capacity	268	265	374
Natural gas purchased for resale	42	55	84
Operations and maintenance	166	170	167
Depreciation and amortization	114	118	113
Property and other taxes	24	24	25
Total operating costs and expenses	<u>614</u>	<u>632</u>	<u>763</u>
Operating income	<u>198</u>	<u>180</u>	<u>184</u>
Other income (expense):			
Interest expense	(43)	(54)	(61)
Allowance for borrowed funds	2	4	2
Allowance for equity funds	3	(1)	2
Other, net	4	4	3
Total other income (expense)	<u>(34)</u>	<u>(47)</u>	<u>(54)</u>
Income before income tax expense	164	133	130
Income tax expense	55	49	47
Net income	<u>\$ 109</u>	<u>\$ 84</u>	<u>\$ 83</u>

The accompanying notes are an integral part of these consolidated financial statements.

MidAmerican Energy Services, LLC
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ _____ -	\$ _____ 6,755
Total	<u>\$ _____ -</u>	<u>\$ _____ 6,755</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Services are performed under the IASA. Direct charges are calculated as described in Article 4(a)(i) of the attached IASA. Refer to Section VII for discussion of amounts that were based on allocation factors. The amount in the table above reflects the cost of the services.

Refer to the financial statements of Berkshire Hathaway Energy Company, the indirect parent company of MidAmerican Energy Services, LLC.

PPW Holdings LLC
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
N/A	\$ _____ -	\$ _____ -
Total	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Basis of pricing	N/A	N/A
Cost of service	N/A	N/A
The margin of charges over costs	N/A	N/A
Assets allocable to the services	N/A	N/A
The overall rate of return on assets	N/A	N/A

During the year ended December 31, 2017, PacifiCorp paid dividends of \$600,000,000 to PPW Holdings LLC.

PacifiCorp is party to an income tax-sharing arrangement and is part of the Berkshire Hathaway Inc. United States federal income tax return. For certain state income taxes, PacifiCorp is part of Berkshire Hathaway Energy Company (“BHE”) combined or consolidated state income tax returns. PacifiCorp’s provision for income taxes has been computed on a stand-alone basis. PacifiCorp remits federal and certain state income tax payments to PPW Holdings LLC. PPW Holdings LLC then remits income tax payments to BHE, and BHE remits any federal income tax payments to Berkshire Hathaway Inc. At December 31, 2017, PPW Holdings LLC owed PacifiCorp \$65,569,497, and Pacific Minerals, Inc. owed PPW Holdings LLC \$6,351,524 under this arrangement.

PPW HOLDINGS LLC

BALANCE SHEET

December 31, 2017

(Amounts in thousands)

ASSETS

Current assets:		
Accounts receivable, net	\$	3,428
Amounts due from affiliates		<u>66</u>
Total current assets		3,494
Investment in subsidiaries		7,567,730
Goodwill		1,126,642
Other assets		<u>34,900</u>
Total assets	\$	<u><u>8,732,766</u></u>

LIABILITIES AND EQUITY

Current liabilities:		
Accounts payable	\$	<u>25</u>
Total current liabilities		25
Equity:		
Common stock		-
Additional paid-in capital		6,217,086
Retained earnings		2,512,038
Accumulated other comprehensive income, net		<u>3,618</u>
Total equity		<u><u>8,732,742</u></u>
Total liabilities and equity	\$	<u><u>8,732,766</u></u>

PPW HOLDINGS LLC
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2017
(Amounts in thousands)

Operating revenue	\$	-
Operating costs and expenses:		
Energy costs		0
Operations and maintenance		(288)
Depreciation and amortization		0
Total operating costs and expenses		(288)
Operating income		288
Other income (expense):		
Interest expense		0
Interest income		2,317
Other		768,437
Total other income (expense)		770,754
Income before income tax benefit		771,042
Income tax benefit		1,573
Net income		769,469
Net income attributable to noncontrolling interests		162
Net income attributable to PPW Holdings LLC	\$	769,307

**Energy West Mining Company
Intercompany Transactions
For the Year Ended December 31, 2017**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Clean-up costs	\$ _____ -	\$ _____ 33,511
Total	<u>\$ _____ -</u>	<u>\$ _____ 33,511</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	None	None
Assets allocable to the services	None	None
The overall rate of return on assets	None	None

(a) Costs incurred by PacifiCorp on behalf of subsidiaries are charged at direct cost. Labor is charged at PacifiCorp's fully loaded cost plus administrative and general expense.

Energy West Mining Company is a wholly owned subsidiary of PacifiCorp.

ENERGY WEST MINING COMPANY

BALANCE SHEET

December 31, 2017

(Amounts in thousands)

ASSETS

Current assets:	
Cash and cash equivalents	\$ 100
Accounts receivable, net	15
Amounts due from affiliates	469
Other current assets	11
Total current assets	<u>595</u>
Other assets:	
Long-term notes receivable - affiliates	115,119
Total other assets	<u>115,119</u>
Total assets	<u><u>\$ 115,714</u></u>

LIABILITIES AND EQUITY

Current liabilities:	
Accounts payable	\$ 378
Accrued employee expenses	214
Accrued property and other taxes	2
Total current liabilities	<u>594</u>
Non-current liabilities:	
Pension and post-retirement obligations	115,119
Total non-current liabilities	<u>115,119</u>
Total liabilities	<u>115,713</u>
Equity:	
Common stock	1
Additional paid-in capital	-
Total equity	<u>1</u>
Total liabilities and equity	<u><u>\$ 115,714</u></u>

Fossil Rock Fuels, LLC
Intercompany Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
N/A	\$ _____ -	\$ _____ -
Total	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Basis of pricing	N/A	N/A
Cost of service	N/A	N/A
The margin of charges over costs	N/A	N/A
Assets allocable to the services	N/A	N/A
The overall rate of return on assets	N/A	N/A

Fossil Rock Fuels, LLC (“Fossil Rock”) is a wholly owned subsidiary of PacifiCorp.

During the year ended December 31, 2017, Fossil Rock paid earnings dividends of \$3,394,000, and return of capital dividends of \$1,835,000 to PacifiCorp.

FOSSIL ROCK FUELS, LLC
BALANCE SHEET
December 31, 2017
(Amounts in thousands)

ASSETS

Current assets:	
Cash and cash equivalents	\$ 4
Accounts receivable, net	2,667
Total current assets	2,671
Notes receivable-noncurrent	25,000
Total assets	\$ 27,671

LIABILITIES AND EQUITY

Equity:	
Common stock	\$ -
Additional paid-in capital	27,670
Retained earnings	1
Total equity	27,671
Total liabilities and equity	\$ 27,671

FOSSIL ROCK FUELS, LLC
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2017
(Amounts in thousands)

Operating revenue	\$	<u>-</u>
Operations and maintenance		<u>4</u>
Notes receivable-noncurrent		<u>(4)</u>
Other income (expense):		
Interest income		<u>2,883</u>
Total other income (expense)		<u>2,883</u>
Loss before income tax benefit		2,879
Income tax benefit		<u>-</u>
Net loss	\$	<u><u>2,879</u></u>

**Interwest Mining Company
Intercompany Transactions
For the Year Ended December 31, 2017**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative support services	\$ 160,602	\$ -
Financial support services and employee benefits	<u>-</u>	<u>271,111</u>
Total	<u>\$ 160,602</u>	<u>\$ 271,111</u>

Basis of pricing	(a)	(b)
Cost of service	(a)	(b)
The margin of charges over costs	None	None
Assets allocable to the services	None	None
The overall rate of return on assets	None	None

(a) Under the terms of a services agreement between PacifiCorp and Interwest Mining Company ("Interwest Mining"), administrative support services provided by Interwest Mining are fully absorbed by PacifiCorp and its affiliates, and charges for the services are based on labor, benefits and operational cost. No profit is allowed.

(b) Costs incurred by PacifiCorp on behalf of subsidiaries are charged at direct cost. Labor is charged at PacifiCorp's fully loaded cost plus administrative and general expense.

Interwest Mining is a wholly owned subsidiary of PacifiCorp.

The following items are excluded from the table above:

- Management fees in the amount of \$729,828 that were charged by Interwest Mining to Pacific Minerals, Inc. ("PMI"), and then charged by PMI to Bridger Coal Company.

INTERWEST MINING COMPANY
BALANCE SHEET
December 31, 2017
(Amounts in thousands)

ASSETS

Current assets:	
Amounts due from affiliates	\$ 17
Total assets	\$ 17

LIABILITIES AND EQUITY

Current liabilities:	
Accounts payable	\$ 3
Accrued employee expenses	\$ 7
Accrued property and other taxes	5
Total liabilities	16
Equity:	
Common stock	1
Additional paid-in-capital	-
Total equity	1
Total liabilities and equity	\$ 17

Pacific Minerals, Inc.
Intercompany Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
(a)	\$ _____ -	\$ _____ -
Total	<u>\$ _____ -</u>	<u>\$ _____ -</u>
Basis of pricing	N/A	N/A
Cost of service	N/A	N/A
The margin of charges over costs	N/A	N/A
Assets allocable to the services	N/A	N/A
The overall rate of return on assets	N/A	N/A

(a) Refer to Section III for information regarding loans and associated interest between PacifiCorp and Pacific Minerals, Inc. ("PMI").

PMI is a wholly owned subsidiary of PacifiCorp.

The following items are excluded from the table above:

- Management fees in the amount of \$729,828 that were charged by Interwest Mining Company to PMI, and then charged by PMI to Bridger Coal Company ("Bridger Coal").
- Employee services provided by PMI to Bridger Coal. PMI is the entity that employs the individuals that work for Bridger Coal. PMI charges Bridger Coal for these employees' services, including labor, pensions and benefits costs. Bridger Coal then inherently charges PacifiCorp for its 66.67% share of this payroll expense in the cost of fuel.

During the year ended December 31, 2017, Bridger Coal made equity distributions to PMI and PMI made equity contributions to Bridger Coal for a net distribution of \$46,000,000.

During the year ended December 31, 2017, PMI paid a dividend of \$27,000,000 to PacifiCorp.

PacifiCorp is party to an income tax-sharing arrangement and is part of the Berkshire Hathaway Inc. United States federal income tax return. For certain state income taxes, PacifiCorp is part of Berkshire Hathaway Energy Company ("BHE") combined or consolidated state income tax returns. PacifiCorp's provision for income taxes has been computed on a stand-alone basis. PacifiCorp remits federal and certain state income tax payments to PPW Holdings LLC. PPW Holdings LLC then remits income tax payments to BHE, and BHE remits any federal income tax payments to Berkshire Hathaway Inc. At December 31, 2017, PMI owed PPW Holdings LLC \$6,351,524 under this arrangement.

PACIFIC MINERALS, INC.

BALANCE SHEET

December 31, 2017

(Amounts in thousands)

ASSETS

Current assets:	
Cash and cash equivalents	\$ 338
Accounts receivable, net	-
Amounts due from affiliates	12,458
Other current assets	6
Total current assets	<u>12,802</u>
Investment in unconsolidated subsidiaries	<u>137,133</u>
Total assets	<u>\$ 149,935</u>

LIABILITIES AND EQUITY

Current liabilities:	
Accounts payable	\$ 71
Amounts due to affiliates	-
Accrued employee expenses	3,491
Accrued property and other taxes	111
Total current liabilities	<u>3,673</u>
Deferred income taxes	<u>1,696</u>
Total liabilities	<u>5,369</u>
Equity:	
Common stock	-
Additional paid-in capital	47,960
Retained earnings	96,606
Total equity	<u>144,566</u>
Total liabilities and equity	<u>\$ 149,935</u>

Bridger Coal Company

Affiliated Transactions

For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Coal purchases ^(a)	\$ 154,323,994	\$ -
Information technology and administrative services	<u>-</u>	<u>1,118,025</u>
Total	<u>\$ 154,323,994</u>	<u>\$ 1,118,025</u>

Basis of pricing	(b)	(c)
Cost of service	(b)	(c)
The margin of charges over costs	None, (b)	None
Assets allocable to the services	None	None
The overall rate of return on assets	None	None

(a) Represents the cost of coal purchased by PacifiCorp from Bridger Coal Company (“Bridger Coal”) during the year ended December 31, 2017, and is PacifiCorp’s 66.67% share equal to its ownership interest in Bridger Coal. Refer also to (b) below.

(b) Although coal purchased from Bridger Coal is priced at Bridger Coal’s cost plus a margin, coal purchases are reflected on PacifiCorp’s books at Bridger Coal’s cost and any margin is eliminated resulting in both fuel inventory and fuel expense being reflected at Bridger Coal’s cost in PacifiCorp’s state ratemaking and generally accepted accounting principles books. Costs are reflected as fuel inventory upon purchase and recognized as fuel expense as consumed.

(c) Costs incurred by PacifiCorp on behalf of Bridger Coal are charged at direct cost. Labor is charged at PacifiCorp’s fully loaded cost plus administrative and general expense.

During the year ended December 31, 2017, Bridger Coal made equity distributions to Pacific Minerals, Inc. (“PMI”) and PMI made equity contributions to Bridger Coal for a net distribution of \$46,000,000.

The following items are excluded from the table above:

- Management fees in the amount of \$729,828 that were charged by Interwest Mining Company to PMI, and then charged by PMI to Bridger Coal.
- Services provided by HomeServices of America, Inc. to Bridger Coal in the amount of \$125,966.
- Services provided by MidAmerican Energy Company to Bridger Coal in the amount of \$694.
- Employee services provided by PMI to Bridger Coal. PMI is the entity that employs the individuals that work for Bridger Coal. PMI charges Bridger Coal for these employees’ services, including labor, pensions and benefits costs. Bridger Coal then inherently charges PacifiCorp for its 66.67% share of this payroll expense as part of the coal purchases shown in the table above.

Dec-17

	Bridger Coal Company Current Balance	Bridger Coal Company Current Balance	
ASSETS		LIABILITIES	
Cash & Temporary Investments		Accounts Payable - Trade	
Cash JP Morgan Chase	3,366,519.10	AP Goods Received Not Invoiced	-1,336,971.48
Total Cash and Temporary Investments	3,366,519.10	AP Unpaid Invoices	-3,206,882.42
Accounts Receivable Trade		AP Manual Accruals	-2,060,299.76
AR Trade Idaho Power	7,747,970.00	Accrued Settlement Provisions	<u>-35,958.00</u>
AR Trade Return to Vendors	0.00	Total Accounts Payable Trade	-6,640,111.66
AR Employee Travel Advan	0.00	Accounts Payable Intercompany	
AR Trade Other	463.03	AP Inco Pacific Electric Operations	
Total Accounts Receivable Trade	7,748,433.03	AP Inco PMI	-4,662,998.47
Accounts Receivable Interco		AP Inco PacificCorp	-267,543.90
AR Inco PP&L	15,495,997.00	Total Accounts Payable Intercompany	-4,930,542.37
Total Accounts Receivable Interco	15,495,997.00	Payroll Liabilities	
Coal Inventory		Accrued Bonus - AIP Corporate	-898,125.60
Surface Coal	102,554.65	Accrued Bonus - Other	660,373.79
Commingled Coal	7,643,440.20	Total Payroll Liabilities	-237,751.81
UG CM/LW Coal	40,751,344.52	Royalties and Taxes Payable	
Inventoried Coal Production Tax/Royalties	2,875,450.60	Accrued Royalties - BLM	-3,213,493.91
Total Coal Inventory	51,372,789.97	Accrued Royalties - ALC	-373,065.83
Material and Supplies Inventory		Accrued Royalties - State of Wyoming	-273,264.57
Materials and Supplies Inventory- Surface	10,023,782.77	Production Tax Payable - Severance	-1,104,587.56
Materials and Supplies Inventory- Underground	8,317,937.64	Production Tax Payable - Wyoming Extraction	-10,197,610.28
Total Material and Supplies Inventory	18,341,720.41	Production Tax Payable - Federal Reclamation	-283,563.36
Prepayments and Other Current Assets		Production Tax Payable - Black Lung	-109,559.45
Total Prepays & Other Current Assets	0.00	Taxes Payable - Property	-751,508.49
Investment in Subsidiary		Taxes Payable - Sales & Use	<u>-471,078.21</u>
Total Investment in Subsidiary	0.00	Total Taxes Payable	-16,777,731.66
Property Plant & Equipment		Other Non-Current Liabilities	
Land	6,211.00	Production Tax Long Term	-4,594,123.51
Land Improvements	12,207,676.14	ARO Reg. Liab. Unrealized Earnings	-18,817,661.71
Mine Development	20,738,656.74	ARO Regulatory Liability	-40,603,771.18
Buildings & Improvements	45,831,105.93	ARO Liability	-115,421,606.49
Capitalized Interest	410,399.65	Minority Interest	
Haul Roads	15,370,873.97	Total Other Non-Current Liabilities	<u>-179,437,162.89</u>
Mining Equipment	209,527,912.77	Total-Liabilities	<u>-208,023,300.39</u>
Vehicles	151,561,108.17		
Office Furniture & Equipment	160,487.65	Equity	
Computer Hardware & Software	4,083,381.92	Owner's Equity - Common Stock	
Other Equipment	11,117,474.39	Total Owner's Equity - Common Stock	0.00
Mineral Rights	15,520,571.88	Paid-in Capital	
Sub-Total Property Plant and Equipment	486,535,860.21	Total Paid In Capital	0.00
Accumulated Depreciation		Contributions	
AD Land Improvements	-8,184,994.15	Contributions - Pacific Minerals Inc.	-67,200,000.00
AD Mine Development	-13,696,932.55	Contributions - Idaho Energy Resources	<u>-33,600,000.00</u>
AD Buildings & Improvements	-28,405,764.67	Total Contributions	-100,800,000.00
AD Capitalized Interest	-289,440.87	Distributions	
AD Haul Roads	-11,452,990.13	Distributions - Pacific Minerals Inc.	113,200,000.00
AD Mining Equipment	-161,891,302.45	Distributions - Idaho Energy Resources	56,600,000.00
AD Vehicles	-104,289,338.45	Total Distributions	169,800,000.00
AD Office Furniture & Equipment	-124,018.71	Retained Earnings	
AD Computer Hardware & Software	-3,671,471.18	Retained Earnings	
AD Other Equipment	-8,371,305.68	Current Year Income	-27,802,216.48
AD Mineral Rights	-6,823,992.25	Retained Earnings Pacific Minerals Inc.	-164,597,797.05
Sub-Total Accumulated Depreciation	-347,201,551.09	Retained Earnings Idaho Energy Resources	<u>-82,298,898.48</u>
Total Property, Plant & Equipment	139,334,309.12	Total Retained Earnings	<u>-274,698,912.01</u>
Construction Work In Progress		Total Equity	<u>-205,698,912.01</u>
CWIP Additions	16,095,553.97	Total Liabilities and Equity	<u>-413,722,212.40</u>
CWIP Capitalizations	-13,134,306.99		
Total Construction Work in Progress	2,961,246.98		
Other Non-Current Assets			
Deferred Longwall	2,060,098.03		
Reclamation Trust Fund	38,520,236.92		
Reclamation Trust Earnings	108,825,419.41		
Reclamation Trust Tax Withheld	-5,757,510.90		
Reclamation Trust Market Value	18,817,661.71		
Reclamation Trust Drawdown	-113,238,754.92		
Reclamation Trust Adtl Contributions 2010	56,121,979.88		
Asset Retirement Obligation	130,383,741.00		
ARO - Accumulated Depreciation	-60,809,111.00		
Employee Housing Project	177,436.66		
Total Other Non-Current Assets	175,101,196.79		
Total - Assets	<u>413,722,212.40</u>		

Dec-17

**Bridger Coal
Company
Current Balance**

Current Year Income	Current Balance
Coal Sales Revenue	
Revenue Coal PP& L	-172,818,715.00
Revenue Coal Idaho Power	-86,409,417.00
Total Coal Sales Revenue	<u>-259,228,132.00</u>
Revenue Equity in Subsidiary	
Total Revenue Equity in Subsidiary	0.00
Other Operating Revenue	
Gain Loss on Sale of Assets	1,089,415.95
Total Other Operating Revenue	<u>1,089,415.95</u>
Total Revenue	<u>-258,138,716.05</u>
Operating Expense	
Labor	44,812,653.00
AIP Bonus	948,225.00
Payroll Overhead	13,709,667.96
Employee Related	1,345,780.18
Materials & Supplies	56,892,767.48
Outside Services	12,703,767.95
Administrative Other	927,960.59
Charge Outs	13,130,023.24
Total Operating Expense	<u>144,470,845.40</u>
Non-Operating Expense	
Depreciation and Amortization	41,192,689.67
Royalties	21,410,674.01
Taxes Other Than Income	22,395,661.84
Management Fee	1,009,200.00
Asset Abandonment	-143,000.00
Total Non-Operating Expense	<u>85,865,225.52</u>
Total Expense	<u>230,336,070.92</u>
Profit Before Minority Interest and Tax	<u>-27,802,645.13</u>
Interest Expense	
Other Interest Income	428.65
Total Interest and Other	<u>428.65</u>
Income Before Federal Income Tax	<u>-27,802,216.48</u>
Federal Income Taxes	
Total Federal Income Taxes	<u>0.00</u>
Net Income	<u><u>-27,802,216.48</u></u>

**PacifiCorp Foundation
Affiliated Transactions
For the Year Ended December 31, 2017**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative support services	\$ -	\$ 141,014
Total	<u>\$ -</u>	<u>\$ 141,014</u>
Basis of pricing	N/A	(a)
Cost of service	N/A	(a)
The margin of charges over costs	N/A	None
Assets allocable to the services	N/A	None
The overall rate of return on assets	N/A	None

(a) Costs incurred by PacifiCorp on behalf of affiliates are charged at direct cost. Labor is charged at PacifiCorp's fully loaded cost plus administrative and general expense.

PacifiCorp Foundation
Statement of Financial Position

(in dollars)
(Unaudited - Internal Use Only)

	<u>12/31/2017</u>
Assets:	
Cash	\$ 46,842
Restricted investments:	
Cash and cash equivalents	5,696
Interest receivable	27
Dividend receivable	-
Tax receivable	-
Receivable for investment sold	-
State Street investments	<u>50,508,742</u>
Total restricted investments	<u>50,514,465</u>
Total assets	<u><u>50,561,307</u></u>
Liabilities:	
Accounts payable	22,849
Grants payable	<u>260,000</u>
Total liabilities	<u>282,849</u>
Net assets	<u><u>\$ 50,278,457</u></u>

PacifiCorp Foundation
Statement of Income and Changes in Net Assets
For the Year Ended December 31, 2017

(in dollars)

(Unaudited - Internal Use Only)

	Year-to-Date
Revenue and contributions:	
Stock Contribution made by PacifiCorp	980,000
Interest income	\$ 1,224
Dividends	936,062
Realized gain/(loss) on sale of investment	514,434
Unrealized gain/(loss) on investment	6,171,950
Capital gains on partnership investments	-
Miscellaneous income: security litigation income	440
Total revenues/(losses) and contributions	8,604,110
Expenses:	
Grants:	
Health, welfare and social services	404,237
Education	385,950
Culture and arts	187,380
Civic and community betterment	118,500
Giving campaign match	311,399
Matching gift program	76,596
Small community capital projects	173,170
Rocky Mountain Power Foundation special grants	20,000
Pacific Power Foundation special grants	21,880
PacifiCorp Foundation special grants	2,500
Global Days of Service	80,000
Other Community Pledge	312,000
Grants approved for future periods	360,000
Grants expensed in prior periods	(100,000)
Total grants	2,353,613
Administrative expenses	162,370
Investment management fees	13,634
Taxes	61,932
Bank fees	2,873
Total expenses	2,594,422
Net assets increase (decrease)	6,009,688
Net assets beginning of period	44,268,769
Net assets end of period	\$ 50,278,457

**Trapper Mining Inc.
 Affiliated Transactions
 For the Year Ended December 31, 2017**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Coal purchases ^(a)	\$ 15,196,860	\$ -
Board of directors fees and associated board meeting costs ^(b)	<u>-</u>	<u>9,530</u>
Total	<u>\$ 15,196,860</u>	<u>\$ 9,530</u>
Basis of pricing	(b)	(c)
Cost of service	(b)	(c)
The margin of charges over costs	None, (b)	(c)
Assets allocable to the services	None	(c)
The overall rate of return on assets	None	(c)

(a) Represents the cost of coal purchased by PacifiCorp from Trapper Mining Inc. during the year ended December 31, 2017. Refer also to (c) below.

(b) Although coal purchased from Trapper Mining Inc. is priced at Trapper Mining Inc.'s cost plus a margin, coal purchases are reflected on PacifiCorp's books at Trapper Mining Inc.'s cost and any margin is eliminated resulting in both fuel inventory and fuel expense being reflected at Trapper Mining Inc.'s cost in PacifiCorp's state ratemaking and generally accepted accounting principles books. Costs are reflected as fuel inventory upon purchase and recognized as fuel expense as consumed.

(c) Charges for the board of directors' fees and associated board meeting costs are based on a flat fee of \$1,000 per board meeting plus lodging expenses.

During the year ended December 31, 2017, Trapper Mining Inc. paid a dividend of \$29,428 to PacifiCorp.

Trapper Mining Inc.
Consolidated Balance Sheet
December 31, 2017
(Unaudited)

Assets:

Current Assets:	
Cash & Cash Equivalents	\$ 18,738,235
Accounts Receivable	8,139,806
Inventories	6,377,274
Prepaid and Other Current Assets	485,891
Current Reclamation Receivable from Buyers	375,676
Total Current Assets	<u>\$ 34,116,882</u>
Property, Equipment and Facilities before FAS 143:	
Lands and Leases	\$ 17,748,984
Development Costs	2,834,815
Equipment and Facilities	126,322,483
Total Property, Equipment and Facilities (Cost)	<u>\$ 146,906,282</u>
Less Accumulated Depreciation and Amortization	<u>(116,676,314)</u>
Total Property, Equipment and Facilities (Net)	\$ 30,229,968
FAS 143 Property, Equipment and Facilities (Net) . .	<u>1,583,662</u>
Grand Total Property, Equipment and Facilities (Net)	\$ 31,813,630
Reclamation Receivable from Buyers	14,762,574
Restricted Funds - Black Lung	500,000
Advance Royalty - State 206-13	<u>60,000</u>
Total Assets	<u>\$ 81,253,086</u>

Liabilities and Members' Equity:

Current Liabilities:	
Accounts Payable	\$ 2,337,603
Accrued Payroll Expenses	3,158,539
Accrued Production Taxes	1,465,548
Accrued Royalties	922,947
Current Portion Asset Retirement Liability	375,676
Current Portion Long-Term Debt	<u>0</u>
Total Current Liabilities	\$ 8,260,313
Asset Retirement Liability	16,346,236
Black Lung Liability	<u>198,072</u>
Total Liabilities	\$ 24,804,621
Members' Equity	
Paid in Capital @ 1/1/98	\$ 20,324,925
Patronage Equity - Prior Year	31,294,249
Non-Patronage Equity - Prior Year	2,828,413
Patronage Equity - Current Year	2,069,623
Non-Patronage Equity - Current Year	<u>(68,745)</u>
Total Members' Equity	\$ 56,448,465
Total Liabilities and Members' Equity	<u>\$ 81,253,086</u>

Trapper Mining Inc.
Consolidated Net Income
As of: December 31, 2017
(Unaudited)

		NET INCOME FOR THE MONTH	NET INCOME YEAR TO DATE
TRAPPER MINING		\$ 974,476.94	2,236,738.97
WILLIAMS FORK MINING		(24.49)	(3,174.49)
WILLIAMS FORK LAND		<u>(2,578.97)</u>	<u>(232,687.93)</u>
NET INCOME (LOSS) BEFORE TAX		<u>\$ 971,873.48</u>	<u>\$ 2,000,876.55</u>
CURRENT TAX PROVISION		<u>1.00</u>	<u>1.00</u>
TOTAL TAX PROVISION		<u>1.00</u>	<u>1.00</u>
NET INCOME (LOSS) AFTER TAX		<u><u>\$ 971,874.48</u></u>	<u><u>2,000,877.55</u></u>
<hr/>			
SALT RIVER	32.10%	(72,020.56)	(22,067.29)
TRI-STATE	26.57%	(59,613.28)	(18,265.66)
PACIFICORP	21.40%	(48,013.70)	(14,711.52)
PLATTE RIVER	19.93%	<u>(44,715.57)</u>	<u>(13,700.97)</u>
TOTAL NONPATRONAGE INCOME (LOSS)		(224,363.11)	(68,745.44)
<hr/>			
SALT RIVER	32.10%	383,992.26	664,348.98
TRI-STATE	26.57%	317,840.33	549,898.83
PACIFICORP	21.40%	255,994.85	442,899.32
PLATTE RIVER	19.93%	<u>238,410.15</u>	<u>412,475.86</u>
TOTAL PATRONAGE INCOME (LOSS)		1,196,237.59	2,069,622.99
<hr/>			
TOTAL INCOME (LOSS)		<u><u>971,874.48</u></u>	<u><u>2,000,877.55</u></u>

Trapper Mining Inc.
Consolidated Patronage & Nonpatronage Income Allocation
As of: December 31, 2017

		NET INCOME \$ FOR THE MONTH	NET INCOME YEAR TO DATE
TRAPPER PATRONAGE INCOME		1,198,816.56	
TRAPPER NONPATRON INCOME		(224,338.62)	
TOTAL TRAPPER INCOME		974,477.94	
WFMC NONPATRONAGE INCOME		(24.49)	
WFLC PATRONAGE INCOME		(2,578.97)	
TOTAL CONSOLIDATED INCOME		971,874.48	
SALT RIVER	32.10%	384,820.11	739,041.80
TRI-STATE	26.57%	318,525.56	611,724.01
PACIFICORP	21.40%	256,546.75	492,694.54
PLATTE RIVER	19.93%	238,924.14	458,850.57
TOTAL TRAPPER PATRONAGE		1,198,816.56	2,302,310.92
SALT RIVER	32.10%	(72,012.70)	(21,048.28)
TRI-STATE	26.57%	(59,606.77)	(17,422.20)
PACIFICORP	21.40%	(48,008.46)	(14,032.18)
PLATTE RIVER	19.93%	(44,710.69)	(13,068.29)
TOTAL TRAPPER NONPATRON		(224,338.62)	(65,570.95)
TOTAL TRAPPER INCOME		974,477.94	2,236,739.97
SALT RIVER	32.10%	(7.86)	(1,019.01)
TRI-STATE	26.57%	(6.51)	(843.46)
PACIFICORP	21.40%	(5.24)	(679.34)
PLATTE RIVER	19.93%	(4.88)	(632.68)
TOTAL WFMC NONPATRONAGE		(24.49)	(3,174.49)
SALT RIVER	32.10%	(827.85)	(74,692.82)
TRI-STATE	26.57%	(685.23)	(61,825.18)
PACIFICORP	21.40%	(551.90)	(49,795.22)
PLATTE RIVER	19.93%	(513.99)	(46,374.71)
TOTAL WFLC PATRONAGE		(2,578.97)	(232,687.93)

Cottonwood Creek Consolidated Irrigation Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Annual assessment fees	\$ 333,443	\$ -
Total	<u>\$ 333,443</u>	<u>\$ -</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	None	N/A
Assets allocable to the services	None	N/A
The overall rate of return on assets	None	N/A

(a) Cottonwood Creek Consolidated Irrigation Company is a not-for-profit entity that operates at cost.

At December 31, 2017, PacifiCorp's plant-in-service included the following assets related to Cottonwood Creek Consolidated Irrigation Company: \$6,052,845 (\$5,021,682 net of accumulated depreciation) for a water supply project (including allowance for funds used during construction and capital surcharge) and \$65,431 (\$27,218 net of accumulated depreciation) for water rights.

Cottonwood Creek Consolidated Irrigation Company
Balance Sheet
For the Year Ended December 31, 2017

Account Name	Beginning Balance	Receipts	Disbursements	Ending Balance
Zions Bank - Payroll	1,422	41,479	41,514	1,387
Zions Bank - Construction	40,551	378,447	375,846	43,152
Zions Bank - Operating	338,683	487,484	384,752	441,416
Wells Fargo - Construction	2,000	-	-	2,000
MM - Zions Bank	1,169,975	1,404	249,542	921,836
MM - General Fund	200,111	29,342	-	229,453
Accounts Receivable	168,468	596,144	722,179	42,433
Grants Receivable	35,000	-	35,000	-
Certificate - Wells Fargo	10,135	15	-	10,150
Short Term - Wells Fargo	1,611	1	450	1,162
Property & Equipment	31,309,545	-	-	31,309,545
Work In Progress	-	206,607	-	206,607
Accounts Payable	(298,514)	298,514	350	(350)
Loan UT Water Resources	(5,784,874)	255,976	-	(5,528,898)
Totals	<u>27,194,111</u>	<u>2,295,414</u>	<u>1,809,632</u>	<u>27,679,894</u>

Cottonwood Creek Consolidated Irrigation Company
Income Statement
For the Year Ended December 31, 2017

Account Name	Beginning Balance	Receipts	Disbursements	Ending Balance
General Fund	248,551	153,976	45,566	356,961
Loan Payment	-	276,000	276,000	-
Interest Earnings	12,112	1,745	-	13,857
Stock Water Pipeline	42,526	9,750	10,585	41,691
Project Water Fund	-	22,424	22,424	-
River Commissioner	16,855	8,882	6,099	19,637
Swasey Ditch	2,329	907	-	3,235
Peacock Ditch	3,655	2,514	-	6,169
Joe's Valley/Black Caynon	(26,733)	7,804	-	(18,930)
Fund Adjustment Account	13,105,293	462,583	-	13,567,876
	<u>13,404,587</u>	<u>946,585</u>	<u>360,674</u>	<u>13,990,498</u>
O&M				
O&M Irrigation	35,006	45,591	45,591	35,006
Mammoth Canal		6,615	6,615	-
Clipper/Western Canal		10,702	10,702	-
Blue Cut Canal		1,066	1,066	-
	<u>35,006</u>	<u>63,973</u>	<u>63,973</u>	<u>35,006</u>
O&M Reservoir	<u>-</u>	<u>6,450</u>	<u>6,450</u>	<u>-</u>
Construction				
Project Capitalization	13,754,518	243,362	63,844	13,934,035
C&W	-	4,874	17,366	(12,492)
Adobe Wash Reservoir	-	-	42,327	(42,327)
Blue Cut	-	8,281	30,140	(21,859)
Upper Mammoth	-	40,445	80,552	(40,108)
Lower Mammoth	-	9,724	166,365	(156,640)
Jorgensen	-	-	6,220	(6,220)
	<u>13,754,518</u>	<u>306,685</u>	<u>406,814</u>	<u>13,654,389</u>
Totals	<u><u>27,194,111</u></u>	<u><u>1,323,694</u></u>	<u><u>837,911</u></u>	<u><u>27,679,894</u></u>

Ferron Canal & Reservoir Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Annual assessment fees	\$ 669,113	\$ -
Payment for water rights ^(a)	579,369	-
Credit received ^(a)	<u>(214,484)</u>	<u>-</u>
Total	<u>\$ 1,033,998</u>	<u>\$ -</u>
Basis of pricing	(b)	N/A
Cost of service	(b)	N/A
The margin of charges over costs	None	N/A
Assets allocable to the services	None	N/A
The overall rate of return on assets	None	N/A

(a) During the year ended December 31, 2017, PacifiCorp paid \$579,369 for the right to obtain 7,000 acre-feet of water for the year ended December 31, 2017. PacifiCorp received a credit of \$214,484 representing PacifiCorp's share of the water rights payment based on its percentage ownership in Ferron Canal & Reservoir Company.

(b) Under section 501(c)12 of the Internal Revenue Code, Ferron Canal & Reservoir Company operates at cost.

At December 31, 2017, PacifiCorp's plant-in-service included the following asset related to Ferron Canal & Reservoir Company: \$383,772 (\$159,640 net of accumulated depreciation) for water rights.

FERRON CANAL & RESERVOIR CO.

Balance Sheet

As of December 31, 2017

Cash Basis

	Dec 31, 17
ASSETS	
Current Assets	
Checking/Savings	
DESERVIEW CHECKING	247,395.32
DESERVIEW FEDERAL CREDIT UNION	
MASTER SHARES	1,338,785.39
SHARE ACCOUNT	28.13
Total DESERVIEW FEDERAL CREDIT UNION	<u>1,338,813.52</u>
MILLSITE REHABILITATION ACCOUNT	211,212.29
SEDIMENT MITIGATION ACCT	18,073.77
ZION'S BANK	233,140.11
Total Checking/Savings	<u>2,048,635.01</u>
Accounts Receivable	
Accounts Receivable	-1.76
Total Accounts Receivable	<u>-1.76</u>
Total Current Assets	<u>2,048,633.25</u>
TOTAL ASSETS	<u><u>2,048,633.25</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-210.76
Total Accounts Payable	<u>-210.76</u>
Other Current Liabilities	
Payroll Liabilities	671.06
Total Other Current Liabilities	<u>671.06</u>
Total Current Liabilities	<u>460.30</u>
Total Liabilities	460.30
Equity	
Retained Earnings	1,862,525.87
Net Income	185,647.08
Total Equity	<u>2,048,172.95</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,048,633.25</u></u>

FERRON CANAL & RESERVOIR CO.

Profit & Loss

January through December 2017

Cash Basis

	<u>Jan - Dec 17</u>
Income	
*WATER LEASE	4,000.00
INCOME	
CERTIFICATE TRANSFERS	65.00
MILLSITE REHAB STATE FUNDS	1,321,626.92
INCOME - Other	280,157.99
Total INCOME	<u>1,601,849.91</u>
REVENUE	892,047.61
Total Income	<u>2,497,897.52</u>
Gross Profit	2,497,897.52
Expense	
Bank Service Charge	9.60
EQUIPMENT	
LEASE	8,400.00
TOOLS	69.95
Total EQUIPMENT	<u>8,469.95</u>
GENERAL	
BOARDMEMBER	930.00
DREDGE	51,892.21
INSURANCE	30,210.58
LEGAL NOTICE	60.00
LOAN PAYMENTS	163,100.00
OFFICE SUPPLIES	3,101.82
PAYROLL EXPENSES	141,158.38
PERMITS	322.89
POWER	1,680.73
REGISTRATIONS	280.00
TELEPHONE	3,373.82
TRAVEL EXPENSE	1,393.20
WATER/POP/GROCERIES	1,672.31
GENERAL - Other	5,594.00
Total GENERAL	<u>404,769.94</u>
IRRIGATION	
REPAIRS	7,013.75
SUPPLIES	22,405.42
Total IRRIGATION	<u>29,419.17</u>
MAINTENANCE	
BUILDING	23,260.92
EQUIPMENT PURCHASES	145,440.00
EQUIPMENT REPAIRS	15,275.00
FUEL	14,958.79
SUPPLIES	11,793.97
Total MAINTENANCE	<u>210,728.68</u>
MILLSITE REHABILITATION	
EMERY COUNTY	1,404,284.36
MILLSITE REHABILITATION - Other	253,906.99
Total MILLSITE REHABILITATION	<u>1,658,191.35</u>
Reconciliation Discrepancies	-1.25

FERRON CANAL & RESERVOIR CO.

Profit & Loss

January through December 2017

Cash Basis

	Jan - Dec 17
VEHICLES REGISTRATION	663.00
Total VEHICLES	663.00
Total Expense	2,312,250.44
Net Income	185,647.08

Huntington Cleveland Irrigation Company
Affiliated Transactions
For the Year Ended December 31, 2017

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Annual assessment fees	\$ <u>528,309</u>	\$ <u>-</u>
Total	<u>\$ 528,309</u>	<u>\$ -</u>
Basis of pricing	(a)	N/A
Cost of service	(a)	N/A
The margin of charges over costs	None	N/A
Assets allocable to the services	None	N/A
The overall rate of return on assets	None	N/A

(a) Under section 501(c)12 of the Internal Revenue Code, Huntington Cleveland Irrigation Company operates at cost.

At December 31, 2017, PacifiCorp's plant-in-service included the following assets related to Huntington Cleveland Irrigation Company: \$22,075,411 (\$15,119,506 net of accumulated depreciation) for a water supply project (including allowance for funds used during construction and capital surcharge) and \$1,471,639 (\$489,798 net of accumulated depreciation) for water rights.

HUNTINGTON-CLEVELAND IRRIGATION COMPANY
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2017

	TOTAL ALL FUNDS	
	2016	2017
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 335,700	\$ 737,790
Restricted cash and cash equivalents	147,480	
Accounts receivable:		
Shareholder assessments	19,328	16,375
Other	1,076	
Contracts receivable:		
BOR - Restricted	133,503	
NRCS - Restricted	14,754	
Prepaid Insurance	3,886	5,849
	\$ 655,727	\$ 760,014
NONCURRENT ASSETS:		
Fixed Assets:		
Land	\$ 41,722	\$ 41,722
Easements	116,718	116,718
Water rights	3,096,469	3,096,469
Vehicles	13,737	13,737
Office equipment	5,840	5,840
Other equipment	7,807	13,540
Diversion structures	55,000	72,143
Storage facilities improvements	4,462,412	4,462,412
Irrigation System	56,858,889	56,925,942
Accumulated depreciation	(5,538,890)	(6,743,467)
	\$ 59,119,704	\$ 58,005,056
Total noncurrent assets	\$ 59,119,704	\$ 58,005,056
Total assets	\$ 59,775,431	\$ 58,765,070

"The accompanying notes are an integral part of this statement."

(Continued)

HUNTINGTON-CLEVELAND IRRIGATION COMPANY
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2017

	<u>TOTAL ALL FUNDS</u>	
	<u>2016</u>	<u>2017</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 437,327	\$ 5,217
Wages payable		4,342
Payroll taxes payable	474	2,309
Accrued interest payable	3,405	3,309
Current portion of long-term liabilities	<u>167,210</u>	<u>140,144</u>
Total current liabilities	<u>\$ 608,416</u>	<u>\$ 155,321</u>
LONG-TERM LIABILITIES:		
Notes payable (Note 6)	<u>\$ 3,067,082</u>	<u>\$ 2,955,138</u>
Total long-term liabilities	<u>\$ 3,067,082</u>	<u>\$ 2,955,138</u>
Total liabilities	<u>\$ 3,675,498</u>	<u>\$ 3,110,459</u>
NET ASSETS:		
Unrestricted:	\$ 5,798,401	\$ 55,654,611
Temporarily Restricted - Salinity Project	<u>50,301,532</u>	
Total net assets	<u>\$ 56,099,933</u>	<u>\$ 55,654,611</u>
Total liabilities and net assets	<u>\$ 59,775,431</u>	<u>\$ 58,765,070</u>

"The accompanying notes are an integral part of this statement."

HUNTINGTON-CLEVELAND IRRIGATION COMPANY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017

	2016			2017		
	UNRESTRICTED OPERATIONS & MAINTENANCE	TEMPORARILY RESTRICTED SALINITY PROJECT	TOTAL 2016	UNRESTRICTED OPERATIONS & MAINTENANCE	TEMPORARILY RESTRICTED SALINITY PROJECT	TOTAL 2017
Charges for Services:						
A Water Assessment	\$ 81,585		\$ 81,585	\$ 82,034		\$ 82,034
B Water Assessment	22,500		22,500	22,699		22,699
Municipal and Industry Assessment	577,747		577,747	577,832		577,832
Dam Repayment Assessment	28,950		28,950	28,734		28,734
Project Repayment/O & M Assessment	67,499		67,499	68,069		68,069
Upper Pond Assessment	64,930		64,930	65,031		65,031
Meter Assessment	33,150		33,150	33,150		33,150
Minimal Assessment Adjustments	2,612		2,612	2,536		2,536
Net charges for services	<u>\$ 878,973</u>	<u>\$</u>	<u>\$ 878,973</u>	<u>\$ 880,085</u>	<u>\$</u>	<u>\$ 880,085</u>
Governmental grants	<u>\$ 6,095</u>	<u>\$ 298,180</u>	<u>\$ 304,275</u>	<u>\$ 6,217</u>	<u>\$ 316,377</u>	<u>\$ 322,594</u>
Other Revenue:						
Payments from Stockholders (NRCS)		\$ 317,707	\$ 317,707		\$ 2,500	\$ 2,500
Certificate Transfers	\$ 2,760		2,760	\$ 2,178		2,178
Late Fees	2,393	2,257	4,650	1,788	97	1,885
Interest	1,337	169	1,506	1,326	231	1,557
Reimbursements	23,437		23,437	1,300		1,300
Net gain from salinity settlement					282,995	282,995
Miscellaneous	801		801	621	8,737	9,358
Total other revenue	<u>\$ 30,728</u>	<u>\$ 320,133</u>	<u>\$ 350,861</u>	<u>\$ 7,213</u>	<u>\$ 294,560</u>	<u>\$ 301,773</u>
Total revenues	<u>\$ 915,796</u>	<u>\$ 618,313</u>	<u>\$ 1,534,109</u>	<u>\$ 893,515</u>	<u>\$ 610,937</u>	<u>\$ 1,504,452</u>
Expenses:						
Program services:						
Water Master Wage	\$ 103,988		\$ 103,988	\$ 102,538		\$ 102,538
Reservoir Manager Wage	18,018		18,018	18,183		18,183
Other Labor Wage	3,299		3,299	3,141		3,141
Payroll Benefits	15,536		15,536	17,193		17,193
Machine Hire	9,500		9,500	7,940		7,940
Equipment Rental	250		250			
Non Employee Labor	316		316		\$ 5,220	5,220
Joe's Valley Dam Repayment	26,198		26,198	26,198		26,198
O&M - EWCD	30,821		30,821	30,821		30,821
Huntington Dam Repayment	11,154		11,154	11,154		11,154
Water System Maintenance	363,739		363,739	357,656		357,656
Water Rights Assessments	26,857		26,857	17,465		17,465
Beaver & Muskrat Control	1,030		1,030	440		440
Vehicle and Equipment Expense	13,348		13,348	7,740		7,740
Material and Supplies	15,368		15,368	3,012		3,012
Insurance	12,254		12,254	11,180		11,180
Depreciation	65,367	\$ 1,132,058	1,197,425	66,919	1,137,657	1,204,576
Interest expense					39,993	39,993
Miscellaneous	1,864		1,864	1,617		1,617
Total program expenses	<u>\$ 718,907</u>	<u>\$ 1,132,058</u>	<u>\$ 1,850,965</u>	<u>\$ 683,197</u>	<u>\$ 1,182,870</u>	<u>\$ 1,866,067</u>

"The accompanying notes are an integral part of this statement."

(Continued)

HUNTINGTON-CLEVELAND IRRIGATION COMPANY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2017

	2016			2017		
	UNRESTRICTED OPERATIONS & MAINTENANCE	TEMPORARILY RESTRICTED SALINITY PROJECT	TOTAL 2016	UNRESTRICTED OPERATIONS & MAINTENANCE	TEMPORARILY RESTRICTED SALINITY PROJECT	TOTAL 2017
Support Services:						
Secretary Wage	\$ 27,860		\$ 27,860	\$ 27,087		\$ 27,087
Payroll Benefits	900		900	2,072		2,072
Office Rent	3,300		3,300	3,600		3,600
Accounting and Auditing	6,070		6,070	6,270		6,270
Legal Fees	13,496		13,496	15,721	\$ 5,162	20,883
Telephone and Internet	5,187		5,187	5,878		5,878
Office Supplies	4,252		4,252	2,900		2,900
Postage	1,181		1,181	954		954
Meetings				50		50
Bank Charges and Fees	544		544	663		663
Travel	2,757		2,757	683	1,321	2,004
Miscellaneous	5,179		5,179	4,715		4,715
Total support services	\$ 70,726	\$...	\$ 70,726	\$ 70,593	\$ 6,483	\$ 77,076
Total expenses	\$ 789,633	\$ 1,132,058	\$ 1,921,691	\$ 753,790	\$ 1,189,353	\$ 1,943,143
Change in net assets before release of restrictions	\$ 126,163	\$ (513,745)	\$ (387,582)	\$ 139,725	\$ (578,416)	\$ (438,691)
Net assets released from temporary restriction: Completion of salinity project				\$ 49,723,116	\$ (49,723,116)	
Total net assets released from temporary restrictions	\$...	\$...	\$...	\$ 49,723,116	\$ (49,723,116)	\$...
Change in net assets	\$ 126,163	\$ (513,745)	\$ (387,582)	\$ 49,862,841	\$ (50,301,532)	\$ (438,691)
Net assets, beginning of year	5,672,238	50,815,277	56,487,515	5,798,401	50,301,532	56,099,933
Prior period adjustment				(6,631)		(6,631)
Net assets, end of year	\$ 5,798,401	\$ 50,301,532	\$ 56,099,933	\$ 55,654,611	\$...	\$ 55,654,611

"The accompanying notes are an integral part of this statement."

III. Loans

The following information on loans to and from affiliates of PacifiCorp includes the following:

- A. The month-end amounts outstanding.**
- B. The highest amount outstanding during the year, separately for short-term and long-term loans.**
- C. A description of the terms and conditions, including the basis for interest rates.**
- D. The total amount of interest charged or credited and the weighted-average interest rate.**
- E. Specify the commission order(s) approving the transaction where such approval is required by law.**

**Loan Summary
2017**

III. For inter-company loans to / from affiliates:

REQUIREMENTS	PACIFIC MINERALS, INC.
A. The month-end amounts outstanding for short-term and long-term loans: Short-term loans: January - December Long-term loans:	(a) N/A
B. The highest amount during the year separately for short-term and long-term loans: Maximum loan to affiliate: Short-term loans: Amount Date Long-term loans: Amount Date Maximum loan from affiliate: Short-term loans: Amount Date Long-term loans: Amount Date	\$4,272,000 January 4, 2017 N/A N/A \$19,465,200 March 17, 2017 N/A N/A
C. A description of the terms and conditions for loans including the basis for interest rates:	Pursuant to the terms and conditions of the Umbrella Loan Agreement
D. The total amount of interest charged or credited and the weighted average rate of interest separately for short-term and long-term loans: Short-term loans: Interest expense charged Interest income credited Long-term loans: Interest charged or credited	\$24,990 1,170 (b) N/A
E. Specify the commission order(s) approving the transaction where such approval is required by law:	Refer to Appendix A

(a) Refer to the following schedule for the detail of month-end loan amounts outstanding.

(b) Refer to the following schedule for the detail of interest charged or credited and the rates of interest.

PacifiCorp - Pacific Minerals, Inc.
Umbrella Loan Agreement Transactions Statement
Pacific Minerals, Inc. ("PMI")
2017

	Net Principal Advanced To PacifiCorp	Net Principal Repaid By PacifiCorp	Principal Advanced To PMI	Principal Repaid By PMI	Outstanding Month End Balance ^(a)	Interest Rate Range	Interest Expense Incurred By PacifiCorp	Interest Income Earned By PacifiCorp
16-Dec					\$ 1,672,000			
17-Jan	\$ -	\$ -	\$ 2,600,000	\$ (4,272,000)	\$ -	0.6000% - 0.6500%	\$ -	\$ 1,170
17-Feb	\$ 18,883,200	\$ -	\$ -	\$ -	\$ 18,883,200	0.8500% - 0.8500%	\$ 3,567	\$ -
17-Mar	\$ 6,982,000	\$ (6,400,000)	\$ -	\$ -	\$ 19,465,200	0.8500% - 1.1000%	\$ 13,693	\$ -
17-Apr	\$ -	\$ (19,465,200)	\$ -	\$ -	\$ -	1.1000% - 1.1000%	\$ 2,607	\$ -
17-May	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
17-Jun	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
17-Jul	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
17-Aug	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
17-Sep	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
17-Oct	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
17-Nov	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
17-Dec	\$ 9,000,000	\$ -	\$ -	\$ -	\$ 9,000,000	1.6500% - 1.8300%	\$ 5,123	\$ -
TOTAL	\$ 34,865,200	\$ (25,865,200)	\$ 2,600,000	\$ (4,272,000)			\$ 24,990	\$ 1,170

(a) Outstanding month-end balances advanced to PacifiCorp are shown in parentheses, if applicable.

IV. Debt Guarantees

If the parent guarantees any debt of affiliated interests, identify the entities involved, the nature of the debt, the original amount, the highest amount during the year ended December 31, 2017, and the balance as of December 31, 2017.

PacifiCorp does not guarantee the debt of its subsidiaries or any of its affiliates.

V. Other Transactions

Other transactions (utility leasing of affiliate property, affiliate leasing of utility property, utility purchase of affiliate property, material or supplies and affiliate purchase of utility property, material or supplies) are as follows:

Other transactions are included in Section II. Transactions.

VI. Employee Transfers

By affiliate and job title, provide the total number of executive, management and professional/technical employees transferred to and from the utility. By affiliate, provide the total number of other employees transferred to and from the utility.

**Report of PacifiCorp Employee Transfers to Affiliates
During the Year Ended December 31, 2017**

Affiliate	Job Title	Count
Berkshire Hathaway Energy Company	President & CEO, PacifiCorp Transmission	1
Berkshire Hathaway Energy Renewables	Supervisor, Wind Operations	1
Berkshire Hathaway Energy US Transmission	President & CEO, Berkshire Hathaway Energy U.S. Transmission	1
Berkshire Hathaway Energy US Transmission	Senior Executive Assistant	1
Berkshire Hathaway Energy US Transmission	Principle Engineer	3
Berkshire Hathaway Energy US Transmission	Vice President, Project Delivery	1
Berkshire Hathaway Energy US Transmission	General Counsel, Berkshire Hathaway Energy U.S. Transmission	1
Berkshire Hathaway Energy US Transmission	Director, Engineering/Environment	1
Berkshire Hathaway Energy US Transmission	Project Manager	1
Berkshire Hathaway Energy US Transmission	Senior Engineer/Operations Project Manager	1
Berkshire Hathaway Energy US Transmission	Principle Area/Transmission Planner	1
NV Energy, Inc.	Supervisor, Customer Service	1
Total		14

**Report of PacifiCorp Employee Transfers from Affiliates
During the Year Ended December 31, 2017**

Affiliate	Job Title	Count
Kern River Gas Transmission Company	Senior Property Agent	1
MidAmerican Energy Company	Regional Business Manager	1
MidAmerican Energy Company	Supervisor, Materials Management/Warehouse	1
MidAmerican Energy Company	Associate Grid Operator	1
NV Energy, Inc.	Lineman/Journeyman	1
NV Energy, Inc.	Junior Lineman	1
NV Energy, Inc.	Safety Compliance Specialist	1
Pacific Minerals, Inc.	Junior Equipment Mechanic	1
Pacific Minerals, Inc.	Substation Apprentice	1
Total		9

VII. Cost Allocations

A description of each intra-company cost allocation procedure and a schedule of cost amounts, by account, transferred between regulated and non-regulated segments of the company.

PacifiCorp

Cost Allocation Manual

For the Year Ended December 31, 2017

Overview/Introduction

This section describes the allocation of costs between PacifiCorp and its affiliates.

On March 31, 2006, PacifiCorp entered into an Intercompany Administrative Services Agreement (“IASA”) between Berkshire Hathaway Energy Company (“BHE”) and its subsidiaries. PacifiCorp is an indirect subsidiary of BHE, a holding company based in Des Moines, Iowa, owning subsidiaries that are primarily engaged in the energy business. Refer to attached IASA. The IASA covers:

- a) services by the executive, management, professional, technical and clerical employees;
- b) financial services, payroll processing services, employee benefits participation, supply chain and purchase order processing services, tax and accounting services, contract negotiation and administration services, risk management services, environmental services and engineering and technical services;
- c) the use of office facilities, including but not limited to office space, conference rooms, furniture, equipment, machinery, supplies, computers and computer software, insurance policies and other personal property; and
- d) the use of automobiles, airplanes, other vehicles, and equipment.

Allocation Amounts and Methods

BHE and subsidiaries to PacifiCorp

During the year ended December 31, 2017, PacifiCorp was allocated costs by its non-regulated parent company, BHE, and certain of BHE’s subsidiaries, some of which are non-regulated, as part of the administrative services under the IASA. The amounts included in Section II – Transactions include both direct charges and allocated amounts. The allocated amounts were as follows:

Name of entity	Total services received as reported in Section II - Transactions	Amount of services based on allocations
Berkshire Hathaway Energy Company	\$ 5,952,892	\$ 3,015,472
BHE Renewables, LLC	1,983	1,577
BHE U.S. Transmission, LLC	774,375	-
Kern River Gas Transmission Company	1,355	38
MHC Inc.	337,353	61,723
MidAmerican Energy Company	3,469,506	2,477,507
Nevada Power Company	115,941	-
Northern Natural Gas Company	1,520	-
NV Energy, Inc.	5,013	-
Sierra Pacific Power Company	128	-
Total	<u>\$ 10,660,066</u>	<u>\$ 5,556,317</u>

BHE and its subsidiaries allocated the amounts to PacifiCorp using eight different formulae during the year ended December 31, 2017. These formulae are as follows:

- a) A two-factor formula based on the labor and assets of each of BHE’s subsidiaries. PacifiCorp’s allocation percentage during the period of January 1 through December 31, 2017, was 28.14%.

- b) The same two-factor formula as a) above, except excluding the labor and assets of BHE's international subsidiaries. PacifiCorp's allocation percentage during the period of January 1 through December 31, 2017, was 33.04%.
- c) The same two-factor formula as b) above, except excluding the labor and assets of NVE Holdings, LLC subsidiaries. PacifiCorp's allocation percentage during the period of January 1 through December 31, 2017, was 40.32%.
- d) The same two-factor formula as b) above, except excluding the labor and assets of HomeServices of America, Inc. PacifiCorp's allocation percentage during the period of January 1 through December 31, 2017, was 37.61%.
- e) A same two-factor formula as a) above, except excluding the labor and assets of HomeServices of America, Inc. and BHE's Philippine subsidiaries. PacifiCorp's allocation percentage during the period of January 1 through December 31, 2017, was 31.49%.
- f) The same two-factor formula as a) above, except excluding the labor and assets of NVE Holdings, LLC subsidiaries and BHE AltaLink Ltd. subsidiaries. PacifiCorp's allocation percentage during the period of January 1 through December 31, 2017, was 36.03%.
- g) A formula based on the gross plant asset amounts of each of BHE's subsidiaries. PacifiCorp's allocation percentage during the year ended December 31, 2017, was 31.96%.
- h) A formula based on shared Information Technology infrastructure that is owned and/or managed by MidAmerican Energy Company. PacifiCorp's allocation percentage during the period of January 1 through April 30, 2017, was 2.89% and May 1 through December 31, 2017, was 4.12%.

PacifiCorp to BHE and subsidiaries

During the year ended December 31, 2017, PacifiCorp allocated costs to its non-regulated parent company, BHE, and certain of BHE's subsidiaries, some of which are non-regulated, as part of the administrative services under the IASA. The amounts included in Section II – Transactions include both direct charges and allocated amounts. The allocated amounts were as follows:

Name of entity	Total services provided as reported in Section II - Transactions	Amount of services based on allocations
Berkshire Hathaway Energy Company	\$ 144,423	\$ 20,150
BHE AltaLink Ltd.	46,635	34,154
BHE Renewables, LLC	65,986	54,022
BHE U.S. Transmission, LLC	260,261	7,245
CalEnergy Generation Operating Company	31,162	19,508
CalEnergy Philippines	1,776	1,331
Electric Transmission Texas, LLC	88	-
HomeServices of America, Inc.	149,345	133,032
Iowa Realty Co., Inc.	3,877	-
Kern River Gas Transmission Company	77,108	22,263
MEC Construction Services Co.	3,455	180
MidAmerican Central California Transco, LLC	7,116	-
MidAmerican Energy Company	942,339	246,521
MidAmerican Energy Services, LLC	6,755	6,538
Midwest Capital Group, Inc.	395	377
MTL Canyon Holdings, LLC	16	-
Nevada Power Company	111,586	98,923
Northern Natural Gas Company	200,866	60,904
Northern Powergrid Holdings Company	74,290	43,537
NV Energy, Inc.	107,956	1,246
Sierra Pacific Power Company	63,103	53,067
Total	<u>\$ 2,298,538</u>	<u>\$ 802,998</u>

PacifiCorp allocated the amounts to BHE and its subsidiaries using six different formulae during the year ended December 31, 2017. These formulae are as follows:

- a) A two-factor formula based on the labor and assets of each of BHE's subsidiaries. The percentage that PacifiCorp allocated to BHE and its subsidiaries from January 1 through December 31, 2017, was 71.86%.
- b) The same two-factor formula as a) above, except excluding the labor and assets of BHE's international subsidiaries. The percentage that PacifiCorp allocated to BHE and its subsidiaries from January 1 through December 31, 2017, was 66.96%.
- c) The same two-factor formula as b) above, except excluding the labor and assets of NVE Holdings, LLC subsidiaries. The percentage that PacifiCorp allocated to BHE and its subsidiaries from January 1 through December 31, 2017, was 59.68%.
- d) The same two-factor formula as b) above, except excluding the labor and assets of HomeServices of America, Inc. The percentage that PacifiCorp allocated to BHE and its subsidiaries from January 1 through December 31, 2017, was 62.39%.
- e) A same two-factor formula as a) above, except excluding the labor and assets of HomeServices of America, Inc. and BHE's Philippine subsidiaries. The percentage that PacifiCorp's allocated to BHE and its subsidiaries from January 1 through December 31, 2017, was 68.51%.
- f) A formula based on shared Information Technology infrastructure that is owned and/or managed by MidAmerican Energy Company. The percentage that PacifiCorp allocated to BHE and its subsidiaries from January 1 through April 30, 2017, was 97.11% and May 1 through December 31, 2017, was 95.88%.

INTERCOMPANY ADMINISTRATIVE SERVICES AGREEMENT

BETWEEN

MIDAMERICAN ENERGY HOLDINGS COMPANY

AND

ITS SUBSIDIARIES

This Intercompany Administrative Services Agreement ("Agreement") is entered into as of March 31, 2006 by and between MidAmerican Energy Holdings Company (hereinafter the "Company") and its direct and indirect subsidiaries (hereinafter the "Subsidiaries") (each a "Party" and together the "Parties").

WHEREAS, the Company provides senior management, executive oversight and other administrative services that provide value to and benefit the Subsidiaries as entities in the consolidated group;

WHEREAS, the Subsidiaries have access to professional, technical and other specialized resources that the Company may wish to utilize from time to time in the provision of such administrative services; and

WHEREAS, the Company and Subsidiaries may desire to utilize the professional, technical and other specialized resources of certain Subsidiaries;

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, the Company and Subsidiaries agree as follows:

ARTICLE 1. PROVISION OF ADMINISTRATIVE SERVICES

Upon and subject to the terms of this Agreement, services will be provided between and among the Company and its Subsidiaries that are not directly applicable to the production, distribution or sale of a product or service available to customers of the Company or its subsidiaries ("Administrative Services"). For purposes of this Agreement, Administrative Services shall include, but not be limited to the following:

- a) services by executive, management, professional, technical and clerical employees;
- b) financial services, payroll processing services, employee benefits participation, supply chain and purchase order processing services, tax and accounting services, contract negotiation and administration services, risk management services, environmental services and engineering and technical services;
- c) the use of office facilities, including but not limited to office space, conference rooms, furniture, equipment, machinery, supplies, computers and computer software, insurance policies and other personal property;
- d) the use of automobiles, airplanes, other vehicles and equipment;

To obtain specialized expertise or to achieve efficiencies, the following situations may arise under this Agreement whereby Administrative Services may be provided between and among the Company and its Subsidiaries:

- a) The Company may directly assign or allocate common costs to the Subsidiaries,
- b) The Company may procure Administrative Services from the Subsidiaries for its own benefit,
- c) The Company may procure Administrative Services from the Subsidiaries for subsequent allocation to some or all Subsidiaries commonly benefiting, or
- d) The Subsidiaries may procure Administrative Services from each other.

ARTICLE 2. DEFINITIONS

For purposes of this Agreement these terms shall be defined as follows:

- (a) "Laws" shall mean any law, statute, rule, regulation or ordinance.
- (b) "State Commissions" shall mean any state public utility commission or state public service commission with jurisdiction over a rate-regulated Party.
- (c) "Subsidiaries" shall mean current and future direct and indirect majority-owned subsidiaries of the Company.

ARTICLE 3. EFFECTIVE DATE

This Agreement shall be effective as of the date set forth above; provided, however, that in those jurisdictions in which regulatory approval is required before the Agreement becomes effective, the effective date shall be as of the date of such approval.

ARTICLE 4. CHARGES AND PAYMENT

(a) CHARGES.

Parties shall charge for Administrative Services on the following basis:

- (i) Direct Charges: The Party receiving the benefit of Administrative Services ("Recipient Party") will be charged for the operating costs incurred by the Party providing the Administrative Services ("Providing Party"), including, but not limited to, allocable salary and wages, incentives, paid absences, payroll taxes, payroll additives (insurance premiums, health care and retirement benefits and the like), direct non-labor costs, if any, and similar expenses, and reimbursement of out-of-pocket third party costs and expenses.
- (ii) Service Charges: Costs that are impractical to charge directly but for which a cost/benefit relationship can be reasonably identified. A practical allocation method will be established by Providing Party that allocates the cost of this service equitably and consistently to the Recipient Party. Any changes in the methodology will be communicated in writing to rate-regulated subsidiaries at least 180 days before the implementation of the change.
- (iii) Allocations: Costs incurred for the general benefit of the entire corporate group for which direct charging and service charges are not practical. An allocation methodology will be established and used consistently from year to year. Any changes to the methodology will be communicated

in writing to rate-regulated subsidiaries at least 180 days before the implementation of the change.

The charges constitute full compensation to the Providing Party for all charges, costs and expenses incurred by the Providing Party on behalf of the Recipient Party in providing the Administrative Services, unless otherwise specifically agreed to in writing between the Parties.

If events or circumstances arise which, in the opinion of the Parties, render the costs of providing any Administrative Services materially different from those charged under a specific rate or formula then in effect, the specific rate or formulas shall be equitably adjusted to take into account such events or changed circumstances.

Providing Parties will bill each and all Recipient Parties, as appropriate, for Administrative Services rendered under this Agreement in as specific a manner as practicable. To the extent that direct charging for services rendered is not practicable, the Providing Party may utilize allocation methodologies to assign charges for services rendered to the Recipient Party, reflective of the drivers of such costs. Such allocation methodologies may utilize allocation bases that include, but are not limited to: employee labor, employee counts, assets, and multi-factor allocation formulae.

Any cost allocation methodology for the assignment of corporate and affiliate costs will comply with the following principles:

- i) For Administrative Services rendered to a rate-regulated subsidiary of the Company or each cost category subject to allocation to rate-regulated subsidiaries by the Company, the Company must be able to demonstrate that such service or cost category is reasonable for the rate-regulated subsidiary for the performance of its regulated operations, is not duplicative of Administrative Services already being performed within the rate-regulated subsidiary, and is reasonable and prudent.
- ii) The Company and Providing Parties will have in place positive time reporting systems adequate to support the allocation and assignment of costs of executives and other relevant personnel to Recipient Parties.
- iii) Parties must maintain records sufficient to specifically identify costs subject to allocation, particularly with respect to their origin. In addition, the records must be adequately supported in a manner sufficient to justify recovery of the costs in rates of rate-regulated subsidiaries.
- iv) It is the responsibility of rate-regulated Recipient Parties to this Agreement to ensure that costs which would have been denied recovery in rates had such costs been directly incurred by the regulated operation are appropriately identified and segregated in the books of the regulated operation.

(b) PAYMENT.

(i) Each Providing Party shall bill the Recipient Party monthly for all charges pursuant to this Agreement via billings to the Company. The Company, in its capacity as a clearinghouse for

intercompany charges within the Company shall aggregate all charges and bill all Recipient Parties in a single bill. Full payment to or by the Company for all Administrative Services shall be made by the end of the calendar month following the intercompany charge. Charges shall be supported by reasonable documentation, which may be maintained in electronic form.

(ii) The Parties shall make adjustments to charges as required to reflect the discovery of errors or omissions or changes in the charges. The Parties shall conduct a true-up process at least quarterly and more frequently if necessary to adjust charges based on reconciliation of amounts charged and costs incurred. It is the intent of the Parties that such true-up process will be conducted using substantially the same process, procedures and methods of review as have been in effect prior to execution of this Agreement by the Parties.

ARTICLE 5. GENERAL OBLIGATIONS; STANDARD OF CARE

Rate-regulated Parties will comply with all applicable State and Federal Laws regarding affiliated interest transactions, including timely filing of applications and reports. The Parties agree not to cross-subsidize between the rate-regulated and non-rate-regulated businesses or between any rate-regulated businesses, and shall comply with any applicable State Commission Laws and orders. Subject to the terms of this Agreement, the Parties shall perform their obligations hereunder in a commercially reasonable manner.

ARTICLE 6. TAXES

Each Party shall bear all taxes, duties and other similar charges except taxes based upon its gross income (and any related interest and penalties), imposed as a result of its receipt of Administrative Services under this Agreement, including without limitation sales, use, and value-added taxes.

ARTICLE 7. ACCOUNTING AND AUDITING

Providing Parties and the Company shall maintain such books and records as are necessary to support the charges for Administrative Services, in sufficient detail as may be necessary to enable the Parties to satisfy applicable regulatory requirements ("Records"). All Parties:

- (a) shall provide access to the Records at all reasonable times;
- (b) shall maintain the Records in accordance with good record management practices and with at least the same degree of completeness, accuracy and care as it maintains for its own records; and
- (c) shall maintain its own accounting records, separate from the other Party's accounting records.

Subject to the provisions of this Agreement, Records supporting intercompany billings shall be available for inspection and copying by any qualified representative or agent of either Party or its affiliates, at the expense of the inquiring Party. In addition, State Commission staff or agents may audit the accounting records of Providing Parties that form the basis for charges to rate-regulated subsidiaries, to determine the reasonableness of allocation factors used by the Providing Party to assign costs to the Recipient Party and amounts subject to allocation or direct charges. All Parties agree to cooperate fully with such audits.

ARTICLE 8. BUDGETING

In advance of each budget year, Providing Parties shall prepare and deliver to the Recipient Parties, for their review and approval, a proposed budget for Administrative Services to be performed during that year. The approved schedule of budgeted Administrative Services shall evidence the base level of Administrative Services. The schedule shall be updated at least annually. Each Party shall promptly notify the other Party in writing of any requested material change to the budget costs for any service being provided.

ARTICLE 9. COOPERATION WITH OTHERS

The Parties will use good faith efforts to cooperate with each other in all matters relating to the provision and receipt of Administrative Services. Such good faith cooperation will include providing electronic access in the same manner as provided other vendors and contractors to systems used in connection with Administrative Services and using commercially reasonable efforts to obtain all consents, licenses, sublicenses or approvals necessary to permit each Party to perform its obligations. Each Party shall make available to the other Party any information required or reasonably requested by the other Party regarding the performance of any Administrative Service and shall be responsible for timely providing that information and for the accuracy and completeness of that information; provided, however, that a Party shall not be liable for not providing any information that is subject to a confidentiality obligation owed by it to a person or regulatory body other than an affiliate of it or the other Party. Either Party shall not be liable for any impairment of any Administrative Service caused by it not receiving information, either timely or at all, or by it receiving inaccurate or incomplete information from the other Party that is required or reasonably requested regarding that Administrative Service. The Parties will cooperate with each other in making such information available as needed in the event of any and all internal or external audits, utility regulatory proceedings, legal actions or dispute resolution. Each Party shall fully cooperate and coordinate with each other's employees and contractors who may be awarded other work. The Parties shall not commit or permit any act, which will interfere with the performance of or receipt of Administrative Services by either Party's employees or contractors.

ARTICLE 10. COMPLIANCE WITH ALL LAWS

Each Party shall be responsible for (i) its compliance with all laws and governmental regulations affecting its business, including but not limited to, laws and governmental regulations governing federal and state affiliate transactions, workers' compensation, health, safety and security, and (ii) any use it may make of the Administrative Services to assist it in complying with such laws and governmental regulations.

ARTICLE 11. LIMITATION OF LIABILITY

Notwithstanding any other provision of this Agreement and except for (a) rights provided under Article 12 in connection with Third-Party Claims, (b) direct or actual damages as a result of a breach of this Agreement, and (c) liability caused by a Party's negligence or willful misconduct, no Party nor their respective directors, officers, employees and agents, will have any liability to any other Party, or their respective directors, officers, employees and agents, whether based on contract, warranty, tort, strict liability, or any other theory, for any indirect, incidental, consequential, special damages, and no Party, as a result of providing a Service pursuant to this Agreement, shall be liable to any other Party for more than the cost of the Administrative Service(s) related to the claim or damages.

ARTICLE 12. INDEMNIFICATION

Each of the Parties will indemnify, defend, and hold harmless each other Party, members of its Board of Directors, officers, employees and agents against and from any third-party claims resulting from any negligence or willful misconduct of a Party's employees, agents, representatives or subcontractors of any tier, their employees, agents or representatives in the performance or nonperformance of its obligations under this Agreement or in any way related to this Agreement. If a Third-Party claim arising out of or in connection with this Agreement results from negligence of multiple Parties (including their employees, agents, suppliers and subcontractors), each Party will bear liability with respect to the Third-Party Claim in proportion to its own negligence.

ARTICLE 13. DISPUTE RESOLUTION

The Parties shall promptly resolve any conflicts arising under this Agreement and such resolution shall be final. If applicable, adjustments to the charges will be made as required to reflect the discovery of errors or omissions in the charges. If the Parties are unable to resolve any service, performance or budget issues or if there is a material breach of this Agreement that has not been corrected within ninety (90) days, representatives of the affected Parties will meet promptly to review and resolve those issues in good faith.

ARTICLE 14. TERMINATION FOR CONVENIENCE

A Party may terminate its participation in this Agreement either with respect to all, or with respect to any one or more, of the Administrative Services provided hereunder at any time and from time to time, for any reason or no reason, by giving notice of termination at least sixty (60) days in advance of the effective date of the termination to enable the other Party to adjust its available staffing and facilities. In the event of any termination with respect to one or more, but less than all, Administrative Services, this Agreement shall continue in full force and effect with respect to any Administrative Services not terminated hereby. If this Agreement is terminated in whole or in part, the Parties will cooperate in good faith with each other in all reasonable respects in order to effect an efficient transition and to minimize the disruption to the business of all Parties, including the assignment or transfer of the rights and obligations under any contracts. Transitional assistance service shall include organizing and delivering records and documents necessary to allow continuation of the Administrative Services, including delivering such materials in electronic forms and versions as reasonably requested by the Party.

ARTICLE 15. CONFIDENTIAL INFORMATION/NONDISCLOSURE

To the fullest extent allowed by law, the provision of any Administrative Service or reimbursement for any Administrative Service provided pursuant to this Agreement shall not operate to impair or waive any privilege available to either Party in connection with the Administrative Service, its provision or reimbursement for the Administrative Service.

All Parties will maintain in confidence Confidential Information provided to each other in connection with this Agreement and will use the Confidential Information solely for the purpose of carrying out its obligations under this Agreement. The term Confidential Information means any oral or written information, (including without limitation, computer programs, code, macros or instructions) which is made available to the Company, its

Subsidiaries or one of its representatives, regardless of the manner in which such information is furnished. Confidential Information also includes the following:

a. All Information regarding the Administrative Services, including, but not limited to, price, costs, methods of operation and software, shall be maintained in confidence.

b. Systems used to perform the Administrative Services provided hereunder are confidential and proprietary to the Company, its Subsidiaries or third parties. Both Parties shall treat these systems and all related procedures and documentation as confidential and proprietary to the Company, its Subsidiaries or its third party vendors.

c. All systems, procedures and related materials provided to either Party are for its internal use only and only as related to the Administrative Services or any of the underlying systems used to provide the Administrative Services.

Notwithstanding anything in this Article 15 to the contrary, the term "Confidential Information" does not include any information which (i) at the time of disclosure is generally available to and known by the public (other than as a result of an unpermitted disclosure made directly or indirectly by a Party), (ii) was available to a Party on a non-confidential basis from another source (provided that such source is not or was not bound by a confidentiality agreement with a Party or had any other duty of confidentiality to a Party), or (iii) has been independently acquired or developed without violating any of the obligations under this Agreement.

The Parties shall use good faith efforts at the termination or expiration of this Agreement to ensure that all user access and passwords are cancelled.

All Confidential Information supplied or developed by a Party shall be and remain the sole and exclusive property of the Party who supplied or developed it.

ARTICLE 16. PERMITTED DISCLOSURE

Notwithstanding provisions of this Agreement to the contrary, each Party may disclose Confidential Information (i) to the extent required by a State Commission, a court of competent jurisdiction or other governmental authority or otherwise as required by law, including without limitation disclosure obligations imposed under the federal securities laws, provided that such Party has given the other Party prior notice of such requirement when legally permissible to permit the other Party to take such legal action to prevent the disclosure as it deems reasonable, appropriate or necessary, or (ii) on a "need-to-know" basis under an obligation of confidentiality to its consultants, legal counsel, affiliates, accountants, banks and other financing sources and their advisors.

ARTICLE 17. SUBCONTRACTORS

To the extent provided herein, the Parties shall be fully responsible for the acts or omissions of any subcontractors of any tier and of all persons employed by such subcontractors and shall maintain complete

control over all such subcontractors. It being understood and agreed that not anything contained herein shall be deemed to create any contractual relation between the subcontractor of any tier and the Parties.

ARTICLE 18. NONWAIVER

The failure of a Party to insist upon or enforce strict performance of any of the terms of this Agreement or to exercise any rights herein shall not be construed as a waiver or relinquishment to any extent of its right to enforce such terms or rights on any future occasion.

ARTICLE 19. SEVERABILITY

Any provision of this Agreement prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

ARTICLE 20. ENTIRE AGREEMENT/DOCUMENTS INCORPORATED BY REFERENCE


All understandings, representations, warranties, agreements and any referenced attachments, if any, existing between the Parties regarding the subject matter hereof are merged into this Agreement, which fully and completely express the agreement of the Parties with respect to the subject matter hereof.

ARTICLE 21. OTHER AGREEMENTS


This Agreement does not address or govern the Parties' relationship involving: (a) the tax allocation agreement nor (b) any other relationships not specifically identified herein. All such relationships not addressed or governed by this Agreement will be governed and controlled by a separate agreement or tariff specifically addressing and governing those relationships or by applicable Laws or orders.

This Agreement has been duly executed on behalf of the Parties as follows:


MIDAMERICAN ENERGY HOLDINGS COMPANY

By: 
Patrick J. Goodman
Title: Sr. Vice President & Chief Financial Officer


NNGC ACQUISITION, LLC

By: 
Brian K. Hankel
Title: Vice President & Treasurer


PPW HOLDINGS LLC

By: 
Brian K. Hankel
Title: Vice President & Treasurer


KR HOLDING, LLC

By: 
Patrick J. Goodman
Title: Vice President & Treasurer


CE ELECTRIC UK FUNDING COMPANY

By: 
Patrick J. Goodman
Title: Director


CALENERGY INTERNATIONAL SERVICES, INC.

By: 
Brian K. Hankel
Title: Vice President & Treasurer

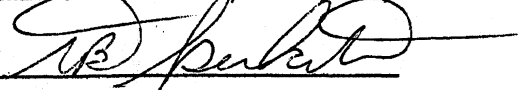
HOME SERVICES OF AMERICA, INC.

By: 
Paul J. Leighton
Title: Asst Secretary

CE CASECNAN WATER AND ENERGY COMPANY, INC.

By: 
Brian K. Hankel
Title: Vice President & Treasurer

MIDAMERICAN FUNDING, LLC

By: 
Thomas B. Specketer
Title: Vice President & Controller



**FIRST AMENDED INTERCOMPANY MUTUAL ASSISTANCE AGREEMENT
BY AND BETWEEN RATE-REGULATED SUBSIDIARIES OF
BERKSHIRE HATHAWAY ENERGY COMPANY**

This First Amended Intercompany Mutual Assistance Agreement ("Agreement") is entered into by and between rate-regulated public utility subsidiaries of Berkshire Hathaway Energy Company ("Company") (each a "Party" and together the "Parties") effective March 15, 2015.

WHEREAS, the Parties, with the exception of Nevada Power Company DBA NV Energy and Sierra Pacific Power Company DBA NV Energy, are the signatories of the Intercompany Mutual Assistance Agreement by and between Rate-regulated Subsidiaries of MidAmerican Energy Holdings Company effective February 15, 2011 and wish to amend and restate their agreement in the manner provided herein; and

WHEREAS, each of the Parties is either an electric public utility providing services to captive customers within franchised service areas, a transmission company, a local distribution company or an interstate pipeline company and each of the Parties is subject to the oversight of regulatory authorities, such as a state public utility commission and/or the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, a Party may from time to time require mutual aid or assistance from another Party, which may involve the provision of goods, services and/or specialized resources for temporary emergency purposes, or the emergency interchange of equipment or goods by one Party to the other, as long as provided without detriment to the providing Party's public utility obligations ("mutual assistance"); and

WHEREAS, as rate-regulated entities, the Parties have obligations to provide reasonably adequate service, and from time to time may be able to assist one another in providing mutual assistance; and

WHEREAS, the Parties are some of the signatories of the Intercompany Administrative Services Agreement ("IASA") by and between the Company and its subsidiaries, which permits the sharing of professional, technical and other specialized resources, and wish to enter into an agreement that will allow mutual assistance on similar terms; and

WHEREAS, in order to minimize any potential for cross-subsidization or affiliate abuse and ensure appropriate oversight, participation under this Agreement is limited to Rate-Regulated Subsidiaries of the Company; and

WHEREAS, effective May 1, 2014, the name of Company was changed from MidAmerican Energy Holdings Company to Berkshire Hathaway Energy Company; and

WHEREAS, from time to time, additional Rate-Regulated Subsidiaries may wish to execute the Agreement in order to provide and take advantage of mutual assistance provided hereunder.

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, the Parties wish to amend the Agreement and agree as follows:



ARTICLE 1. PROVISION OF MUTUAL ASSISTANCE

Upon and subject to the terms of this Agreement, one Party ("Providing Party") may provide mutual assistance to another Party ("Recipient Party").

Availability and provision of mutual assistance shall be governed by an applicable mutual aid agreement, which may be the Edison Electric Institute Mutual Aid Agreement, the Western Region Mutual Assistance Agreement, or such other agreement as may be customarily used in the region where the mutual assistance is to be provided ("applicable mutual aid agreement"), the provisions of which are incorporated in this Agreement by reference. To the extent not inconsistent with obligations under the applicable mutual aid agreement, the provisions of this Agreement shall govern the conduct and obligations of the Parties.

The Parties recognize that there may be several phases of mutual assistance activity, including pre-notification of a potential need for assistance, a request for information related to the costs and availability of mutual assistance, and actual mobilization. Only actual mobilization is considered the provision of mutual assistance.

ARTICLE 2. DEFINITIONS

For purposes of this Agreement, these terms shall be defined as follows:

- (a) "Laws" shall mean any law, statute, rule, regulation or ordinance of any governmental authority, which may be without limitation a federal agency, a state or a governmental subdivision.
- (b) "Rate-Regulated Subsidiary" shall mean a subsidiary of the Company ("subsidiary") that is regulated by one or more State Commissions and/or FERC in the subsidiary's capacity of providing regulated public utility services to captive customers within franchised public utility service areas, FERC jurisdictional transmission service or which is an interstate pipeline or local distribution company as defined by FERC.
- (c) "State Commissions" shall mean any state public utility commission or state public service commission with utility regulatory jurisdiction over a Rate-Regulated Subsidiary.

ARTICLE 3. EFFECTIVE DATE

This Agreement shall be effective as of the date of execution; provided, however, that in those jurisdictions in which regulatory approval is required before the Agreement becomes effective, the effective date shall be as of the date of such approval.

ARTICLE 4. CHARGES AND PAYMENT

The Parties recognize that charges for mutual assistance will begin when a request for mobilization of assistance is submitted to the Providing Party by the Recipient Party. Costs associated with pre-notification of a potential need or gathering of information associated with a request for mutual assistance will not be charged to the Recipient Party.

Providing Parties will bill Recipient Parties, as appropriate, for mutual assistance rendered under this Agreement in as specific a manner as practicable.



Payments for mutual assistance shall be governed by an applicable mutual aid agreement, which may be the Edison Electric Institute Mutual Aid Agreement, the Western Region Mutual Assistance Agreement, or such other agreement as may be customarily used in the region where the mutual assistance is to be provided.

In the event that the mutual assistance consists only of the interchange of a good in an emergency circumstance, the Recipient Party shall reimburse the Providing Party the replacement cost of the transferred good. Any associated services shall be reimbursed by the Recipient Party as a direct charge, service charge or allocation as applicable pursuant to the IASA.

ARTICLE 5. STANDARD OF CARE

The Parties will comply with all applicable Laws regarding affiliated interest transactions, including timely filing of regulatory filings and reports. The Parties agree not to cross-subsidize and shall comply with any applicable Laws and State Commission, FERC or other applicable orders. Subject to the terms of this Agreement, the Parties shall perform their obligations hereunder in a commercially reasonable manner.

ARTICLE 6. TAXES

Each Party shall bear all taxes, duties and other similar charges, except taxes based upon its gross income (and any related interest and penalties), imposed as a result of its receipt of mutual assistance under this Agreement, including without limitation sales, use and value-added taxes.

ARTICLE 7. ACCOUNTING AND AUDITING

Providing Parties shall maintain such books and records as are necessary to support the charges for mutual assistance, in sufficient detail as may be necessary to enable the Parties to satisfy applicable regulatory requirements ("Records"). All Parties:

- (a) Shall provide access to the Records at all reasonable times;
- (b) Shall maintain the Records in accordance with good record management practices and with at least the same degree of completeness, accuracy and care as it maintains for its own records; and
- (c) Shall maintain its own accounting records, separate from the other Parties' accounting records.

Subject to the provisions of this Agreement, Records supporting mutual assistance billings shall be available for inspection and copying by any qualified representative or agent of a Party, at the expense of the inquiring Party. In addition, FERC or State Commission staff or agents may audit the accounting records of Providing Parties that form the basis for charges to Rate-Regulated Subsidiaries. All Parties agree to cooperate fully with such audits.

ARTICLE 8. COOPERATION WITH OTHERS

The Parties will use good faith efforts to cooperate with each other in all matters related to the provision and receipt of mutual assistance. Such good faith cooperation will include providing electronic access in the same manner as provided other vendors and contractors to systems used in connection with mutual



assistance and using commercially reasonable efforts to obtain all consents, licenses, sublicenses or approvals necessary to permit each Party to perform its obligations.

Each Party shall make available to another Party any information required or reasonably requested by the Party related to the provision of mutual assistance and shall be responsible for timely provision of said information and for the accuracy and completeness of the information; provided, however, that a Party shall not be liable for not providing any information that is subject to a confidentiality obligation or a regulatory obligation not to disclose or be a conduit of information owned by it to a person or regulatory body other than the other Party.

The Parties will cooperate with each other in making such information available as needed in the event of any and all internal or external audits, utility regulatory proceedings, legal actions, or dispute resolution.

Each Party shall fully cooperate and coordinate with each other's employees and contractors in the performance or provision of mutual assistance. The Parties shall not commit or permit any act that will interfere with the performance or receipt of mutual assistance by any Party's employees or contractors.

ARTICLE 9. COMPLIANCE WITH ALL LAWS

Each Party shall be responsible for (a) its compliance with all Laws affecting its business, including, but not limited to, laws and governmental regulations governing federal and state affiliate transactions, workers' compensation, health, safety and security; (b) pursuant to the provisions of the applicable mutual aid agreement, any use it may make of the mutual assistance to assist it in complying with such laws and governmental regulations; and (c) compliance with FERC's Standards of Conduct, Market-Based Rate Affiliate Restrictions, and any comparable restrictions imposed by FERC or a State Commission.

ARTICLE 10. DISPUTE RESOLUTION

The Parties shall promptly resolve any conflicts arising under this Agreement and such resolution shall be final. If applicable, adjustments to the charges will be made as required to reflect the discovery of errors or omissions in the charges. If the Parties are unable to resolve any service, performance or budget issues or if there is a material breach of this Agreement that has not been corrected within ninety (90) days, representatives of the affected Parties will meet promptly to review and resolve those issues in good faith.

ARTICLE 11. TERMINATION FOR CONVENIENCE

A Party may terminate its participation in this Agreement either with respect to all, or part, of the mutual assistance provided hereunder at any time and from time to time, for any reason or no reason, by giving notice of termination to the other Party as soon as reasonably possible.

ARTICLE 12. CONFIDENTIAL INFORMATION/NONDISCLOSURE

To the fullest extent allowed by law, the provision of mutual assistance or reimbursement for mutual assistance provided pursuant to this Agreement shall not operate to impair or waive any privilege available to any Party in connection with the mutual assistance, its provision or reimbursement thereof.

The Parties will handle all information exchanged in the course of performing mutual assistance in accordance with requirements for documenting and handling critical infrastructure information as defined by the North American Electric Reliability Corporation Critical Infrastructure Protection Standards and will further comply with non-disclosure requirements of other applicable regulations.

The Parties shall use good faith efforts at the termination or expiration of this Agreement to ensure that any user access and passwords related to this Agreement are terminated.

ARTICLE 13. PERMITTED DISCLOSURE

Notwithstanding provisions of this Agreement to the contrary, each Party may disclose confidential information:

- (a) To the extent required by a State Commission, FERC, a court of competent jurisdiction or other governmental authority or otherwise as required by Laws, including without limitation disclosure obligations imposed under federal securities laws, provided that such Party has given the other Party prior notice of such requirement when legally permissible to permit the other Party to take such legal action to prevent the disclosure as it deems reasonable, appropriate or necessary; or
- (b) On a "need-to-know" basis under an obligation of confidentiality to its consultants, legal counsel, affiliates, accountants, banks and other financing sources and their advisors.

ARTICLE 14. SUBCONTRACTORS

To the extent provided herein, the Parties shall be fully responsible for the acts or omissions of any subcontractors of any tier and of all persons employed by such subcontractors and shall maintain complete control over all such subcontractors, it being understood and agreed that anything not contained herein



shall not be deemed to create any contractual relation between the subcontractor of any tier and the Parties.

ARTICLE 15. NONWAIVER

The failure of a Party to insist upon or enforce strict performance of any of the terms of this Agreement or to exercise any rights herein shall not be construed as a waiver or relinquishment to any extent of its right to enforce such terms or rights on any future occasion.

ARTICLE 16. SEVERABILITY

Any provision of this Agreement prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement.

ARTICLE 17. ENTIRE AGREEMENT/DOCUMENTS INCORPORATED BY REFERENCE

All understandings, representations, warranties, agreements and referenced attachments, if any, existing between the Parties regarding the subject matter hereof are merged into this Agreement, which fully and completely express the agreement of the Parties with respect to the subject matter hereof.

ARTICLE 18. ADDITION OF RATE-REGULATED SUBSIDIARIES

Without further action by the Parties, effective on the date of its execution, a Rate-Regulated Subsidiary may enter into the Agreement and be bound thereby.



This Agreement has been duly executed on behalf of the Parties as follows:

KERN RIVER GAS TRANSMISSION COMPANY

By: _____

Title: _____

Name: _____

Date: _____

MIDAMERICAN ENERGY COMPANY

By: _____

Title: _____

Name: _____

Date: _____

NORTHERN NATURAL GAS COMPANY

By: _____

Title: _____

Name: _____

Date: _____

PACIFICORP

By: 

Title: VP, CFO Pacificorp

Name: Nikki Koblina

Date: 11/2/2015

**NEVADA POWER COMPANY
DBA NV ENERGY**

By: _____

Title: _____

Name: _____

Date: _____

**SIERRA PACIFIC POWER COMPANY
DBA NV ENERGY**

By: _____

Title: _____

Name: _____

Date: _____



This Agreement has been duly executed on behalf of the Parties as follows:

KERN RIVER GAS TRANSMISSION COMPANY

By: *[Signature]*
Title: *V.P. Finance*
Name: *Joseph Lillis*
Date: *7/9/15*

MIDAMERICAN ENERGY COMPANY

By: _____
Title: _____
Name: _____
Date: _____

NORTHERN NATURAL GAS COMPANY

By: _____
Title: _____
Name: _____
Date: _____

PACIFICORP

By: _____
Title: _____
Name: _____
Date: _____

**NEVADA POWER COMPANY
DBA NV ENERGY**

By: _____
Title: _____
Name: _____
Date: _____

**SIERRA PACIFIC POWER COMPANY
DBA NV ENERGY**

By: _____
Title: _____
Name: _____
Date: _____



This Agreement has been duly executed on behalf of the Parties as follows:

KERN RIVER GAS TRANSMISSION COMPANY

By: _____

Title: _____

Name: _____

Date: _____

MIDAMERICAN ENERGY COMPANY

By: Tom Specketer

Title: VP & CFO

Name: Tom Specketer

Date: March 11, 2015

NORTHERN NATURAL GAS COMPANY

By: _____

Title: _____

Name: _____

Date: _____

PACIFICORP

By: _____

Title: _____

Name: _____

Date: _____

**NEVADA POWER COMPANY
DBA NV ENERGY**

By: _____

Title: _____

Name: _____

Date: _____

**SIERRA PACIFIC POWER COMPANY
DBA NV ENERGY**

By: _____

Title: _____

Name: _____

Date: _____



This Agreement has been duly executed on behalf of the Parties as follows:

KERN RIVER GAS TRANSMISSION COMPANY

By: _____

Title: _____

Name: _____

Date: _____

MIDAMERICAN ENERGY COMPANY

By: _____

Title: _____

Name: _____

Date: _____

NORTHERN NATURAL GAS COMPANY

By: *[Signature]* _____

Title: VP. Finance _____

Name: Joseph Little _____

Date: 3/25/15 _____

PACIFICORP

By: _____

Title: _____

Name: _____

Date: _____

**NEVADA POWER COMPANY
DBA NV ENERGY**

By: _____

Title: _____

Name: _____

Date: _____

**SIERRA PACIFIC POWER COMPANY
DBA NV ENERGY**

By: _____

Title: _____

Name: _____

Date: _____



This Agreement has been duly executed on behalf of the Parties as follows:

KERN RIVER GAS TRANSMISSION COMPANY

By: _____

Title: _____

Name: _____

Date: _____

MIDAMERICAN ENERGY COMPANY

By: _____

Title: _____

Name: _____

Date: _____

NORTHERN NATURAL GAS COMPANY

By: _____

Title: _____

Name: _____

Date: _____

PACIFICORP

By: _____

Title: _____

Name: _____

Date: _____

**NEVADA POWER COMPANY
DBA NV ENERGY**

By: E. Kevin Bethel

Title: SVP, Chief Financial Officer

Name: E. Kevin Bethel

Date: 3/12/15

**SIERRA PACIFIC POWER COMPANY
DBA NV ENERGY**

By: E. Kevin Bethel

Title: SVP, Chief Financial Officer

Name: E. Kevin Bethel

Date: 3/12/15

Appendix A

December 31, 2017 Affiliated Interest Report
Oregon Public Utility Commission orders approving transactions with affiliates

All active affiliates with Affiliated Interest Agreements in Oregon have been included in this listing regardless of whether transactions occurred in the current year.

(a) Affiliates with current year transactions subject to the Intercompany Administrative Services Agreement ("IASA"), Order 06-305, have been included in this listing. This is not intended to be an exhaustive listing of all companies subject to the IASA, rather a reflection of current year transactions.

Affiliate	Order No.	Docket No.	Date Approved
Amarillo Gear Company, LLC (a Marmon Holdings, Inc. company)	17-243	UI 384	July 11, 2017
American Express Travel Related Services Company, Inc.	14-144	UI 346	April 30, 2014
Berkshire Hathaway Energy Company (a)	06-305	UI 249	June 19, 2006
BHE AltaLink Ltd. (a)	06-305	UI 249	June 19, 2006
BHE Renewables, LLC (a)	06-305	UI 249	June 19, 2006
BHE U.S. Transmission, LLC (a)	06-305	UI 249	June 19, 2006
BNSF Railway Company	07-323 09-504 10-090 10-089 12-348 14-210 15-358 17-476	UI 269 UI 288 UI 292 UI 293 UI 325 UI 347 UI 359 UI 387	July 27, 2007 December 28, 2009 March 11, 2010 March 11, 2010 September 13, 2012 June 10, 2014 November 3, 2015 November 21, 2017
Bridger Coal Company	01-472 15-218 18-085	UI 189 UI 357 UI 392	June 12, 2001 July 21, 2015 March 13, 2018
CalEnergy Generation Operating Company (a)	06-305	UI 249	June 19, 2006
CalEnergy Philippines (a)	06-305	UI 249	June 19, 2006
Cottonwood Creek Consolidated Irrigation Company	11-332 16-345	UI 312 UI 373	August 26, 2011 September 13, 2016
Electric Transmission Texas, LLC (a)	06-305	UI 249	June 19, 2006
Energy West Mining Company	91-513	UI 105	April 12, 1991
Environment One Corporation	17-169	UI 381	May 16, 2017
Ferron Canal & Reservoir Company	10-345 16-247	UI 301 UI 301 (1)	September 2, 2010 July 5, 2016
FlightSafety International, Inc.	15-357	UI 358	November 3, 2015
Fossil Rock Fuels, LLC	11-482	UI 317	December 6, 2011
GBT US, LLC (dba American Express Global Business Travel)	17-216	UI 383	June 14, 2017
Graver Water System, Inc. (a Marmon Holdings, Inc. company)	16-121	UI 367	March 23, 2016
HomeServices of America, Inc. (a)	06-305 07-269 08-165 11-053 16-163	UI 249 UI 264 UI 277 UI 304 UI 369	June 19, 2006 June 11, 2007 March 12, 2008 February 11, 2011 May 3, 2016
Huntington Cleveland Irrigation Company	10-353 14-209 16-344	UI 300 UI 345 UI 374	September 10, 2010 June 10, 2014 September 13, 2016

Affiliate	Order No.	Docket No.	Date Approved
International Business Machines Corporation	12-227	UI 321	June 19, 2012
	12-228	UI 322	June 19, 2012
	12-385	UI 327	October 9, 2012
	13-100	UI 330	March 26, 2013
	13-284	UI 337	August 6, 2013
	13-486	UI 341	December 19, 2013
	13-487	UI 342	December 19, 2013
	14-052	UI 344	February 18, 2014
	16-451	UI 380	November 23, 2016
Interwest Mining Company	09-261	UI 286	July 7, 2009
Iowa Realty Co., Inc. (a)	06-305	UI 249	June 19, 2006
Kern River Gas Transmission Company (a)	06-305	UI 249	June 19, 2006
	06-683	UI 255	December 26, 2006
	07-080	UI 258	March 5, 2007
	09-503	UI 255 (1)	December 28, 2009
	11-400	UI 316	October 6, 2011
	15-134	UI 316 (1)	April 28, 2015
	16-099	UI 361	March 8, 2016
Marmon Utility LLC (a Marmon Holdings, Inc. company)	11-189	UI 308	June 16, 2011
	11-191	UI 309	June 16, 2011
	11-200	UI 311	June 22, 2011
	16-164	UI 368	May 3, 2016
Marmon/Keystone Corporation	12-143	UI 319	April 24, 2012
MEC Construction Services Co. (a)	06-305	UI 249	June 19, 2006
Metalogic Inspection Services, LLC	15-018	UI 353	January 28, 2015
MHC Inc. (a)	06-305	UI 249	June 19, 2006
MidAmerican Central California Transco, LLC (a)	06-305	UI 249	June 19, 2006
MidAmerican Energy Company (a)	06-305	UI 249	June 19, 2006
	11-190	UI 310	June 16, 2011
	11-400	UI 316	October 6, 2011
	15-134	UI 316 (1)	April 28, 2015
MidAmerican Energy Holdings Company Insurance Services Ltd.	06-498	UI 253	August 24, 2006
MidAmerican Energy Services, LLC (a)	06-305	UI 249	June 19, 2006
Midwest Capital Group, Inc. (a)	06-305	UI 249	June 19, 2006
MTL Canyon Holdings, LLC (a)	06-305	UI 249	June 19, 2006
National Indemnity Company	13-322	UI 339	September 3, 2013
NetJets, Inc.	08-166	UI 279	March 13, 2008
Nevada Power Company (a)	06-305	UI 249	June 19, 2006
	15-134	UI 316 (1)	April 28, 2015
Northern Natural Gas Company (a)	06-305	UI 249	June 19, 2006
	11-400	UI 316	October 6, 2011
	15-134	UI 316 (1)	April 28, 2015
Northern Powergrid Holdings Company (a)	06-305	UI 249	June 19, 2006
NV Energy, Inc. (a)	06-305	UI 249	June 19, 2006
	15-134	UI 316 (1)	April 28, 2015
Pacific Minerals, Inc. (Umbrella Loan Agreement)	06-353	UI 1 (11)	July 7, 2006
PacifiCorp Foundation	04-028	UI 223	January 15, 2004
Phillips 66	16-009	UI 360	January 12, 2016
PPW Holdings LLC (a)	06-305	UI 249	June 19, 2006
Racom Corporation	11-276	UI 313	July 29, 2011
Sierra Pacific Power Company (a)	06-305	UI 249	June 19, 2006
	15-134	UI 316 (1)	April 28, 2015
The Kerite Company (a Marmon Holdings, Inc. company)	10-409	UI 303	October 18, 2010

Affiliate	Order No.	Docket No.	Date Approved
Trapper Mining Inc.	94-1550	UI 140	October 12, 1994
U.S. Bancorp Investments, Inc.	14-251	UI 349	July 8, 2014
U.S. Bank National Association	16-184	UI 370	May 20, 2016
	16-366	UI 375	September 27, 2016
	16-463	UI 377	December 7, 2016
	17-369	UI 386	September 28, 2017
Wells Fargo Home Equity	08-165	UI 277	March 12, 2008
Wells Fargo Securities, LLC	10-450	UI 302	November 15, 2010
	11-423	UI 315	October 26, 2011
	12-142	UI 318	April 24, 2012
	12-457	UI 328	November 26, 2012
	13-283	UI 336	August 6, 2013
	13-371	UI 340	October 16, 2013
	14-251	UI 349	July 8, 2014
	14-396	UI 351	November 12, 2014
	15-183	UI 356	June 9, 2015
	16-463	UI 377	December 7, 2016
	17-369	UI 386	September 28, 2017