

PacifiCorp

Affiliated Interest Report

for the year ended December 31, 2018

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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 141,400 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. Certain PacifiCorp subsidiaries support its electric utility operations by providing coal mining services.

PacifiCorp's principal executive offices are located at 825 N.E. Multnomah Street, Portland, Oregon 97232, and its telephone number is (503) 813-5258 and its internet address is www.pacificorp.com. 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. 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, 2018, including Berkshire Hathaway affiliates.

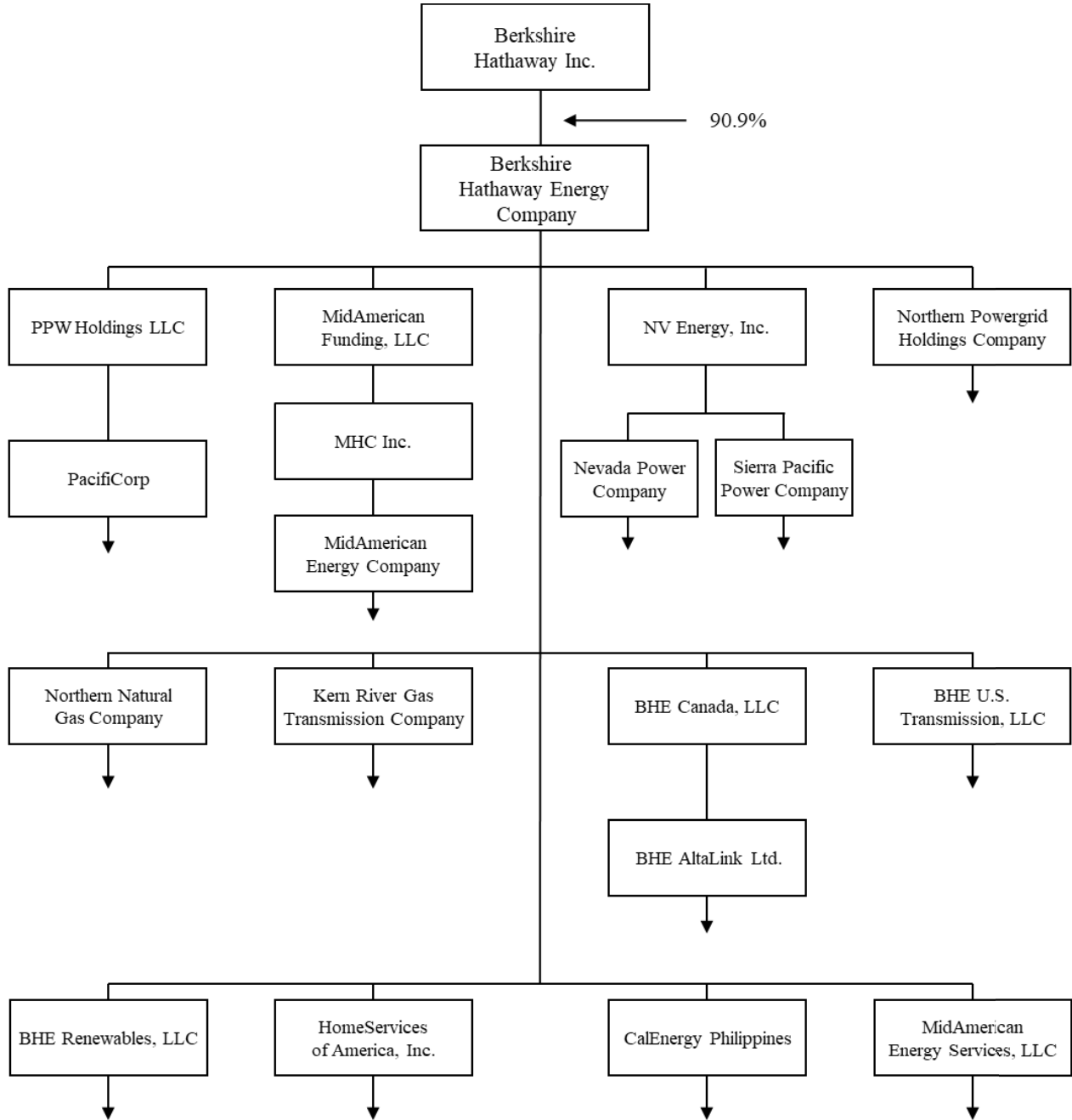
Subsidiaries of PacifiCorp as of December 31, 2018

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, 2018



*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, 2018 (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, 2018**
- 2. PacifiCorp executive officers during the year ended December 31, 2018**
- 3. PacifiCorp executive officers and directors with affiliated positions as of December 31, 2018**

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, 2018, as indicated. Changes that occurred subsequent to December 31, 2018 (if any) are annotated.

1. PacifiCorp Board of Directors and Committees of the Board of Directors during the year ended December 31, 2018 ^(a) ^(b)

Director	Address	From	To	Director at 12/31/2018	Elected During the Year Ended 12/31/2018	Resigned During the Year Ended 12/31/2018
William J. Fehrman	666 Grand Avenue 27th Floor Des Moines, Iowa 50309	1/10/2018		Yes	Yes	No
Stefan A. Bird	825 NE Multnomah Street Suite 2000 Portland, Oregon 97232	3/10/2015		Yes	No	No
Gary W. Hoogeveen	1407 West North Temple Suite 310 Salt Lake City, Utah 84116	11/19/2018		Yes	Yes	No
Nikki L. Kobliha	825 NE Multnomah Street Suite 1900 Portland, Oregon 97232	2/1/2017		Yes	No	No
Patrick J. Goodman	666 Grand Avenue 27th 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
Gregory E. Abel	666 Grand Avenue 27th Floor Des Moines, Iowa 50309	3/21/2006	1/10/2018	No	No	Yes
Cindy A. Crane	1407 West North Temple Suite 310 Salt Lake City, Utah 84116	3/10/2015	2/4/2019	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.

(b) Cindy A. Crane, former President and Chief Executive Officer of Rocky Mountain Power, a division of PacifiCorp, resigned as Director and employee of PacifiCorp on February 4, 2019.

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, 2018 ^{(a) (b)}

Title	Officer	Address	From	To	Officer at 12/31/2018	Elected During the Year Ended 12/31/2018	Resigned During the Year Ended 12/31/2018
Chairman of the Board of Directors and Chief Executive Officer	William J. Fehrman	666 Grand Avenue 27th Floor Des Moines, Iowa 50309	1/10/2018		Yes	Yes	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, Rocky Mountain Power	Gary W. Hoogeveen	1407 West North Temple Suite 310 Salt Lake City, Utah 84116	6/1/2018		Yes	Yes	No
Chief Executive Officer, Rocky Mountain Power	Gary W. Hoogeveen	1407 West North Temple Suite 310 Salt Lake City, Utah 84116	11/28/2018		Yes	Yes	No
Vice President, Chief Financial Officer and Treasurer	Nikki L. Kobliha	825 NE Multnomah Street Suite 1900 Portland, Oregon 97232	8/13/2015		Yes	No	No
Former Chairman of the Board of Directors and Chief Executive Officer	Gregory E. Abel	666 Grand Avenue 27th Floor Des Moines, Iowa 50309	3/21/2006	1/10/2018	No	No	Yes
Former President, Rocky Mountain Power	Cindy A. Crane	1407 West North Temple Suite 310 Salt Lake City, Utah 84116	12/18/2014	6/1/2018	No	No	Yes
Former Chief Executive Officer, Rocky Mountain Power	Cindy A. Crane	1407 West North Temple Suite 310 Salt Lake City, Utah 84116	12/18/2014	11/28/2018	No	No	Yes

(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.

(b) Cindy A. Crane resigned as President and Chief Executive Officer of Rocky Mountain Power, and Gary W. Hoogeveen was appointed President and Chief Executive Officer of Rocky Mountain Power on June 1, 2018 and on November 28, 2018, respectively.

3. PacifiCorp Executive Officers and Directors with Affiliated Positions as of December 31, 2018

Fehrman, William J.

Business Entity	Title
AltaLink Management Ltd.	Director
Berkshire Hathaway Energy Company	Director
Berkshire Hathaway Energy Company	President & Chief Executive Officer
BHE Canada (BC) Holdings Corporation	President
HomeServices of America, Inc.	Director
HomeServices of America, Inc.	Executive Committee Member
HomeServices of America, Inc.	Finance Committee Member
Nevada Power Company	Chairman
NNGC Acquisition, LLC	President
Northern Natural Gas Company	Chairman
Northern Natural Gas Company	Director
Northern Powergrid Holdings Company	Chairman
Northern Powergrid Holdings Company	Director
NV Energy, Inc.	Chairman
PPW Holdings LLC	President
Sierra Pacific Power Company	Chairman
Tongonan Power Investment, Inc.	Director

Bird, Stefan A.

Business Entity	Title
PacifiCorp Foundation	Chairperson
PacifiCorp Foundation	Director

Hoogeveen, Gary W.

Business Entity	Title
PacifiCorp Foundation	Director
PacifiCorp Foundation	President

Kobliha, Nikki L.

Business Entity	Title
Pacific Minerals, Inc.	Treasurer
PacifiCorp Foundation	Treasurer
PacifiCorp Foundation	Vice President

Goodman, Patrick J.

Business Entity	Title
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⁾

Goodman, Patrick J. (continued)

Business Entity	Title
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
BH2H Holdings, LLC	Manager ⁽¹⁾
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 States Edge Wind Holdings, 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⁾
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 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⁾

Goodman, Patrick J. (continued)

Business Entity	Title
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 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
Executive Vice President & Chief Financial Officer	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 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⁾
Dawson Solar Holdings, LLC	Manager ⁽¹⁾
Delphinus Community Solar Gardens, LLC	Manager ⁽¹⁾
Delphinus CSG1, LLC	Manager ⁽¹⁾
Delphinus CSG2, 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
Kanstar Transmission, LLC	Manager ⁽¹⁾
Kern River Gas Transmission Company	Director

Goodman, Patrick J. (continued)

Business Entity	Title
KR Holding, LLC	Manager ⁽¹⁾
KR Holding, LLC	Vice President & Treasurer
Lockett Wind Holdings, LLC	Manager ⁽¹⁾
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
MES Holding, LLC	Manager ⁽¹⁾
MidAmerican Central California Transco, LLC	Manager ⁽¹⁾
MidAmerican Energy Machining Services LLC	Manager ⁽¹⁾
MidAmerican Funding, LLC	Manager ⁽¹⁾
MidAmerican Geothermal Development Corporation	Director
Midwest Power Midcontinent Transmission Development, LLC	Manager ⁽¹⁾
Midwest Power Transmission Arkansas, LLC	Manager ⁽¹⁾
Midwest Power Transmission Iowa, LLC	Manager ⁽¹⁾
Midwest Power Transmission Kansas, LLC	Manager ⁽¹⁾
Midwest Power Transmission Oklahoma, LLC	Manager ⁽¹⁾
Midwest Power Transmission Texas, LLC	Manager ⁽¹⁾
Morgan Community Solar, LLC	Manager ⁽¹⁾
Morgan CSG1, LLC	Manager ⁽¹⁾
Morgan CSG2, LLC	Manager ⁽¹⁾
Morgan CSG3, LLC	Manager ⁽¹⁾
MPT Heartland Development, 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⁾
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⁾

Goodman, Patrick J. (continued)

Business Entity	Title
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
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⁾
CalEnergy Company, Inc.	Senior Vice President & General Counsel
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
MHC Inc.	Director
MHC Inc.	Senior Vice President, General Counsel & Assistant Secretary

Hocken, Natalie L. (continued)

Business Entity	Title
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
PPW Holdings LLC	Manager ⁽¹⁾

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

(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, 2018

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, 2018. 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, 2018.

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, 2018. 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 Airlines, Inc. (“American Airlines”) – At December 31, 2018, Berkshire Hathaway held a 9.49% ownership interest in American Airlines Group Inc., which wholly owns American Airlines, Inc. American Airlines is a major network carrier, providing scheduled air transportation for passengers and cargo. American Airlines provides travel services to PacifiCorp.

American Express Travel Related Services Company, Inc. (“American Express Travel”) – At December 31, 2018, Berkshire Hathaway held a 17.98% 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.

Delta Air Lines, Inc. (“Delta Air”) – At December 31, 2018, Berkshire Hathaway held a 9.56% ownership interest in Delta Air Lines, Inc. Delta Air is a major passenger airline, providing scheduled air transportation for passengers and cargo throughout the United States and around the world. Delta Air provides travel services to PacifiCorp.

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.

Marmon Utility, LLC – an affiliate of Marmon Holdings, Inc. (“Marmon”), which Berkshire Hathaway held a 100% ownership interest at December 31, 2018. 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, 2018, Berkshire Hathaway held a 12.88% 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 (“Phillips 66”) – During the third quarter of 2018, Berkshire Hathaway’s ownership interest in Phillips 66 decreased to less than five percent of Phillips 66’s outstanding common shares. Accordingly, this report reflects the transactions between PacifiCorp and Phillips 66 that occurred between January 1, 2018 and November 14, 2018 (the date Berkshire Hathaway filed its Form 13-F for the quarter ended September 30, 2018, and its ownership of Phillips 66 became known). 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.

Southwest Airlines Co. (“Southwest Airlines”) – At December 31, 2018, Berkshire Hathaway held a 9.92% ownership interest in Southwest Airlines. Southwest Airlines is a major passenger airline that provides scheduled air transportation in the United States and near-international markets. Southwest Airlines provides travel services to PacifiCorp.

U.S. Bancorp – At December 31, 2018, Berkshire Hathaway held a 9.09% 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, 2018, Berkshire Hathaway held a 9.55% 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 that owns a highly diversified portfolio of locally managed businesses principally engaged in the energy industry. BHE is a consolidated subsidiary of Berkshire Hathaway. As of February 21, 2019, Berkshire Hathaway owned 90.9% 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) (8.1% ownership interest as of February 21, 2019), and Gregory E. Abel, BHE’s Executive Chairman (1.0% ownership interest as of February 21, 2019). 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.

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 Casenacan 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 97.78% ownership at December 31, 2018. HomeServices is, through its operating subsidiaries, 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.

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.

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.

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.

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.

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.

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.

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.

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, 2018, are included in 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.

Summary of transactions included in Section II for the Year Ended December 31, 2018

Affiliated Entity	Ownership Interest as of 12/31/2018	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 Airlines, Inc.	9.49%	-	-	-	54,724	-	54,724
American Express Travel Related Services Company, Inc.	17.98%	-	-	-	38,511	-	38,511
BNSF Railway Company	100.00%	-	-	-	32,526,666	-	32,526,666
Delta Air Lines, Inc.	9.56%	-	-	-	1,152,381	-	1,152,381
Environment One Corporation	100.00%	-	-	-	209,255	-	209,255
FlightSafety International Inc.	100.00%	-	-	-	23,652	-	23,652
Marmon Utility LLC	100.00%	-	-	-	397,298	-	397,298
Moody's Investors Service	12.88%	-	-	-	371,157	-	371,157
Phillips 66 Company (2)	<5%	-	-	-	719,174	-	719,174
Southwest Airlines Co.	9.92%	-	-	-	52,753	-	52,753
U.S. Bancorp	9.09%	-	-	-	401,092	-	401,092
Wells Fargo & Company	9.55%	-	-	-	1,125,775	1,781,225	2,907,000
Berkshire Hathaway Energy Company	90.90%	5,165,883	166,178	5,332,061	-	-	-
BHE AltaLink Ltd.	100.00%	-	39,833	39,833	-	-	-
BHE Renewables, LLC	100.00%	4,866	66,694	71,560	-	-	-
CalEnergy Generation Operating Company	100.00%	-	18,127	18,127	-	-	-
BHE U.S. Transmission, LLC	100.00%	1,199,006	220,058	1,419,064	-	-	-
CalEnergy Philippines	various	-	1,204	1,204	-	-	-
HomeServices of America, Inc.	97.78%	-	122,245	122,245	1,429,105	-	1,429,105
Kern River Gas Transmission Company	100.00%	104	28,367	28,471	3,072,669	-	3,072,669
MHC Inc.	100.00%	499,935	-	499,935	-	-	-
MEC Construction Services Co.	100.00%	-	3,494	3,494	-	-	-
MidAmerican Energy Company	100.00%	4,465,031	485,465	4,950,496	-	-	-
Midwest Capital Group, Inc.	100.00%	-	211	211	-	-	-
MidAmerican Energy Services, LLC	100.00%	-	4,421	4,421	-	-	-
Northern Natural Gas Company	100.00%	1,686	97,413	99,099	-	-	-
Northern Powergrid Holdings Company	100.00%	-	53,801	53,801	-	-	-
NV Energy, Inc.	100.00%	820	116,005	116,825	-	172,998	172,998
Nevada Power Company	100.00%	150,071	67,328	217,399	2,555,221	965,027	3,520,248
Sierra Pacific Power Company	100.00%	268	37,232	37,500	381,806	47,990	429,796
PPW Holdings LLC	100.00%	-	-	-	-	-	-
Fossil Rock Fuels, LLC	100.00%	-	-	-	-	-	-
Interwest Mining Company	100.00%	-	-	-	26,992	67,233	94,225
Pacific Minerals, Inc.	100.00%	-	-	-	-	-	-
Bridger Coal Company	66.67%	-	-	-	149,220,168	1,409,166	150,629,334
Trapper Mining Inc.	21.40%	-	-	-	14,068,819	7,036	14,075,855
PacifiCorp Foundation	0.00%	-	-	-	-	164,918	164,918
Cottonwood Creek Consolidated Irrigation Company	25.98%	-	-	-	328,313	-	328,313
Ferron Canal & Reservoir Company	36.82%	-	-	-	1,054,907	-	1,054,907
Huntington Cleveland Irrigation Company	34.12%	-	-	-	528,309	-	528,309
Total Affiliated Services by Category		11,487,670	1,528,076	13,015,746	209,738,747	4,615,593	214,354,340

(1) Intercompany Administrative Services Agreement

(2) This entity was an affiliate for only part of the year ended December 31, 2018. 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.

American Airlines, Inc.
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Travel services	\$ 54,724	\$ -
Total	\$ 54,724	\$ -
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 Airlines Group Inc. provides services to PacifiCorp in the normal course of business at standard pricing.

For further information on the following financial statements, refer to American Airlines, Inc.'s Form 10-K for the year ended December 31, 2018 (File No. 1-2691) at www.sec.gov.

AMERICAN AIRLINES, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except shares and par value)

	December 31,	
	2018	2017
ASSETS		
Current assets		
Cash	\$ 265	\$ 287
Short-term investments	4,482	4,768
Restricted cash and short-term investments	154	318
Accounts receivable, net	1,755	1,755
Receivables from related parties, net	10,666	8,822
Aircraft fuel, spare parts and supplies, net	1,442	1,294
Prepaid expenses and other	493	647
Total current assets	19,257	17,891
Operating property and equipment		
Flight equipment	41,180	39,993
Ground property and equipment	8,466	8,006
Equipment purchase deposits	1,277	1,217
Total property and equipment, at cost	50,923	49,216
Less accumulated depreciation and amortization	(17,123)	(15,354)
Total property and equipment, net	33,800	33,862
Operating lease right-of-use assets	9,094	—
Other assets		
Goodwill	4,091	4,091
Intangibles, net of accumulated amortization of \$663 and \$622, respectively	2,137	2,203
Deferred tax asset	1,280	2,071
Other assets	1,219	1,283
Total other assets	8,727	9,648
Total assets	\$ 70,878	\$ 61,401
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Current maturities of long-term debt and finance leases	\$ 2,547	\$ 2,058
Accounts payable	1,707	1,625
Accrued salaries and wages	1,363	1,613
Air traffic liability	4,339	4,042
Loyalty program liability	3,267	3,121
Operating lease liabilities	1,639	—
Other accrued liabilities	2,259	2,209
Total current liabilities	17,121	14,668
Noncurrent liabilities		
Long-term debt and finance leases, net of current maturities	20,650	21,236
Pension and postretirement benefits	6,863	7,452
Loyalty program liability	5,272	5,701
Operating lease liabilities	7,857	—
Other liabilities	1,345	2,456
Total noncurrent liabilities	41,987	36,845
Commitments and contingencies (Note 10)		
Stockholder's equity		
Common stock, \$1.00 par value; 1,000 shares authorized, issued and outstanding	—	—
Additional paid-in capital	16,802	16,716
Accumulated other comprehensive loss	(5,370)	(5,251)
Retained earnings (deficit)	338	(1,577)
Total stockholder's equity	11,770	9,888
Total liabilities and stockholder's equity	\$ 70,878	\$ 61,401

See accompanying notes to consolidated financial statements.

AMERICAN AIRLINES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions)

	Year Ended December 31,		
	2018	2017	2016
Operating revenues:			
Passenger	\$ 40,676	\$ 39,131	\$ 37,045
Cargo	1,013	890	785
Other	2,841	2,589	2,295
Total operating revenues	44,530	42,610	40,125
Operating expenses:			
Aircraft fuel and related taxes	8,053	6,128	5,071
Salaries, wages and benefits	12,240	11,942	10,958
Regional expenses	7,064	6,572	6,009
Maintenance, materials and repairs	2,050	1,959	1,834
Other rent and landing fees	1,900	1,806	1,772
Aircraft rent	1,264	1,197	1,203
Selling expenses	1,520	1,477	1,323
Depreciation and amortization	1,839	1,702	1,525
Special items, net	787	712	709
Other	5,090	4,910	4,641
Total operating expenses	41,807	38,405	35,045
Operating income	2,723	4,205	5,080
Nonoperating income (expense):			
Interest income	330	215	104
Interest expense, net	(1,028)	(988)	(906)
Other income, net	167	123	18
Total nonoperating expense, net	(531)	(650)	(784)
Income before income taxes	2,192	3,555	4,296
Income tax provision	534	2,270	1,607
Net income	\$ 1,658	\$ 1,285	\$ 2,689

See accompanying notes to consolidated financial statements.

American Express Travel Related Services Company, Inc.
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Travel arrangement services	\$ 38,511	\$ -
Total	\$ 38,511	\$ -
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, 2018 (File No. 1-7657) at www.sec.gov.

American Express Company
CONSOLIDATED BALANCE SHEETS

December 31 (Millions, except share data)	2018	2017
Assets		
Cash and cash equivalents		
Cash and due from banks	\$ 3,253	\$ 5,148
Interest-bearing deposits in other banks (includes securities purchased under resale agreements: 2018, \$64; 2017, \$48)	24,026	27,709
Short-term investment securities	166	70
Total cash and cash equivalents	<u>27,445</u>	<u>32,927</u>
Accounts receivable		
Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2018, \$8,539; 2017, \$8,919), less reserves: 2018, \$573; 2017, \$521	55,320	53,526
Other receivables, less reserves: 2018, \$25; 2017, \$31	2,907	3,209
Loans		
Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2018, \$33,194; 2017, \$25,695), less reserves: 2018, \$2,134; 2017, \$1,706	79,720	71,693
Other loans, less reserves: 2018, \$124; 2017, \$80	3,676	2,607
Investment securities	4,647	3,159
Premises and equipment, less accumulated depreciation and amortization: 2018, \$6,015; 2017, \$5,455	4,416	4,329
Other assets (includes restricted cash of consolidated variable interest entities: 2018, \$70; 2017, \$62)	10,471	9,746
Total assets	\$ 188,602	\$ 181,196
Liabilities and Shareholders' Equity		
Liabilities		
Customer deposits	\$ 69,960	\$ 64,452
Travelers Cheques and other prepaid products	2,295	2,555
Accounts payable	12,255	14,657
Short-term borrowings	3,100	3,278
Long-term debt (includes debt issued by consolidated variable interest entities: 2018, \$19,509; 2017, \$18,560)	58,423	55,804
Other liabilities	20,279	22,189
Total liabilities	\$ 166,312	\$ 162,935
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, 2018 and 2017 (Note 17)	—	—
Common shares, \$0.20 par value, authorized 3.6 billion shares; issued and outstanding 847 million shares as of December 31, 2018 and 859 million shares as of December 31, 2017	170	172
Additional paid-in capital	12,218	12,210
Retained earnings	12,499	8,307
Accumulated other comprehensive loss		
Net unrealized securities losses, net of tax of: 2018, \$(1); 2017, \$1	(8)	—
Foreign currency translation adjustments, net of tax of: 2018, \$(300); 2017, \$(363)	(2,133)	(1,961)
Net unrealized pension and other postretirement benefits, net of tax of: 2018, \$(170); 2017, \$(179)	(456)	(467)
Total accumulated other comprehensive loss	<u>(2,597)</u>	<u>(2,428)</u>
Total shareholders' equity	22,290	18,261
Total liabilities and shareholders' equity	\$ 188,602	\$ 181,196

See Notes to Consolidated Financial Statements.

American Express Company
CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31 (Millions, except per share amounts)	2018	2017	2016
Revenues			
Non-interest revenues			
Discount revenue	\$ 24,721	\$ 22,890	\$ 22,377
Net card fees	3,441	3,090	2,886
Other fees and commissions	3,153	2,990	2,718
Other	1,360	1,457	1,678
Total non-interest revenues	32,675	30,427	29,659
Interest income			
Interest on loans	9,941	8,148	7,214
Interest and dividends on investment securities	118	89	131
Deposits with banks and other	547	326	139
Total interest income	10,606	8,563	7,484
Interest expense			
Deposits	1,287	779	598
Long-term debt and other	1,656	1,333	1,107
Total interest expense	2,943	2,112	1,705
Net interest income	7,663	6,451	5,779
Total revenues net of interest expense	40,338	36,878	35,438
Provisions for losses			
Charge card	937	795	696
Card Member loans	2,266	1,868	1,235
Other	149	97	96
Total provisions for losses	3,352	2,760	2,027
Total revenues net of interest expense after provisions for losses	36,986	34,118	33,411
Expenses			
Marketing and business development	6,470	5,722	6,249
Card Member rewards	9,696	8,687	7,819
Card Member services	1,777	1,392	1,100
Salaries and employee benefits	5,250	5,258	5,259
Other, net	5,671	5,634	4,942
Total expenses	28,864	26,693	25,369
Pretax income	8,122	7,425	8,042
Income tax provision	1,201	4,677	2,667
Net income	\$ 6,921	\$ 2,748	\$ 5,375
Earnings per Common Share — (Note 22)^(a)			
Basic	\$ 7.93	\$ 3.00	\$ 5.63
Diluted	\$ 7.91	\$ 2.99	\$ 5.61
Average common shares outstanding for earnings per common share:			
Basic	856	883	933
Diluted	859	886	935

(a) Represents net income less (i) earnings allocated to participating share awards of \$54 million, \$21 million and \$43 million for the years ended December 31, 2018, 2017 and 2016, respectively, and (ii) dividends on preferred shares of \$80 million, \$81 million and \$80 million for the years ended December 31, 2018, 2017 and 2016, respectively.

See Notes to Consolidated Financial Statements.

BNSF Railway Company
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp</u> <u>Received Services</u>	<u>PacifiCorp</u> <u>Provided Services</u>
Rail services	\$ 32,489,102	\$ -
Right of way fees	37,564	-
Total	\$ 32,526,666	\$ -
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.

BNSF Railway Company filed reports with the SEC through February 2018. They are accessible under File No. 1-6324 at www.sec.gov. Beginning in February 2018, reports for BNSF Railway Company are no longer filed with the SEC. For further information on the following financial statements, refer to BNSF Railway Company's Consolidated Financial Statements for the period ended December 31, 2018 at www.bnsf.com.

BNSF Railway Company and Subsidiaries

Consolidated Balance Sheets

In millions

	December 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 513	\$ 516
Accounts receivable, net	1,784	1,668
Materials and supplies	793	803
Other current assets	297	204
Total current assets	3,387	3,191
Property and equipment, net of accumulated depreciation of \$9,981 and \$8,611, respectively	63,147	62,281
Goodwill	14,803	14,803
Intangible assets, net	361	392
Other assets	2,257	2,431
Total assets	\$ 83,955	\$ 83,098
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and other current liabilities	\$ 3,082	\$ 3,069
Long-term debt due within one year	80	90
Total current liabilities	3,162	3,159
Deferred income taxes	13,875	13,542
Long-term debt	1,269	1,355
Casualty and environmental liabilities	486	499
Intangible liabilities, net	381	471
Pension and retiree health and welfare liability	267	310
Other liabilities	1,019	1,104
Total liabilities	20,459	20,440
Commitments and contingencies (see Notes 12 and 13)		
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	45,748	39,337
Intercompany notes receivable	(25,302)	(19,830)
Accumulated other comprehensive income (loss)	130	231
Total stockholder's equity	63,496	62,658
Total liabilities and stockholder's equity	\$ 83,955	\$ 83,098

See accompanying Notes to Consolidated Financial Statements.

BNSF Railway Company and Subsidiaries

Consolidated Statements of Income

In millions

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenues	\$ 22,999	\$ 20,747	\$ 19,278
Operating expenses:			
Compensation and benefits	5,322	4,968	4,757
Fuel	3,346	2,518	1,934
Depreciation and amortization	2,306	2,341	2,115
Purchased services	2,168	2,019	2,037
Equipment rents	732	784	766
Materials and other	1,329	875	1,072
Total operating expenses	15,203	13,505	12,681
Operating income	7,796	7,242	6,597
Interest expense	51	43	50
Interest income, related parties	(643)	(360)	(197)
Other (income) expense, net	(70)	(24)	(35)
Income before income taxes	8,458	7,583	6,779
Income tax expense (benefit)	2,019	(4,536)	2,519
Net income	\$ 6,439	\$ 12,119	\$ 4,260

See accompanying Notes to Consolidated Financial Statements.

Delta Air Lines, Inc.
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Travel services	\$ 1,152,381	\$ -
Total	\$ 1,152,381	\$ -

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) Delta Air Lines, Inc. provides services to PacifiCorp in the normal course of business at standard pricing.

For further information on the following financial statements, refer to Delta Air Lines, Inc. Form 10-K for the year ended December 31, 2018 (File No. 1-5424) at www.sec.gov.

DELTA AIR LINES, INC.
Consolidated Balance Sheets

(in millions, except share data)	December 31,	
	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,565	\$ 1,814
Short-term investments	203	825
Accounts receivable, net of an allowance for uncollectible accounts of \$12 at December 31, 2018 and 2017	2,314	2,377
Fuel inventory	592	916
Expendable parts and supplies inventories, net of an allowance for obsolescence of \$102 and \$113 at December 31, 2018 and 2017, respectively	463	413
Prepaid expenses and other	1,203	1,459
Total current assets	6,340	7,804
Noncurrent Assets:		
Property and equipment, net of accumulated depreciation and amortization of \$15,823 and \$14,097 at December 31, 2018 and 2017, respectively	28,335	26,563
Operating lease right-of-use assets	5,994	—
Goodwill	9,781	9,794
Identifiable intangibles, net of accumulated amortization of \$862 and \$845 at December 31, 2018 and 2017, respectively	4,830	4,847
Cash restricted for airport construction	1,136	—
Deferred income taxes, net	242	1,354
Other noncurrent assets	3,608	3,309
Total noncurrent assets	53,926	45,867
Total assets	\$ 60,266	\$ 53,671
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt and finance leases	\$ 1,518	\$ 2,242
Current maturities of operating leases	955	—
Air traffic liability	4,661	4,364
Accounts payable	2,976	3,634
Accrued salaries and related benefits	3,287	3,022
Loyalty program deferred revenue	2,989	2,762
Fuel card obligation	1,075	1,067
Other accrued liabilities	1,117	1,868
Total current liabilities	18,578	18,959
Noncurrent Liabilities:		
Long-term debt and finance leases	8,253	6,592
Pension, postretirement and related benefits	9,163	9,810
Loyalty program deferred revenue	3,652	3,559
Noncurrent operating leases	5,801	—
Other noncurrent liabilities	1,132	2,221
Total noncurrent liabilities	28,001	22,182
Commitments and Contingencies		
Stockholders' Equity:		
Common stock at \$0.0001 par value; 1,500,000,000 shares authorized, 688,136,306 and 714,674,160 shares issued at December 31, 2018 and 2017, respectively	—	—
Additional paid-in capital	11,671	12,053
Retained earnings	10,039	8,256
Accumulated other comprehensive loss	(7,825)	(7,621)
Treasury stock, at cost, 8,191,831 and 7,476,181 shares at December 31, 2018 and 2017, respectively	(198)	(158)
Total stockholders' equity	13,687	12,530
Total liabilities and stockholders' equity	\$ 60,266	\$ 53,671

The accompanying notes are an integral part of these Consolidated Financial Statements.

DELTA AIR LINES, INC.
Consolidated Statements of Operations

(in millions, except per share data)	Year Ended December 31,		
	2018	2017	2016
Operating Revenue:			
Passenger	\$ 39,755	\$ 36,947	\$ 35,814
Cargo	865	744	684
Other	3,818	3,447	2,952
Total operating revenue	44,438	41,138	39,450
Operating Expense:			
Salaries and related costs	10,743	10,058	9,394
Aircraft fuel and related taxes	9,020	6,756	5,985
Regional carriers expense, excluding fuel	3,438	3,466	3,447
Depreciation and amortization	2,329	2,222	1,886
Contracted services	2,175	2,108	1,918
Passenger commissions and other selling expenses	1,941	1,827	1,751
Ancillary businesses and refinery	1,695	1,495	1,182
Landing fees and other rents	1,662	1,501	1,472
Aircraft maintenance materials and outside repairs	1,575	1,591	1,434
Profit sharing	1,301	1,065	1,115
Passenger service	1,178	1,123	964
Aircraft rent	394	351	285
Other	1,723	1,609	1,621
Total operating expense	39,174	35,172	32,454
Operating Income	5,264	5,966	6,996
Non-Operating Expense:			
Interest expense, net	(311)	(396)	(388)
Unrealized gain/(loss) on investments, net	14	—	—
Miscellaneous, net	184	(70)	(255)
Total non-operating expense, net	(113)	(466)	(643)
Income Before Income Taxes	5,151	5,500	6,353
Income Tax Provision	(1,216)	(2,295)	(2,158)
Net Income	\$ 3,935	\$ 3,205	\$ 4,195
Basic Earnings Per Share	\$ 5.69	\$ 4.45	\$ 5.59
Diluted Earnings Per Share	\$ 5.67	\$ 4.43	\$ 5.55
Cash Dividends Declared Per Share	\$ 1.31	\$ 1.02	\$ 0.68

The accompanying notes are an integral part of these Consolidated Financial Statements.

Environment One Corporation
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Equipment parts	\$ 209,255	\$ -
Total	\$ 209,255	\$ -
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, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Aviation training	\$ 23,652	\$ -
Total	\$ 23,652	\$ -
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.

Marmon Utility LLC
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Materials	\$ 397,298	\$ -
Total	\$ 397,298	\$ -
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, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Credit rating services	\$ 371,157	\$ -
Total	\$ 371,157	\$ -
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, 2018 (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,	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,685.0	\$ 1,071.5
Short-term investments	132.5	111.8
Accounts receivable, net of allowances of \$43.5 in 2018 and \$36.6 in 2017	1,287.1	1,147.2
Other current assets	282.3	250.1
Total current assets	3,386.9	2,580.6
Property and equipment, net	320.4	325.1
Goodwill	3,781.3	3,753.2
Intangible assets, net	1,566.1	1,631.6
Deferred tax assets, net	197.2	143.8
Other assets	274.3	159.9
Total assets	<u>\$ 9,526.2</u>	<u>\$ 8,594.2</u>
LIABILITIES, NONCONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 695.2	\$ 750.3
Commercial paper	—	129.9
Current portion of long-term debt	449.9	299.5
Deferred revenue	953.4	883.6
Total current liabilities	2,098.5	2,063.3
Non-current portion of deferred revenue	122.3	140.0
Long-term debt	5,226.1	5,111.1
Deferred tax liabilities, net	351.7	341.6
Uncertain tax positions	494.6	389.1
Other liabilities	576.5	664.0
Total liabilities	8,869.7	8,709.1
Contingencies (Note 20)		
Shareholders' equity (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, 2018 and December 31, 2017, respectively.	3.4	3.4
Capital surplus	600.9	528.6
Retained earnings	8,594.4	7,465.4
Treasury stock, at cost; 151,598,695 and 151,932,157 shares of common stock at December 31, 2018 and December 31, 2017, respectively	(8,312.5)	(8,152.9)
Accumulated other comprehensive loss	(426.3)	(172.2)
Total Moody's shareholders' equity (deficit)	459.9	(327.7)
Noncontrolling interests	196.6	212.8
Total shareholders' equity (deficit)	656.5	(114.9)
Total liabilities, noncontrolling interests and shareholders' equity	<u>\$ 9,526.2</u>	<u>\$ 8,594.2</u>

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

MOODY'S 2018 10-K

MOODY'S CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in millions, except per share data)

	Year Ended December 31,		
	2018	2017	2016
Revenue	\$ 4,442.7	\$ 4,204.1	\$ 3,604.2
Expenses			
Operating	1,245.5	1,216.6	1,019.6
Selling, general and administrative	1,080.1	985.9	931.2
Restructuring	48.7	—	12.0
Depreciation and amortization	191.9	158.3	126.7
Acquisition-Related Expenses	8.3	22.5	—
Settlement Charge	—	—	863.8
Total expenses	2,574.5	2,383.3	2,953.3
Operating income	1,868.2	1,820.8	650.9
Non-operating (expense) income, net			
Interest expense, net	(216.0)	(208.5)	(157.3)
Other non-operating income, net	18.8	3.7	64.4
Purchase Price Hedge Gain	—	111.1	—
CCXI Gain	—	59.7	—
Non-operating (expense) income, net	(197.2)	(34.0)	(92.9)
Income before provision for income taxes	1,671.0	1,786.8	558.0
Provision for income taxes	351.6	779.1	282.2
Net income	1,319.4	1,007.7	275.8
Less: Net income attributable to noncontrolling interests	9.8	7.1	9.2
Net income attributable to Moody's	\$ 1,309.6	\$ 1,000.6	\$ 266.6
Earnings per share			
Basic	\$ 6.84	\$ 5.24	\$ 1.38
Diluted	\$ 6.74	\$ 5.15	\$ 1.36
Weighted average shares outstanding			
Basic	191.6	191.1	192.7
Diluted	194.4	194.2	195.4

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

MOODY'S 2018 10-K

Phillips 66 Company Affiliated Transactions

For the Period from January 1, 2018 to November 14, 2018 ^(a)

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Lubricating oil and grease products	\$ 719,174	\$ -
Total	\$ 719,174	\$ -
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 2018, Berkshire Hathaway's ownership interest in Phillips 66 decreased to less than five percent of Phillips 66's outstanding common shares. Accordingly, this report reflects the transactions between PacifiCorp and Phillips 66 that occurred between January 1, 2018 and November 14, 2018 (the date Berkshire Hathaway filed its Form 13-F for the quarter ended September 30, 2018, and its ownership of Phillips 66 became known).

(b) 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, 2018 (File No. 001-35349) at www.sec.gov.

Consolidated Balance Sheet
Phillips 66

At December 31	Millions of Dollars	
	2018	2017
Assets		
Cash and cash equivalents	\$ 3,019	3,119
Accounts and notes receivable (net of allowances of \$22 million in 2018 and \$29 million in 2017)	5,414	6,424
Accounts and notes receivable—related parties	759	1,082
Inventories	3,543	3,395
Prepaid expenses and other current assets	474	370
Total Current Assets	13,209	14,390
Investments and long-term receivables	14,421	13,941
Net properties, plants and equipment	22,018	21,460
Goodwill	3,270	3,270
Intangibles	869	876
Other assets	515	434
Total Assets	\$ 54,302	54,371
Liabilities		
Accounts payable	\$ 6,113	7,242
Accounts payable—related parties	473	785
Short-term debt	67	41
Accrued income and other taxes	1,116	1,002
Employee benefit obligations	724	582
Other accruals	442	455
Total Current Liabilities	8,935	10,107
Long-term debt	11,093	10,069
Asset retirement obligations and accrued environmental costs	624	641
Deferred income taxes	5,275	5,008
Employee benefit obligations	867	884
Other liabilities and deferred credits	355	234
Total Liabilities	27,149	26,943
Equity		
Common stock (2,500,000,000 shares authorized at \$0.01 par value) Issued (2018—645,691,761 shares; 2017—643,835,464 shares)		
Par value	6	6
Capital in excess of par	19,873	19,768
Treasury stock (at cost: 2018—189,526,331 shares; 2017—141,565,145 shares)	(15,023)	(10,378)
Retained earnings	20,489	16,306
Accumulated other comprehensive loss	(692)	(617)
Total Stockholders' Equity	24,653	25,085
Noncontrolling interests	2,500	2,343
Total Equity	27,153	27,428
Total Liabilities and Equity	\$ 54,302	54,371

See Notes to Consolidated Financial Statements.

Consolidated Statement of Income
Phillips 66

Years Ended December 31	Millions of Dollars		
	2018	2017	2016
Revenues and Other Income			
Sales and other operating revenues*	\$ 111,461	102,354	84,279
Equity in earnings of affiliates	2,676	1,732	1,414
Net gain on dispositions	19	15	10
Other income	61	521	74
Total Revenues and Other Income	114,217	104,622	85,777
Costs and Expenses			
Purchased crude oil and products	97,930	79,409	62,468
Operating expenses	4,880	4,699	4,275
Selling, general and administrative expenses	1,677	1,695	1,638
Depreciation and amortization	1,356	1,318	1,168
Impairments	8	24	5
Taxes other than income taxes*	425	13,462	13,688
Accretion on discounted liabilities	23	22	21
Interest and debt expense	504	438	338
Foreign currency transaction gains	(31)	—	(15)
Total Costs and Expenses	106,772	101,067	83,586
Income before income taxes	7,445	3,555	2,191
Income tax expense (benefit)	1,572	(1,693)	547
Net Income	5,873	5,248	1,644
Less: net income attributable to noncontrolling interests	278	142	89
Net Income Attributable to Phillips 66	\$ 5,595	5,106	1,555
Net Income Attributable to Phillips 66 Per Share of Common Stock (dollars)			
Basic	\$ 11.87	9.90	2.94
Diluted	11.80	9.85	2.92
Weighted-Average Common Shares Outstanding (thousands)			
Basic	470,708	515,090	527,531
Diluted	474,047	518,508	530,066
* Includes excise taxes on sales of refined petroleum products for periods prior to the adoption of Accounting Standards Update No. 2014-09 on January 1, 2018:	\$	13,054	13,381
See Notes to Consolidated Financial Statements.			

**Southwest Airlines Co.
 Affiliated Transactions
 For the Year Ended December 31, 2018**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Travel services	\$ 52,753	\$ -
Total	\$ 52,753	\$ -

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) Southwest Airlines Co. provides services to PacifiCorp in the normal course of business at standard pricing.

For further information on the following financial statements, refer to Southwest Airlines Co. Form 10-K for the year ended December 31, 2018 (File No. 1-7259) at www.sec.gov.

Southwest Airlines Co.
Consolidated Balance Sheet
(in millions, except share data)

	December 31, 2018	December 31, 2017
		As Recast
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,854	\$ 1,495
Short-term investments	1,835	1,778
Accounts and other receivables	568	662
Inventories of parts and supplies, at cost	461	420
Prepaid expenses and other current assets	310	460
Total current assets	5,028	4,815
Property and equipment, at cost:		
Flight equipment	21,753	21,368
Ground property and equipment	4,960	4,399
Deposits on flight equipment purchase contracts	775	919
Assets constructed for others	1,768	1,543
	29,256	28,229
Less allowance for depreciation and amortization	9,731	9,690
	19,525	18,539
Goodwill	970	970
Other assets	720	786
	\$ 26,243	\$ 25,110
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,416	\$ 1,320
Accrued liabilities	1,749	1,700
Air traffic liability	4,134	3,495
Current maturities of long-term debt	606	348
Total current liabilities	7,905	6,863
Long-term debt less current maturities	2,771	3,320
Air traffic liability - noncurrent	936	1,070
Deferred income taxes	2,427	2,119
Construction obligation	1,701	1,390
Other noncurrent liabilities	650	707
Stockholders' equity:		
Common stock, \$1.00 par value: 2,000,000,000 shares authorized; 807,611,634 shares issued in 2018 and 2017	808	808
Capital in excess of par value	1,510	1,451
Retained earnings	15,967	13,832
Accumulated other comprehensive income	20	12
Treasury stock, at cost: 255,008,275 and 219,060,856 shares in 2018 and 2017 respectively	(8,452)	(6,462)
Total stockholders' equity	9,853	9,641
	\$ 26,243	\$ 25,110

See accompanying notes.

Southwest Airlines Co.
Consolidated Statement of Income
(in millions, except per share amounts)

	Year ended December 31,		
	2018	2017	2016
		As Recast	As Recast
OPERATING REVENUES:			
Passenger	\$ 20,455	\$ 19,763	\$ 19,068
Freight	175	173	171
Other	1,335	1,210	1,050
Total operating revenues	21,965	21,146	20,289
OPERATING EXPENSES:			
Salaries, wages, and benefits	7,649	7,305	6,786
Fuel and oil	4,616	4,076	3,801
Maintenance materials and repairs	1,107	1,001	1,045
Landing fees and airport rentals	1,334	1,292	1,211
Depreciation and amortization	1,201	1,218	1,221
Other operating expenses	2,852	2,847	2,703
Total operating expenses	18,759	17,739	16,767
OPERATING INCOME	3,206	3,407	3,522
OTHER EXPENSES (INCOME):			
Interest expense	131	114	122
Capitalized interest	(38)	(49)	(47)
Interest income	(69)	(35)	(24)
Other (gains) losses, net	18	112	21
Total other expenses (income)	42	142	72
INCOME BEFORE INCOME TAXES	3,164	3,265	3,450
PROVISION (BENEFIT) FOR INCOME TAXES	699	(92)	1,267
NET INCOME	\$ 2,465	\$ 3,357	\$ 2,183

See accompanying notes.

U.S. Bancorp
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Banking services	\$ 401,092	\$ -
Total	\$ 401,092	\$ -

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, 2018 (File No. 1-6880) at www.sec.gov

U.S. Bancorp

Consolidated Balance Sheet

At December 31 (Dollars in Millions)

2018

2017

Assets		
Cash and due from banks	\$ 21,453	\$ 19,505
Investment securities		
Held-to-maturity (fair value \$44,964 and \$43,723, respectively)	46,050	44,362
Available-for-sale (\$2,057 and \$689 pledged as collateral, respectively)(a)	66,115	68,137
Loans held for sale (including \$2,035 and \$3,534 of mortgage loans carried at fair value, respectively)	2,056	3,554
Loans		
Commercial	102,444	97,561
Commercial real estate	39,539	40,463
Residential mortgages	65,034	59,783
Credit card	23,363	22,180
Other retail	56,430	57,324
Covered loans	—	3,121
Total loans	286,810	280,432
Less allowance for loan losses	(3,973)	(3,925)
Net loans	282,837	276,507
Premises and equipment	2,457	2,432
Goodwill	9,369	9,434
Other intangible assets	3,392	3,228
Other assets (including \$843 and \$238 of trading securities at fair value pledged as collateral, respectively)(a)	33,645	34,881
Total assets	\$467,374	\$462,040
Liabilities and Shareholders' Equity		
Deposits		
Noninterest-bearing	\$ 81,811	\$ 87,557
Interest-bearing(b)	263,664	259,658
Total deposits	345,475	347,215
Short-term borrowings	14,139	16,651
Long-term debt	41,340	32,259
Other liabilities	14,763	16,249
Total liabilities	415,717	412,374
Shareholders' equity		
Preferred stock	5,984	5,419
Common stock, par value \$0.01 a share — authorized: 4,000,000,000 shares; issued: 2018 and 2017 — 2,125,725,742 shares	21	21
Capital surplus	8,469	8,464
Retained earnings	59,065	54,142
Less cost of common stock in treasury: 2018 — 517,391,021 shares; 2017 — 470,080,231 shares	(20,188)	(17,602)
Accumulated other comprehensive income (loss)	(2,322)	(1,404)
Total U.S. Bancorp shareholders' equity	51,029	49,040
Noncontrolling interests	628	626
Total equity	51,657	49,666
Total liabilities and equity	\$467,374	\$462,040

(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 \$15.3 billion and \$6.8 billion at December 31, 2018 and 2017, 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)	2018	2017	2016
Interest Income			
Loans	\$13,120	\$11,788	\$10,777
Loans held for sale	165	144	154
Investment securities	2,616	2,232	2,078
Other interest income	272	182	125
Total interest income	16,173	14,346	13,134
Interest Expense			
Deposits	1,869	1,041	622
Short-term borrowings	378	141	92
Long-term debt	1,007	784	754
Total interest expense	3,254	1,966	1,468
Net interest income	12,919	12,380	11,666
Provision for credit losses	1,379	1,390	1,324
Net interest income after provision for credit losses	11,540	10,990	10,342
Noninterest Income			
Credit and debit card revenue	1,401	1,289	1,206
Corporate payment products revenue	644	575	541
Merchant processing services	1,531	1,486	1,498
ATM processing services	308	303	277
Trust and investment management fees	1,619	1,522	1,427
Deposit service charges	762	732	706
Treasury management fees	594	618	583
Commercial products revenue	895	954	971
Mortgage banking revenue	720	834	979
Investment products fees	188	173	169
Securities gains (losses), net			
Realized gains (losses), net	30	57	27
Total other-than-temporary impairment	-	-	(6)
Portion of other-than-temporary impairment recognized in other comprehensive income (loss)	-	-	1
Total securities gains (losses), net	30	57	22
Other	910	774	911
Total noninterest income	9,602	9,317	9,290
Noninterest Expense			
Compensation	6,162	5,746	5,212
Employee benefits	1,231	1,134	1,008
Net occupancy and equipment	1,063	1,019	988
Professional services	407	419	502
Marketing and business development	429	542	435
Technology and communications	978	903	877
Postage, printing and supplies	324	323	311
Other intangibles	161	175	179
Other	1,709	2,529	2,015
Total noninterest expense	12,464	12,790	11,527
Income before income taxes	8,678	7,517	8,105
Applicable income taxes	1,554	1,264	2,161
Net income	7,124	6,253	5,944
Net (income) loss attributable to noncontrolling interests	(28)	(35)	(56)
Net income attributable to U.S. Bancorp	\$ 7,096	\$ 6,218	\$ 5,888
Net income applicable to U.S. Bancorp common shareholders	\$ 6,784	\$ 5,913	\$ 5,589
Earnings per common share	\$ 4.15	\$ 3.53	\$ 3.25
Diluted earnings per common share	\$ 4.14	\$ 3.51	\$ 3.24
Average common shares outstanding	1,634	1,677	1,718
Average diluted common shares outstanding	1,638	1,683	1,724

See Notes to Consolidated Financial Statements.

Wells Fargo & Company

Affiliated Transactions

For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Banking services	\$ 1,125,775	\$ -
Financial transactions related to energy hedging activity ^(a)	-	1,781,225
Total	\$ 1,125,775	\$ 1,781,225

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

(a) Represents the financial impact realized on natural gas swaps during the year ended December 31, 2018. In conjunction with these swap arrangements, PacifiCorp had no collateral at Wells Fargo as of December 31, 2018. 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 returns received from 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 price risk. PacifiCorp is principally exposed to commodity price risk as PacifiCorp has an obligation to serve retail customer load in its service territories. Exposures to commodity prices consist mainly of variations in the price of fuel required to generate electricity and wholesale electricity that is purchased and sold. Commodity prices are subject to wide price swings as supply and demand are impacted by, among many other unpredictable items, weather, market liquidity, generating facility availability, customer usage, storage, and transmission and transportation constraints. To mitigate a portion of its commodity price risk, PacifiCorp uses commodity derivative contracts, which may include forwards, options, swaps and other agreements. 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, 2018.

For further information on the following financial statements, refer to Wells Fargo & Company's Form 10-K for the year ended December 31, 2018 (File No. 001-2979) at www.sec.gov.

Wells Fargo & Company and Subsidiaries

Consolidated Balance Sheet

(in millions, except shares)	Dec 31, 2018	Dec 31, 2017
Assets		
Cash and due from banks	\$ 23,551	23,367
Interest-earning deposits with banks (1)	149,736	192,580
Total cash, cash equivalents, and restricted cash (1)	173,287	215,947
Federal funds sold and securities purchased under resale agreements (1)	80,207	80,025
Debt securities:		
Trading, at fair value (2)	69,989	57,624
Available-for-sale, at fair value (2)	269,912	276,407
Held-to-maturity, at cost (fair value \$142,115 and \$138,985)	144,788	139,335
Mortgage loans held for sale (includes \$11,771 and \$16,116 carried at fair value) (3)	15,126	20,070
Loans held for sale (includes \$1,469 and \$1,023 carried at fair value) (2)(3)	2,041	1,131
Loans (includes \$244 and \$376 carried at fair value) (3)	953,110	956,770
Allowance for loan losses	(9,775)	(11,004)
Net loans	943,335	945,766
Mortgage servicing rights:		
Measured at fair value	14,649	13,625
Amortized	1,443	1,424
Premises and equipment, net	8,920	8,847
Goodwill	26,418	26,587
Derivative assets	10,770	12,228
Equity securities (includes \$29,556 and \$39,227 carried at fair value) (2)(3)	55,148	62,497
Other assets (2)	79,850	90,244
Total assets (4)	\$ 1,895,883	1,951,757
Liabilities		
Noninterest-bearing deposits	\$ 349,534	373,722
Interest-bearing deposits	936,636	962,269
Total deposits	1,286,170	1,335,991
Short-term borrowings	105,787	103,256
Derivative liabilities	8,499	8,796
Accrued expenses and other liabilities	69,317	70,615
Long-term debt	229,044	225,020
Total liabilities (5)	1,698,817	1,743,678
Equity		
Wells Fargo stockholders' equity:		
Preferred stock	23,214	25,358
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	60,685	60,893
Retained earnings	158,163	145,263
Cumulative other comprehensive income (loss)	(6,336)	(2,144)
Treasury stock – 900,557,866 shares and 590,194,846 shares	(47,194)	(29,892)
Unearned ESOP shares	(1,502)	(1,678)
Total Wells Fargo stockholders' equity	196,166	206,936
Noncontrolling interests	900	1,143
Total equity	197,066	208,079
Total liabilities and equity	\$ 1,895,883	1,951,757

- (1) Financial information has been revised to reflect the impact of our adoption in first quarter 2018 of ASU 2016-18 – Statement of Cash Flows (Topic 230): *Restricted Cash* in which we changed the presentation of our cash and cash equivalents to include both cash and due from banks as well as interest-earning deposits with banks, which are inclusive of any restricted cash. See Note 1 (Summary of Significant Accounting Policies) for more information.
- (2) Financial information for the prior period has been revised to reflect presentation changes in connection with our adoption in first quarter 2018 of ASU 2016-01 – Financial Instruments – Overall (Subtopic 825-10): *Recognition and Measurement of Financial Assets and Financial Liabilities*. See Note 1 (Summary of Significant Accounting Policies) for more information.
- (3) Parenthetical amounts represent assets and liabilities that we are required to carry at fair value or have elected the fair value option.
- (4) Our consolidated assets at December 31, 2018 and 2017, 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, \$139 million and \$116 million; Interest-bearing deposits with banks, \$8 million and \$371 million; Debt securities, \$45 million and \$0 million; Net loans, \$13.6 billion and \$12.5 billion; Derivative assets, \$0 million and \$0 million; Equity securities, \$85 million and \$306 million; Other assets, \$221 million and \$342 million; and Total assets, \$14.1 billion and \$13.6 billion, respectively.
- (5) Our consolidated liabilities at December 31, 2018 and 2017, include the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Derivative liabilities, \$0 million and \$5 million; Accrued expenses and other liabilities, \$191 million and \$132 million; Long-term debt, \$816 million and \$1.5 billion; and Total liabilities, \$1.0 billion and \$1.6 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,		
	2018	2017	2016
Interest income			
Debt securities (1)	\$ 14,406	12,946	11,244
Mortgage loans held for sale	777	786	784
Loans held for sale (1)	140	50	38
Loans	43,974	41,388	39,505
Equity securities (1)	992	799	635
Other interest income (1)	4,358	2,940	1,457
Total interest income	64,647	58,909	53,663
Interest expense			
Deposits	5,622	3,013	1,395
Short-term borrowings	1,717	758	330
Long-term debt	6,703	5,157	3,830
Other interest expense	610	424	354
Total interest expense	14,652	9,352	5,909
Net interest income	49,995	49,557	47,754
Provision for credit losses	1,744	2,528	3,770
Net interest income after provision for credit losses	48,251	47,029	43,984
Noninterest income			
Service charges on deposit accounts	4,716	5,111	5,372
Trust and investment fees	14,509	14,495	14,243
Card fees	3,907	3,960	3,936
Other fees	3,384	3,557	3,727
Mortgage banking	3,017	4,350	6,096
Insurance	429	1,049	1,268
Net gains from trading activities (1)	602	542	610
Net gains on debt securities (2)	108	479	942
Net gains from equity securities (1)(3)	1,515	1,779	1,103
Lease income	1,753	1,907	1,927
Other	2,473	1,603	1,289
Total noninterest income	36,413	38,832	40,513
Noninterest expense			
Salaries	17,834	17,363	16,552
Commission and incentive compensation	10,264	10,442	10,247
Employee benefits	4,926	5,566	5,094
Equipment	2,444	2,237	2,154
Net occupancy	2,888	2,849	2,855
Core deposit and other intangibles	1,058	1,152	1,192
FDIC and other deposit assessments	1,110	1,287	1,168
Other	15,602	17,588	13,115
Total noninterest expense	56,126	58,484	52,377
Income before income tax expense	28,538	27,377	32,120
Income tax expense	5,662	4,917	10,075
Net income before noncontrolling interests	22,876	22,460	22,045
Less: Net income from noncontrolling interests	483	277	107
Wells Fargo net income	\$ 22,393	22,183	21,938
Less: Preferred stock dividends and other	1,704	1,629	1,565
Wells Fargo net income applicable to common stock	\$ 20,689	20,554	20,373
Per share information			
Earnings per common share	\$ 4.31	4.14	4.03
Diluted earnings per common share	4.28	4.10	3.99
Average common shares outstanding	4,799.7	4,964.6	5,052.8
Diluted average common shares outstanding	4,838.4	5,017.3	5,108.3

- (1) Financial information for the prior periods has been revised to reflect presentation changes made in connection with our adoption in first quarter 2018 of Accounting Standards Update (ASU) 2016-01 – Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. See Note 1 (Summary of Significant Accounting Policies) for more information.
- (2) Total other-than-temporary impairment (OTTI) losses were \$17 million, \$205 million and \$207 million for the years ended December 31, 2018, 2017 and 2016, respectively. Of total OTTI, losses of \$28 million, \$262 million and \$189 million were recognized in earnings, and losses (reversal of losses) of \$(11) million, \$(57) million and \$18 million were recognized as non-credit-related OTTI in other comprehensive income for the years ended December 31, 2018, 2017 and 2016, respectively.
- (3) Includes OTTI losses of \$352 million, \$344 million and \$453 million for the years ended December 31, 2018, 2017 and 2016, respectively.

The accompanying notes are an integral part of these statements.

Berkshire Hathaway Energy Company

Affiliated Transactions

For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ 5,165,883	\$ 166,178
Total	\$ 5,165,883	\$ 166,178

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 amount in the table above reflects the cost of the services.

The following items are excluded from the table above:

- Services provided by Berkshire Hathaway Energy Company to Bridger Coal Company in the amount of \$112,129.

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. Under this arrangement, at December 31, 2018, PPW Holdings LLC did not have any taxes payable to PacifiCorp, and Pacific Minerals, Inc. did not have any taxes payable to PPW Holdings LLC.

For further information on the following financial statements, refer to Berkshire Hathaway Energy Company’s Form 10-K for the year ended December 31, 2018 (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,	
	2018	2017
Current assets:		
Cash and cash equivalents	\$ 627	\$ 935
Restricted cash and cash equivalents	227	327
Trade receivables, net	2,038	2,014
Income tax receivable	90	334
Inventories	844	888
Mortgage loans held for sale	468	465
Other current assets	853	815
Total current assets	5,147	5,778
<hr/>		
Property, plant and equipment, net	68,595	65,871
Goodwill	9,595	9,678
Regulatory assets	2,896	2,761
Investments and restricted cash and cash equivalents and investments	4,903	4,872
Other assets	1,053	1,248
Total assets	\$ 92,189	\$ 90,208

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,	
	2018	2017
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,809	\$ 1,519
Accrued interest	469	488
Accrued property, income and other taxes	599	354
Accrued employee expenses	275	274
Short-term debt	2,516	4,488
Current portion of long-term debt	2,106	3,431
Other current liabilities	996	1,049
Total current liabilities	8,770	11,603
BHE senior debt	8,577	5,452
BHE junior subordinated debentures	100	100
Subsidiary debt	25,991	26,210
Regulatory liabilities	7,346	7,309
Deferred income taxes	9,047	8,242
Other long-term liabilities	2,635	2,984
Total liabilities	62,466	61,900
Commitments and contingencies (Note 15)		
Equity:		
BHE shareholders' equity:		
Common stock - 115 shares authorized, no par value, 77 shares issued and outstanding	—	—
Additional paid-in capital	6,371	6,368
Long-term income tax receivable	(457)	—
Retained earnings	25,624	22,206
Accumulated other comprehensive loss, net	(1,945)	(398)
Total BHE shareholders' equity	29,593	28,176
Noncontrolling interests	130	132
Total equity	29,723	28,308
Total liabilities and equity	\$ 92,189	\$ 90,208

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,		
	2018	2017	2016
Operating revenue:			
Energy	\$ 15,573	\$ 15,171	\$ 14,621
Real estate	4,214	3,443	2,801
Total operating revenue	<u>19,787</u>	<u>18,614</u>	<u>17,422</u>
Operating expenses:			
Energy:			
Cost of sales	4,769	4,518	4,315
Operations and maintenance	3,440	3,210	3,176
Depreciation and amortization	2,933	2,580	2,560
Property and other taxes	573	555	535
Real estate	4,000	3,229	2,589
Total operating expenses	<u>15,715</u>	<u>14,092</u>	<u>13,175</u>
Operating income	<u>4,072</u>	<u>4,522</u>	<u>4,247</u>
Other income (expense):			
Interest expense	(1,838)	(1,841)	(1,854)
Capitalized interest	61	45	139
Allowance for equity funds	104	76	158
Interest and dividend income	113	111	120
(Losses) gains on marketable securities, net	(538)	14	10
Other, net	(9)	(420)	30
Total other income (expense)	<u>(2,107)</u>	<u>(2,015)</u>	<u>(1,397)</u>
Income before income tax (benefit) expense and equity income (loss)	1,965	2,507	2,850
Income tax (benefit) expense	(583)	(554)	403
Equity income (loss)	43	(151)	123
Net income	<u>2,591</u>	<u>2,910</u>	<u>2,570</u>
Net income attributable to noncontrolling interests	23	40	28
Net income attributable to BHE shareholders	<u>\$ 2,568</u>	<u>\$ 2,870</u>	<u>\$ 2,542</u>

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

BHE AltaLink Ltd.
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ -	\$ 39,833
Total	\$ -	\$ 39,833

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, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ 4,866	\$ 66,694
Total	\$ 4,866	\$ 66,694
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 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 BHE Renewables, LLC.

CalEnergy Generation Operating Company
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ -	\$ 18,127
Total	\$ -	\$ 18,127

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, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ 1,199,006	\$ 220,058
Total	\$ 1,199,006	\$ 220,058

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 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 BHE U.S. Transmission, LLC.

**CalEnergy Philippines
 Affiliated Transactions
 For the Year Ended December 31, 2018**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ -	\$ 1,204
Total	\$ -	\$ 1,204
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, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Employee relocation services	\$ 1,429,105	\$ -
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	-	122,245
Total	\$ 1,429,105	\$ 122,245

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.

The following items are excluded from the table above:

- Services provided by HomeServices to Bridger Coal Company in the amount of \$143,021.

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

Kern River Gas Transmission Company
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Natural gas transportation services ^(a)	\$ 3,072,669	\$ -
Administrative services under the Intercompany Administrative Services Agreement (“IASA”) ^(b)	104	28,367
Total	\$ 3,072,773	\$ 28,367

Basis of pricing	(a)	(b)	(b)
Cost of service	(a)	(b)	(b)
The margin of charges over costs	(a)	None	(b)
Assets allocable to the services	(a)	None	(b)
The overall rate of return on assets	(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) 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 the Kern River Gas Transmission Company FERC Form 2 for the year ended December 31, 2018 at www.berkshirehathawayenergyco.com.

**KR Holding, LLC Consolidated
Balance Sheets
December 2018**
(In thousands)

	<u>December 2018</u>	<u>December 2017</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 23,840	\$ 7,766
Restricted cash and short-term investments	1,457	1,437
Receivables, net	21,143	23,747
Amounts due from affiliates	4,438	5,437
Inventories	12,477	11,097
Derivative contracts	2,668	823
Regulatory assets	831	835
Other current investments	212	
Other current assets	5,069	2,090
Total current assets	<u>72,134</u>	<u>53,232</u>
Property, plant and equipment:		
Property, plant and equipment	2,895,243	2,878,355
Accumulated depreciation and amortization	(1,355,756)	(1,312,016)
Construction in progress	5,956	4,222
Total property, plant and equipment, net	<u>1,545,444</u>	<u>1,570,561</u>
Other assets:		
Goodwill	33,900	33,900
Regulatory assets	94,710	79,639
Other investments	1,491	1,182
Restricted cash and long-term investments	13,323	12,335
Deferred charges and other assets	7,386	7,035
Total other assets	<u>150,809</u>	<u>134,090</u>
Total assets	\$ 1,768,387	\$ 1,757,883
<u>Liabilities and Equity</u>		
Current liabilities:		
Accounts payable	\$ 17,636	\$ 4,104
Amounts due to affiliates	759	750
Accrued property, income and other taxes	6,190	8,400
Accrued employee expenses	1,604	1,397
Derivative contracts		
Regulatory liabilities	71	75
Other current liabilities	8,197	6,060
Total current liabilities	<u>34,458</u>	<u>20,786</u>
Regulatory liabilities	540,850	548,433
Deferred income taxes	230,969	219,061
Other long-term accrued liabilities	16,666	14,705
Total liabilities	<u>822,943</u>	<u>802,986</u>
Equity:		
Common stock		
Additional paid-in capital	1,252,224	1,224,324
Retained earnings	(308,776)	(270,042)
Accumulated other comprehensive income (loss), net	1,997	616
Total equity	<u>945,444</u>	<u>954,897</u>
Total liabilities and equity	\$ 1,768,387	\$ 1,757,883
<u>Retained Earnings Summary</u>		
Beginning retained earnings	\$ (270,039)	\$ (198,297)
Net income (loss)	161,263	101,217
Dividends paid	(200,000)	(172,962)
Ending retained earnings	\$ (308,776)	\$ (270,042)

**KR Holding, LLC Consolidated
Statement of Operations
For the periods ended December 2018
(In thousands)**

Operating revenue	
Operating expenses:	\$ 312,817
Operations, maintenance, administration and general	49,195
Depreciation and amortization	43,981
Property and other taxes	11,751
Total operating expenses	104,927
Operating income (loss)	<u>207,890</u>
Other income (expense):	
Capitalized interest	(1)
Allowance for equity funds	376
Interest and dividend income	378
Gain (loss) on marketable securities	(140)
Other, net	1,408
Total other income (expense)	<u>2,021</u>
Income (loss) before income tax	209,911
Income tax expense (benefit)	<u>48,648</u>
Net income (loss)	\$ 161,263

MHC Inc.
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ 499,935	\$ -
Total	\$ 499,935	\$ -

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, 2018 (File No. 333-90553) at www.sec.gov.

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

	As of December 31,	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1	\$ 172
Accounts receivable, net	363	346
Income taxes receivable	—	51
Inventories	204	245
Other current assets	90	135
Total current assets	658	949
Property, plant and equipment, net	16,171	14,221
Goodwill	1,270	1,270
Regulatory assets	273	204
Investments and restricted investments	710	730
Receivable from affiliate	429	431
Other assets	119	233
Total assets	\$ 19,630	\$ 18,038

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,

2018 2017

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities:

Accounts payable	\$ 575	\$ 451
Accrued interest	53	48
Accrued property, income and other taxes	300	133
Note payable to affiliate	156	164
Short-term debt	240	—
Current portion of long-term debt	500	350
Other current liabilities	122	128
Total current liabilities	1,946	1,274

Long-term debt	4,881	4,692
Regulatory liabilities	1,620	1,661
Deferred income taxes	2,319	2,235
Asset retirement obligations	552	528
Other long-term liabilities	310	326
Total liabilities	11,628	10,716

Commitments and contingencies (Note 13)

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	5,572	4,892
Total shareholder's equity	8,002	7,322

Total liabilities and shareholder's equity	\$ 19,630	\$ 18,038
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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,		
	2018	2017	2016
Operating revenue:			
Regulated electric	\$ 2,283	\$ 2,108	\$ 1,985
Regulated natural gas and other	770	738	646
Total operating revenue	<u>3,053</u>	<u>2,846</u>	<u>2,631</u>
Operating expenses:			
Cost of fuel and energy	487	434	410
Cost of natural gas purchased for resale and other	469	447	371
Operations and maintenance	813	802	708
Depreciation and amortization	609	500	479
Property and other taxes	125	119	112
Total operating expenses	<u>2,503</u>	<u>2,302</u>	<u>2,080</u>
Operating income	<u>550</u>	<u>544</u>	<u>551</u>
Other income (expense):			
Interest expense	(231)	(215)	(196)
Allowance for borrowed funds	20	15	8
Allowance for equity funds	53	41	19
Other, net	31	39	33
Total other income (expense)	<u>(127)</u>	<u>(120)</u>	<u>(136)</u>
Income before income tax benefit	423	424	415
Income tax benefit	<u>(257)</u>	<u>(180)</u>	<u>(130)</u>
Net income	<u>\$ 680</u>	<u>\$ 604</u>	<u>\$ 545</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, 2018**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	-	\$ 3,494
Total	<u>\$ -</u>	<u>\$ 3,494</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, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ 4,465,031	\$ 485,465
Total	<u>\$ 4,465,031</u>	<u>\$ 485,465</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 amount in the table above reflects 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 \$5,961.

For further information on the following financial statements, refer to MidAmerican Energy Company’s Form 10-K for the year ended December 31, 2018 (File No. 333-15387) at www.sec.gov.

MIDAMERICAN ENERGY COMPANY
BALANCE SHEETS
(Amounts in millions)

As of December 31,

2018 2017

ASSETS

Current assets:

Cash and cash equivalents	\$	—	\$	172
Accounts receivable, net		367		344
Income taxes receivable		—		51
Inventories		204		245
Other current assets		90		134
Total current assets		661		946
Property, plant and equipment, net		16,159		14,207
Regulatory assets		273		204
Investments and restricted investments		708		728
Other assets		119		233
Total assets		\$ 17,920		\$ 16,318

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

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

As of December 31,

2018 **2017**

LIABILITIES AND SHAREHOLDER'S EQUITY

Current liabilities:

Accounts payable	\$	575	\$	452
Accrued interest		53		48
Accrued property, income and other taxes		300		132
Short-term debt		240		—
Current portion of long-term debt		500		350
Other current liabilities		122		128
Total current liabilities		1,790		1,110

Long-term debt		4,881		4,692
Regulatory liabilities		1,620		1,661
Deferred income taxes		2,322		2,237
Asset retirement obligations		552		528
Other long-term liabilities		309		326
Total liabilities		11,474		10,554

Commitments and contingencies (Note 13)

Shareholder's equity:

Common stock - 350 shares authorized, no par value, 71 shares issued and outstanding		—		—
Additional paid-in capital		561		561
Retained earnings		5,885		5,203
Total shareholder's equity		6,446		5,764
Total liabilities and shareholder's equity	\$	17,920	\$	16,318

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

MIDAMERICAN ENERGY COMPANY
STATEMENTS OF OPERATIONS
(Amounts in millions)

	Years Ended December 31,		
	2018	2017	2016
Operating revenue:			
Regulated electric	\$ 2,283	\$ 2,108	\$ 1,985
Regulated natural gas and other	766	729	640
Total operating revenue	<u>3,049</u>	<u>2,837</u>	<u>2,625</u>
Operating expenses:			
Cost of fuel and energy	487	434	409
Cost of natural gas purchased for resale and other	466	442	367
Operations and maintenance	811	799	708
Depreciation and amortization	609	500	479
Property and other taxes	125	119	112
Total operating expenses	<u>2,498</u>	<u>2,294</u>	<u>2,075</u>
Operating income	<u>551</u>	<u>543</u>	<u>550</u>
Other income (expense):			
Interest expense	(227)	(214)	(196)
Allowance for borrowed funds	20	15	8
Allowance for equity funds	53	41	19
Other, net	30	37	29
Total other income (expense)	<u>(124)</u>	<u>(121)</u>	<u>(140)</u>
Income before income tax benefit	427	422	410
Income tax benefit	<u>(255)</u>	<u>(183)</u>	<u>(132)</u>
Net income	<u>\$ 682</u>	<u>\$ 605</u>	<u>\$ 542</u>

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

Midwest Capital Group, Inc.
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ -	\$ 211
Total	\$ -	\$ 211

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.

MidAmerican Energy Services, LLC
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ -	\$ 4,421
Total	\$ -	\$ 4,421

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.

Northern Natural Gas Company
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ 1,686	\$ 97,413
Total	<u>\$ 1,686</u>	<u>\$ 97,413</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 amount in the table above reflects 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, 2018, at www.berkshirehathawayenergyco.com.

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

	As of December 31,	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,749	\$ 21,005
Accounts receivable, net	107,776	82,748
Accounts receivable from affiliates	9,246	8,953
Notes receivable from BHE	305,000	175,000
Transportation and exchange gas receivables	16,231	14,098
Inventories	35,657	30,038
Other current assets	28,037	28,057
Total current assets	516,696	359,899
Property, plant and equipment, net	3,359,034	3,015,628
Regulatory assets	116,848	128,723
Other assets	49,424	45,003
Total assets	\$ 4,042,002	\$ 3,549,253
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 71,735	\$ 54,779
Accounts payable to affiliates	1,191	1,401
Accrued interest	15,804	12,260
Accrued property, income and other taxes	56,395	52,030
Transportation and exchange gas payables	14,740	11,167
Derivative contracts	840	12,224
Current portion of long-term debt	—	199,871
Other current liabilities	33,336	24,614
Total current liabilities	194,041	368,346
Long-term debt	1,041,512	595,922
Regulatory liabilities	434,362	455,299
Deferred income taxes	523,715	495,073
Asset retirement obligations	33,290	32,367
Other long-term liabilities	38,921	22,208
Total liabilities	2,265,841	1,969,215
Commitments and contingencies (Notes 10 and 13)		
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	794,292	598,169
Total shareholder's equity	1,776,161	1,580,038
Total liabilities and shareholder's equity	\$ 4,042,002	\$ 3,549,253

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,	
	2018	2017
Operating revenue:		
Transportation	\$ 691,550	\$ 590,115
Storage	67,545	70,774
Gas, liquids and other sales	130,526	30,331
Total operating revenue	889,621	691,220
Operating expenses:		
Operations and maintenance	299,116	217,647
Cost of gas and liquids sales	137,987	34,330
Depreciation and amortization	81,763	76,909
Taxes, other than income taxes	53,424	51,972
Total operating expenses	572,290	380,858
Operating income	317,331	310,362
Other income (expense):		
Interest expense, net	(41,513)	(38,213)
Interest income	8,455	4,439
Other, net	12,402	12,862
Total other income (expense)	(20,656)	(20,912)
Income before income tax expense	296,675	289,450
Income tax expense	70,552	118,830
Net income	\$ 226,123	\$ 170,620

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

Northern Powergrid Holdings Company
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	\$ -	\$ 53,801
Total	<u>\$ -</u>	<u>\$ 53,801</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, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Operational support services	\$ -	\$ 172,998
Administrative services under the Intercompany Administrative Services Agreement (“IASA”)	820	116,005
Total	\$ 820	\$ 289,003

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 amount in the table above reflects the cost of the services.

NV Energy, Inc. is a holding company that wholly owns Nevada Power Company and Sierra Pacific Power Company. NV Energy is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company. For further information refer to Berkshire Hathaway Energy Company’s Form 10-K for the year ended December 31, 2018 (File No. 001-14881) at www.sec.gov.

Nevada Power Company

Affiliated Transactions

For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Electricity transmission services	\$ 1,503,454	\$ 488,271
Transmission ancillary services	178,452	22,201
Wholesale energy purchases	836,948	-
Wholesale energy sales	-	454,555
Settlement adjustment	(3,413)	-
Operations and maintenance on Harry Allen substation ^(a)	39,780	-
Administrative services under the Intercompany Administrative Services Agreement ("IASA") ^(c)	150,071	67,328
Total	\$ 2,705,292	\$ 1,032,355

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

(a) In previous years, PacifiCorp paid Nevada Power Company ("Nevada Power") for the construction of transmission assets to be used by PacifiCorp at Nevada Power's Harry Allen substation. These assets are owned by Nevada Power and are recorded in PacifiCorp's plant-in-service as intangible assets in the gross amount of \$18,052,846 (\$12,11,829 net of accumulated depreciation) as of December 31, 2018. PacifiCorp pays Nevada Power for its share of the costs to operate and maintain these assets.

(b) Electricity transmission services and transmission ancillary services provided by Nevada Power are priced pursuant to Nevada Power's Open Access Transmission Tariff ("OATT"). 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. Wholesale energy purchases and sales are priced based on a negotiated rate capped by the selling entity's cost.

(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 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, 2018 (File No. 000-52378) at www.sec.gov.

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

	As of December 31,	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 111	\$ 57
Accounts receivable, net	240	238
Inventories	61	59
Regulatory assets	39	28
Other current assets	68	44
Total current assets	519	426
Property, plant and equipment, net	6,868	6,877
Regulatory assets	878	941
Other assets	37	35
Total assets	\$ 8,302	\$ 8,279
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 187	\$ 156
Accrued interest	38	50
Accrued property, income and other taxes	30	63
Regulatory liabilities	49	91
Current portion of long-term debt and financial and capital lease obligations	520	842
Customer deposits	67	73
Other current liabilities	29	16
Total current liabilities	920	1,291
Long-term debt and financial and capital lease obligations	2,296	2,233
Regulatory liabilities	1,137	1,030
Deferred income taxes	749	767
Other long-term liabilities	296	280
Total liabilities	5,398	5,601
Commitments and contingencies (Note 12)		
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	600	374
Accumulated other comprehensive loss, net	(4)	(4)
Total shareholder's equity	2,904	2,678
Total liabilities and shareholder's equity	\$ 8,302	\$ 8,279

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,		
	2018	2017	2016
Operating revenue	\$ 2,184	\$ 2,206	\$ 2,083
Operating costs and expenses:			
Cost of fuel, energy and capacity	917	902	768
Operations and maintenance	443	391	391
Depreciation and amortization	337	308	303
Property and other taxes	41	40	38
Total operating costs and expenses	<u>1,738</u>	<u>1,641</u>	<u>1,500</u>
Operating income	<u>446</u>	<u>565</u>	<u>583</u>
Other income (expense):			
Interest expense	(170)	(179)	(185)
Allowance for borrowed funds	2	1	4
Allowance for equity funds	3	1	2
Other, net	17	23	21
Total other income (expense)	<u>(148)</u>	<u>(154)</u>	<u>(158)</u>
Income before income tax expense	298	411	425
Income tax expense	72	156	146
Net income	<u>\$ 226</u>	<u>\$ 255</u>	<u>\$ 279</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, 2018

<u>Account Description</u>	<u>PacifiCorp</u> <u>Received Services</u>	<u>PacifiCorp</u> <u>Provided Services</u>
Electricity transmission services	\$ 340,338	\$ -
Transmission ancillary services	26,738	1,468
Electricity transmission service over agreed upon facilities	-	33,147
Wholesale energy purchases	11,566	-
Reserve share	3,164	5,260
Operations and maintenance	-	8,115
Administrative services under the Intercompany Administrative Services Agreement (“IASA”) ^(b)	268	37,232
Total	\$ 382,074	\$ 85,222

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

(a) Electricity transmission services and transmission ancillary services provided by Sierra Pacific Power Company (“Sierra Pacific”) are priced pursuant to Sierra Pacific’s 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. Wholesale energy purchases and sales are priced based on a negotiated rate capped by the selling entity’s cost. Reserve share is at standard pricing based on the Northwest Power Pool Reserve Sharing Agreement. Operations and maintenance costs are ultimately based on PacifiCorp’s share of actual operations and maintenance costs incurred.

(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 Sierra Pacific Power Company’s Form 10-K for the year ended December 31, 2018 (File No. 000-00508) at www.sec.gov.

**SIERRA PACIFIC POWER COMPANY
BALANCE SHEETS**

(Amounts in millions, except share data)

ASSETS	As of December 31,	
	2018	2017
Current assets:		
Cash and cash equivalents	\$ 71	\$ 4
Accounts receivable, net	109	112
Inventories	52	49
Regulatory assets	7	32
Other current assets	24	17
Total current assets	263	214
Property, plant and equipment, net	2,984	2,892
Regulatory assets	314	300
Other assets	8	7
Total assets	\$ 3,569	\$ 3,413
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 116	\$ 92
Accrued interest	13	14
Accrued property, income and other taxes	14	10
Regulatory liabilities	18	19
Current portion of long-term debt and financial and capital lease obligations	3	2
Customer deposits	18	15
Other current liabilities	15	12
Total current liabilities	197	164
Long-term debt and financial and capital lease obligations	1,155	1,152
Regulatory liabilities	491	481
Deferred income taxes	331	330
Other long-term liabilities	131	114
Total liabilities	2,305	2,241
Commitments and contingencies (Note 12)		
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)	153	62
Accumulated other comprehensive loss, net	—	(1)
Total shareholder's equity	1,264	1,172
Total liabilities and shareholder's equity	\$ 3,569	\$ 3,413

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

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

	Years Ended December 31,		
	2018	2017	2016
Operating revenue:			
Electric	\$ 752	\$ 713	\$ 702
Natural gas	103	99	110
Total operating revenue	855	812	812
Operating costs and expenses:			
Cost of fuel, energy and capacity	322	268	265
Natural gas purchased for resale	49	42	55
Operations and maintenance	190	167	169
Depreciation and amortization	119	114	118
Property and other taxes	23	24	24
Total operating costs and expenses	703	615	631
Operating income	152	197	181
Other income (expense):			
Interest expense	(44)	(43)	(54)
Allowance for borrowed funds	1	2	4
Allowance for equity funds	4	3	(1)
Other, net	9	5	3
Total other income (expense)	(30)	(33)	(48)
Income before income tax expense	122	164	133
Income tax expense	30	55	49
Net income	\$ 92	\$ 109	\$ 84

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

PPW Holdings LLC
Affiliated Transactions
For the Year Ended December 31, 2018

<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, 2018, PacifiCorp paid dividends of \$450,000,000 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. Under this arrangement, at December 31, 2018, PPW Holdings LLC did not have any taxes payable to PacifiCorp, and Pacific Minerals, Inc. did not have any taxes payable to PPW Holdings LLC.

PPW HOLDINGS LLC

BALANCE SHEET

December 31, 2018

(Amounts in thousands)

ASSETS

Current assets:		
Accounts receivable, net	\$	3,455
Amounts due from affiliates		-
Total current assets		<u>3,455</u>
Investment in subsidiaries		7,855,277
Goodwill		1,126,642
Other assets		<u>33,081</u>
Total assets	\$	<u><u>9,018,455</u></u>

LIABILITIES AND EQUITY

Current liabilities:		
Accounts payable	\$	25
Income taxes payable		<u>(313)</u>
Total current liabilities		<u>(288)</u>
Equity:		
Common stock		-
Additional paid-in capital		6,217,086
Retained earnings		2,798,270
Accumulated other comprehensive income, net		<u>3,387</u>
Total equity		<u>9,018,743</u>
Total liabilities and equity	\$	<u><u>9,018,455</u></u>

PPW HOLDINGS LLC
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2018
(Amounts in thousands)

Operating revenue Operating		\$ <u> -</u>
costs and expenses:		
Operations and maintenance		<u> 25</u>
Total operating costs and expenses		<u> 25</u>
Operating income		<u> (25)</u>
Other income (expense):		
Interest income		2,208
Other		<u>738,015</u>
Total other income (expense)		<u>740,223</u>
Income before income tax benefit		740,198
Income tax benefit		<u> 602</u>
Net income		739,596
Net income attributable to noncontrolling interests		<u> 162</u>
Net income attributable to common shareholders		<u><u> \$ 739,434</u></u>

Fossil Rock Fuels, LLC
Affiliated Transactions
For the Year Ended December 31, 2018

<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, 2018, Fossil Rock paid earnings dividends of \$2,663,000, and return of capital dividends of \$2,668,000 to PacifiCorp.

FOSSIL ROCK FUELS, LLC
BALANCE SHEET
December 31, 2018
(Amounts in thousands)

ASSETS

Current assets:		
Cash and cash equivalents	\$	3
Accounts receivable, net		25,000
Total current assets		<u>25,003</u>
Total assets	\$	<u>25,003</u>

LIABILITIES AND EQUITY

Equity:		
Common stock	\$	-
Additional paid-in capital		25,002
Retained earnings		1
Total equity		<u>25,003</u>
Total liabilities and equity	\$	<u>25,003</u>

FOSSIL ROCK FUELS, LLC
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2018
(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>2,667</u>
Total other income (expense)		<u>2,667</u>
Loss before income tax benefit		2,663
Income tax benefit		<u>-</u>
Net income	\$	<u><u>2,663</u></u>

Interwest Mining Company
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative support services	\$ 26,992	\$ -
Financial support services and employee benefits	-	67,233
Total	<u>\$ 26,992</u>	<u>\$ 67,233</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.

INTERWEST MINING COMPANY
BALANCE SHEET
December 31, 2018
(Amounts in thousands)

ASSETS

Current assets:	
Amounts due from affiliates	\$ <u> 1</u>
Total assets	\$ <u> 1</u>

LIABILITIES AND EQUITY

Equity:	
Common stock	1
Additional paid-in-capital	<u> -</u>
Total equity	<u> 1</u>
Total liabilities and equity	\$ <u> 1</u>

Pacific Minerals, Inc.
Affiliated Transactions
For the Year Ended December 31, 2018

<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").

The following items are excluded from the table above:

- 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.

PMI is a wholly owned subsidiary of PacifiCorp that holds a 66.67% ownership interest in Bridger Coal Company

During the year ended December 31, 2018, Bridger Coal made equity distributions to PMI and PMI made equity contributions to Bridger Coal for a net distribution of \$58,800,000.

During the year ended December 31, 2018, PMI paid a dividend of \$18,000,000 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. Under this arrangement, at December 31, 2018, PMI did not have any taxes payable to PPW Holdings LLC.

PACIFIC MINERALS, INC.

BALANCE SHEET

December 31, 2018

(Amounts in thousands)

ASSETS

Current assets:	
Cash and cash equivalents	\$ 7,349
Amounts due from affiliates	40,437
Other current assets	(8)
Total current assets	<u>47,778</u>
Investment in unconsolidated subsidiaries	<u>99,757</u>
Total assets	<u>\$ 147,535</u>

LIABILITIES AND EQUITY

Current liabilities:	
Accounts payable	\$ 63
Amounts due to affiliates	5,293
Accrued employee expenses	3,194
Accrued property and other taxes	93
Total current liabilities	<u>8,643</u>
Deferred income taxes	<u>(5,449)</u>
Total liabilities	<u>3,194</u>
Equity:	
Common stock	-
Additional paid-in capital	47,960
Retained earnings	96,381
Total equity	<u>144,341</u>
Total liabilities and equity	<u>\$ 147,535</u>

PACIFIC MINERALS, INC.
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2018
(Amounts in thousands)

Operating revenue	\$	<u>-</u>
Operating costs and expenses:		
Taxes other than income taxes		<u>31</u>
Operating loss		<u>(31)</u>
Other income (expense):		
Interest expense		(10)
Interest income		291
Other		<u>21,424</u>
Total other income (expense)		<u>21,705</u>
Income before income tax expense		21,674
Income tax expense		<u>3,900</u>
Net income	\$	<u><u>17,774</u></u>

Bridger Coal Company

Affiliated Transactions

For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Coal purchases ^(a)	\$ 149,220,168	\$ -
Information technology and administrative services	-	1,409,166
Total	\$ 149,220,168	\$ 1,409,166

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, 2018, 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.

The following items are excluded from the table above:

- Services provided by Berkshire Hathaway Energy Company to Bridger Coal in the amount of \$112,129.
- Services provided by HomeServices of America, Inc. to Bridger Coal in the amount of \$143,021.
- Services provided by MidAmerican Energy Company to Bridger Coal in the amount of \$5,961.
- Employee services provided by Pacific Minerals, Inc. ("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.

Bridger Coal Company is a coal mining joint venture of Pacific Minerals, Inc.

During the year ended December 31, 2018, Bridger Coal made equity distributions to PMI and PMI made equity contributions to Bridger Coal for a net distribution of \$58,800,000.

December 31, 2018

	Bridger Coal Company Current Balance	Current Balance
ASSETS		
Cash & Temporary Investments		
Cash JP Morgan Chase	1,896,597.57	
Temporary Investments	0.00	
Total Cash and Temporary Investments	<u>1,896,597.57</u>	
Accounts Receivable Trade		
AR Trade Idaho Power	5,859,106.00	
AR Trade Return to Vendors	330,910.80	
AR Employee Travel Advan	0.00	
AR Trade Other	0.00	
Total Accounts Receivable Trade	<u>6,190,016.80</u>	
Accounts Receivable Interco		
AR Inco PMI	0.00	
AR Inco PP&L	11,718,250.00	
Total Accounts Receivable Interco	<u>11,718,250.00</u>	
Coal Inventory		
Surface Coal	523,982.33	
Commingle Coal	0.00	
UG CM/LW Coal	26,153,082.85	
Inventoried Coal Production Tax/Royalties	2,525,719.66	
Total Coal Inventory	<u>29,202,784.84</u>	
Material and Supplies Inventory		
Materials and Supplies Inventory- Surface	9,496,983.06	
Materials and Supplies Inventory- Underground	6,485,131.74	
Materials and Supplies on Consignment	0.00	
Materials and Supplies Return Exchange Loaner	766.13	
Materials and Supplies Inactive Obsolete Reserve	0.00	
Materials and Supplies Inventory Clearing	0.00	
Total Material and Supplies Inventory	<u>15,982,880.93</u>	
Prepayments and Other Current Assets		
OthCurAsset/Prepaid Expenses	0.00	
OthCurAsset/Diesel Clearing	0.00	
OthCurAsset/Gasoline Clearing	0.00	
OthCurAsset/Nonissue Stock Clearing	0.00	
OthCurAsset/Emulsion Clearing	0.00	
OthCurAsset/KLS EPS Clearing	0.00	
OthCurAsset/Prill Clearing	0.00	
OthCurAsset/Components Clearing	0.00	
OthCurAsset/Suspense	2,998.78	
Total Prepays & Other Current Assets	<u>2,998.78</u>	
Property Plant & Equipment		
Land	6,211.00	
Land Improvements	12,207,676.14	
Mine Development	20,253,247.03	
Buildings & Improvements	45,989,934.26	
Capitalized Interest	410,399.65	
Haul Roads	15,370,873.97	
Mining Equipment	172,686,439.66	
Vehicles	148,154,162.60	
Office Furniture & Equipment	160,487.65	
Computer Hardware & Software	4,022,252.46	
Other Equipment	12,365,718.88	
Mineral Rights	15,520,571.88	
Sub-Total Property Plant and Equipment	<u>447,147,975.18</u>	
Accumulated Depreciation		
AD Land Improvements	-9,121,792.49	
AD Mine Development	-13,789,978.23	
AD Buildings & Improvements	-31,455,112.19	
AD Capitalized Interest	-304,756.59	
AD Haul Roads	-12,103,205.91	
AD Mining Equipment	-136,438,617.15	
AD Vehicles	-105,701,140.63	
AD Office Furniture & Equipment	-137,644.63	
AD Computer Hardware & Software	-3,728,623.07	
AD Other Equipment	-9,381,674.40	
AD Mineral Rights	-8,607,392.29	
Sub-Total Accumulated Depreciation	<u>-330,769,937.58</u>	
Total Property, Plant & Equipment	<u>116,378,037.60</u>	
Construction Work In Progress		
CWIP Additions	5,781,672.26	
CWIP Capitalizations	-5,184,196.82	
Total Construction Work in Progress	<u>597,475.44</u>	
Other Non-Current Assets		
Deferred Longwall	2,521,394.70	
Reclamation Trust Fund	38,520,236.92	
Reclamation Trust Earnings	112,245,924.35	
Reclamation Trust Tax Withheld	-5,757,510.90	
Reclamation Trust Market Value	8,636,257.05	
Reclamation Trust Drawdown	-119,930,032.92	
Reclamation Trust Adtl Contributions 2010	68,130,473.30	
Asset Retirement Obligation	179,324,009.00	
ARO - Accumulated Depreciation	-64,208,513.00	
Employee Housing Project	177,436.66	
Total Other Non-Current Assets	<u>219,659,675.16</u>	
Total - Assets	<u>401,628,717.12</u>	
LIABILITIES		
Accounts Payable - Trade		
AP Goods Received Not Invoiced	-1,034,817.04	
AP Unpaid Invoices	-1,921,794.87	
AP Manual Accruals	-3,195,124.66	
Accrued Settlement Provisions	-80,661.00	
Total Accounts Payable Trade	<u>-6,232,397.57</u>	
Accounts Payable Intercompany		
AP Inco Pacific Electric Operations	0.00	
AP Inco PMI	-3,677,625.43	
AP Inco PacifiCorp	-250,918.56	
Total Accounts Payable Intercompany	<u>-3,928,543.99</u>	
Payroll Liabilities		
Accrued Bonus - AIP Corporate	0.00	
Accrued Bonus - Other	-211,274.70	
Total Payroll Liabilities	<u>-211,274.70</u>	
Royalties and Taxes Payable		
Accrued Royalties - BLM	-3,724,356.46	
Accrued Royalties - ALC	-135,201.16	
Accrued Royalties - State of Wyoming	-56,200.32	
Production Tax Payable - Severance	-997,419.98	
Production Tax Payable - Wyoming Extraction	-10,587,000.06	
Production Tax Payable - Federal Reclamation	-274,578.32	
Production Tax Payable - Black Lung	-180,543.00	
Taxes Payable - Property	-757,680.60	
Taxes Payable - Sales & Use	-270,946.09	
Total Taxes Payable	<u>-16,983,925.99</u>	
Other Non-Current Liabilities		
Production Tax Long Term	-4,540,693.01	
ARO Reg. Liab. Unrealized Earnings	-8,636,257.05	
ARO Regulatory Liability	-48,559,895.96	
ARO Liability	-162,900,421.80	
Minority Interest	0.00	
Total Other Non-Current Liabilities	<u>-224,637,267.82</u>	
Total-Liabilities	<u>-251,993,410.07</u>	
Equity		
Owner's Equity - Common Stock		
Common Stock	0.00	
Total Owner's Equity - Common Stock	<u>0.00</u>	
Contributions		
Contributions - Pacific Minerals Inc.	-64,900,000.00	
Contributions - Idaho Energy Resources	-32,450,000.00	
Total Contributions	<u>-97,350,000.00</u>	
Distributions		
Distributions - Pacific Minerals Inc.	123,700,000.00	
Distributions - Idaho Energy Resources	61,850,000.00	
Total Distributions	<u>185,550,000.00</u>	
Retained Earnings		
Retained Earnings	0.00	
Current Year Income	-32,136,395.04	
Retained Earnings Pacific Minerals Inc.	-137,132,608.04	
Retained Earnings Idaho Energy Resources	-68,566,303.97	
Total Retained Earnings	<u>-237,835,307.05</u>	
Total Equity	<u>-149,635,307.05</u>	
Total Liabilities and Equity	<u>-401,628,717.12</u>	

December 31, 2018

**Bridger Coal
Company
Current Balance**

Current Year Income

Coal Sales Revenue

Revenue Coal PP& L	-170,703,989.00
Revenue Coal Idaho Power	-81,763,262.00
Total Coal Sales Revenue	<u>-252,467,251.00</u>

Other Operating Revenue

Miscellaneous Other	0.00
Gain Loss on Sale of Assets	-107,518.20
Third Party Interest	-59,466.61
Total Other Operating Revenue	<u>-166,984.81</u>

Total Revenue	<u>-252,634,235.81</u>
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Operating Expense

Labor	39,316,649.09
AIP Bonus	991,627.25
Payroll Overhead	10,931,881.56
Employee Related	1,351,909.14
Materials & Supplies	52,816,203.66
Equipment	0.00
Outside Services	12,066,950.83
Administrative Other	1,057,590.12
Charge Outs	27,091,879.73
Total Operating Expense	<u>145,624,691.38</u>

Non-Operating Expense

Depreciation and Amortization	30,333,212.83
Royalties	22,422,734.72
Taxes Other Than Income	21,207,601.84
Management Fee	909,600.00
Asset Abandonment	0.00
Total Non-Operating Expense	<u>74,873,149.39</u>

Total Expense	<u>220,497,840.77</u>
----------------------	-----------------------

Profit Before Minority Interest and Taxes	<u>-32,136,395.04</u>
--	-----------------------

Interest Expense

Other Interest Income	0.00
Minority Interest	
Total Interest and Other	<u>0.00</u>

Income Before Federal Income Taxes	<u>-32,136,395.04</u>
---	-----------------------

Federal Income Taxes

Current Federal Income Tax	
Deferred Federal Income Tax	
Total Federal Income Taxes	<u>0.00</u>

Net Income	<u><u>-32,136,395.04</u></u>
-------------------	------------------------------

Trapper Mining Inc.
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Coal purchases ^(a)	\$ 14,068,819	\$ -
Board of directors fees and associated board meeting costs	-	7,036
Total	\$ 14,068,819	\$ 7,036

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, 2018. Refer also to (b) 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 meetings plus lodging expenses.

During the year ended December 31, 2018, Trapper Mining Inc. paid a dividend of \$145,028 to PacifiCorp.

Trapper Mining Inc.
Consolidated Balance Sheet
December 31, 2018
(Unaudited)

Assets:

Current Assets:	
Cash & Cash Equivalents	\$ 22,532,371
Accounts Receivable	3,637,620
Inventories	6,388,403
Prepaid and Other Current Assets	3,889,048
Current Reclamation Receivable from Buyers	269,067
Total Current Assets	<u>\$ 36,716,509</u>
Property, Equipment and Facilities before FAS 143:	
Lands and Leases	\$ 17,748,984
Development Costs	2,834,815
Equipment and Facilities	131,436,326
Total Property, Equipment and Facilities (Cost)	<u>\$ 152,020,125</u>
Less Accumulated Depreciation and Amortization	<u>(122,843,808)</u>
Total Property, Equipment and Facilities (Net)	<u>\$ 29,176,317</u>
FAS 143 Property, Equipment and Facilities (Net)	<u>1,445,533</u>
Grand Total Property, Equipment and Facilities (Net)	<u>\$ 30,621,850</u>
Reclamation Receivable from Buyers	13,662,236
Restricted Funds - Black Lung	500,000
Advance Royalty - State 206-13	70,000
Total Assets	<u><u>\$ 81,570,595</u></u>

Liabilities and Members' Equity:

Current Liabilities:	
Accounts Payable	\$ 3,007,312
Accrued Payroll Expenses	3,994,501
Accrued Production Taxes	1,199,998
Accrued Royalties	-
Current Portion Asset Retirement Liability	269,067
Total Current Liabilities	<u>\$ 8,470,878</u>
Asset Retirement Liability	15,107,769
Black Lung Liability	220,920
Total Liabilities	<u>\$ 23,799,567</u>
Members' Equity	
Paid in Capital @ 1/1/98	\$ 20,324,925
Patronage Equity - Prior Year	32,686,171
Non-Patronage Equity - Prior Year	2,759,667
Patronage Equity - Current Year	2,019,599
Non-Patronage Equity - Current Year	(19,334)
Total Members' Equity	<u>\$ 57,771,028</u>
Total Liabilities and Members' Equity	<u><u>\$ 81,570,595</u></u>

TRAPPER MINING INC
CONSOLIDATED NET INCOME
AS OF: DECEMBER 31, 2018

		NET INCOME YEAR TO DATE
<hr/>		
TRAPPER MINING		2,144,123.10
WILLIAMS FORK MINING		(33,528.40)
WILLIAMS FORK LAND		(124,524.23)
		<hr/>
NET INCOME (LOSS) BEFORE TAX		\$ 1,986,070.47
		<hr/>
CURRENT TAX PROVISION		14,195.00
		<hr/>
TOTAL TAX PROVISION		14,195.00
		<hr/>
NET INCOME (LOSS) AFTER TAX		2,000,265.47
		<hr/> <hr/>
<hr/>		
SALT RIVER	32.10%	(6,206.20)
TRI-STATE	26.57%	(5,137.03)
PACIFICORP	21.40%	(4,137.46)
PLATTE RIVER	19.93%	(3,853.25)
		<hr/>
TOTAL NONPATRONAGE INCOME (LOSS)		(19,333.94)
		<hr/>
SALT RIVER	32.10%	648,291.41
TRI-STATE	26.57%	536,607.56
PACIFICORP	21.40%	432,194.28
PLATTE RIVER	19.93%	402,506.16
		<hr/>
TOTAL PATRONAGE INCOME (LOSS)		2,019,599.41
		<hr/>
TOTAL INCOME (LOSS)		2,000,265.47
		<hr/> <hr/>

**PacifiCorp Foundation
 Affiliated Transactions
 For the Year Ended December 31, 2018**

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Administrative support services	\$ -	\$ 164,918
Total	<u>\$ -</u>	<u>\$ 164,918</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>12/31/2018</u>
Assets:	
Cash	\$ 35,606
Restricted investments:	
Cash and cash equivalents	20,653
Interest receivable	45
Receivable for investment sold	-
State Street investments	<u>45,136,908</u>
Total restricted investments	<u>45,157,606</u>
Total assets	<u><u>45,193,213</u></u>
Liabilities:	
Accounts payable	19,434
Grants payable	<u>40,000</u>
Total liabilities	<u>59,434</u>
Net assets	<u><u>\$ 45,133,779</u></u>

PacifiCorp Foundation
Statement of Income and Changes in Net Assets
For the Year Ended December 31, 2018
(in dollars)
(Unaudited - Internal Use Only)

	Year-to-Date
Revenue and contributions:	
Stock Contribution made by PacifiCorp	-
Interest income	\$ 2,326
Dividends	1,024,857
Realized gain/(loss) on sale of investment	260,459
Unrealized gain/(loss) on investment	(4,309,051)
Miscellaneous income: security litigation income	5,441
Total revenues/(losses) and contributions	(3,015,968)
Expenses:	
Grants:	
Health, welfare and social services	396,750
Education	419,515
Culture and arts	229,000
Civic and community betterment	201,250
Giving campaign match	286,477
Matching gift program	91,265
Small community capital projects	155,128
Rocky Mountain Power Foundation special grants	25,000
Pacific Power Foundation special grants	30,000
Global Days of Service	80,453
Other Community Pledge	200,000
Grants expensed in prior periods	(220,000)
Total grants	1,894,838
Administrative expenses	214,812
Investment management fees	5,265
Taxes	10,400
Bank fees	3,395
Total expenses	2,128,711
Net assets increase (decrease)	(5,144,679)
Net assets beginning of period	50,278,457
Net assets end of period	\$ 45,133,779

Cottonwood Creek Consolidated Irrigation Company
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Annual assessment fees	\$ 328,313	\$ -
Total	\$ 328,313	\$ -

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, Cottonwood Creek Consolidated Irrigation Company operates at cost.

At December 31, 2018, PacifiCorp's plant-in-service included the following assets related to Cottonwood Creek Consolidated Irrigation Company: \$6,052,845 (\$4,820,479 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
December 31, 2018

Account Name	Beginning Balance	Receipts	Disbursements	Ending Balance
Zions Bank - Payroll	1,387	39,512	39,400	1,500
Zions Bank - Construction	43,152	129,244	152,333	20,063
Zions Bank - Operating	441,416	394,342	388,966	446,792
Wells Fargo - Construction	2,000	-	500	1,500
MM - Zions Bank	921,836	2,527	7,290	917,073
MM - General Fund	229,453	125,816	-	355,269
Accounts Receivable	42,433	528,571	535,359	35,646
Certificate - Wells Fargo	10,150	15	-	10,165
Short Term - Wells Fargo	1,162	501	450	1,212
Property & Equipment	30,597,618	-	-	30,597,618
Inventory	13,875	-	-	13,875
Accounts Payable	(350)	350	-	-
Loan UT Water Resources	(5,634,241)	257,308	-	(5,376,933)
Totals	<u>26,669,892</u>	<u>1,478,186</u>	<u>1,124,298</u>	<u>27,023,781</u>

Cottonwood Creek Consolidated Irrigation Company
Income Statement
For the Year Ended December 31, 2018

Account Name	Beginning Balance	Receipts	Disbursements	Ending Balance
General Fund	356,961	58,113	41,785	373,288
Loan Payment	-	276,000	276,000	-
Interest Earnings	13,857	3,520		17,378
Stock Water Pipeline	41,691	9,700	21,153	30,238
Project Water Fund	-	22,424	22,424	-
River Commissioner	19,637		4,742	14,895
Swasey Ditch	3,235	895		4,131
Stock Corral	175		175	-
Peacock Ditch	6,169	2,474		8,643
Joe's Valley/Black Caynon	(18,930)	7,795		(11,135)
Fund Adjustment Account	26,212,264	257,308	-	26,469,572
	<u>26,635,061</u>	<u>638,229</u>	<u>366,280</u>	<u>26,907,011</u>
O&M				
O&M Irrigation	34,831	55,819	55,819	34,831
Mammoth Canal		6,331	6,331	-
Clipper/Western Canal		10,741	10,741	-
Blue Cut Canal		1,052	1,052	-
	<u>34,831</u>	<u>73,943</u>	<u>73,943</u>	<u>34,831</u>
O&M Reservoir	-	3,600	3,600	-
Total O&M	<u>34,831</u>	<u>77,543</u>	<u>77,543</u>	<u>34,831</u>
Construction				
Project Capitalization	-	92,476	90,304	2,172
C&W	-	2,298	7,516	(5,218)
Adobe Wash Reservoir	-	95,287	20,000	75,287
Blue Cut	-	-	5,997	(5,997)
Upper Mammoth	-	2,298	600	1,698
Lower Mammoth	-	27,141	13,144	13,997
Total Construction	<u>-</u>	<u>219,501</u>	<u>137,561</u>	<u>81,939</u>
Grand Total	<u>26,669,892</u>	<u>935,273</u>	<u>581,384</u>	<u>27,023,781</u>

Ferron Canal & Reservoir Company
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Annual assessment fees	\$ 669,113	\$ -
Payment for water rights ^(a)	613,221	-
Credit received ^(a)	(227,427)	-
Total	\$ 1,054,907	\$ -

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, 2018, PacifiCorp paid for the right to obtain 7,000 acre-feet of water and received a credit 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, 2018, 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, 2018

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
DESERVIEW CHECKING	225,874.54
DESERVIEW FEDERAL CREDIT UNION	
MASTER SHARES	1,763,470.80
SHARE ACCOUNT	28.17
Total DESERVIEW FEDERAL CREDIT UNION	1,763,498.97
MILLSITE REHABILITATION ACCOUNT	551,993.68
SEDIMENT MITIGATION ACCT	18,091.86
ZION'S BANK	269,455.02
Total Checking/Savings	2,828,914.07
Accounts Receivable	
Accounts Receivable	-1.76
Total Accounts Receivable	-1.76
Total Current Assets	2,828,912.31
TOTAL ASSETS	2,828,912.31
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-130,679.13
Total Accounts Payable	-130,679.13
Other Current Liabilities	
Payroll Liabilities	386.43
Total Other Current Liabilities	386.43
Total Current Liabilities	-130,292.70
Total Liabilities	-130,292.70
Equity	
Retained Earnings	2,048,172.95
Net Income	911,032.06
Total Equity	2,959,205.01
TOTAL LIABILITIES & EQUITY	2,828,912.31

FERRON CANAL & RESERVOIR CO.

Profit & Loss

January through December 2018

	Jan - Dec 18
Income	
INCOME	
CERTIFICATE TRANSFERS	15.00
MILLSITE REHAB STATE FUNDS	1,412,406.19
INCOME - Other	2,835,709.82
Total INCOME	4,248,131.01
REVENUE	902,959.45
Total Income	5,151,090.46
Gross Profit	5,151,090.46
Expense	
EQUIPMENT	
LEASE	8,400.00
TOOLS	72.89
Total EQUIPMENT	8,472.89
GENERAL	
BOARDMEMBER	540.00
DREDGE	12,496.00
INSURANCE	29,339.00
LEGAL NOTICE	30.00
LOAN PAYMENTS	163,100.00
OFFICE SUPPLIES	3,111.87
PAYROLL EXPENSES	119,166.18
PERMITS	211.37
POWER	2,703.68
TELEPHONE	3,387.46
TRAVEL EXPENSE	2,112.75
WATER/POP/GROCERIES	3,095.80
GENERAL - Other	5,865.30
Total GENERAL	345,159.41
IRRIGATION	
REPAIRS	3,866.30
SUPPLIES	29,803.63
Total IRRIGATION	33,669.93
MAINTENANCE	
BUILDING	3,117.94
EQUIPMENT REPAIRS	7,746.92
FUEL	13,397.84
SUPPLIES	6,613.80
Total MAINTENANCE	30,876.50
MILLSITE REHABILITATION	
EMERY COUNTY	3,763,711.36
MILLSITE REHABILITATION - Other	57,508.00
Total MILLSITE REHABILITATION	3,821,219.36
Reconciliation Discrepancies	-0.44
VEHICLES	
REGISTRATION	660.75
Total VEHICLES	660.75
Total Expense	4,240,058.40
Net Income	911,032.06

Huntington Cleveland Irrigation Company
Affiliated Transactions
For the Year Ended December 31, 2018

<u>Account Description</u>	<u>PacifiCorp Received Services</u>	<u>PacifiCorp Provided Services</u>
Annual assessment fees	\$ 528,309	\$ -
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, 2018, PacifiCorp's plant-in-service included the following assets related to Huntington Cleveland Irrigation Company: \$22,929,513 (\$14,510,751 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, 2017 AND 2018

	TOTAL ALL FUNDS	
	2017	2018
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 737,790	\$ 489,807
Accounts receivable:		
Shareholder assessments	16,375	20,628
Prepaid Insurance	5,849	7,729
	\$ 760,014	\$ 518,164
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	12,237
Office equipment	5,840	5,840
Other equipment	13,540	14,189
Diversion structures	72,143	72,143
Storage facilities improvements	4,462,412	4,797,808
Irrigation System	56,925,942	56,925,942
Accumulated depreciation	(6,743,467)	(7,947,278)
	\$ 58,005,056	\$ 57,135,790
Total noncurrent assets		
	\$ 58,765,070	\$ 57,653,954

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

(Continued)

HUNTINGTON-CLEVELAND IRRIGATION COMPANY
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2018

	TOTAL ALL FUNDS	
	2017	2018
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 5,217	\$ 9,187
Wages payable	4,342	3,398
Payroll taxes payable	2,309	5,077
Accrued interest payable	3,309	3,210
Current portion of long-term liabilities	140,144	141,301
Total current liabilities	<u>\$ 155,321</u>	<u>\$ 162,173</u>
LONG-TERM LIABILITIES:		
Notes payable (Note 6)	<u>\$ 2,955,138</u>	<u>\$ 2,813,836</u>
Total long-term liabilities	<u>\$ 2,955,138</u>	<u>\$ 2,813,836</u>
Total liabilities	<u>\$ 3,110,459</u>	<u>\$ 2,976,009</u>
NET ASSETS:		
Unrestricted:	<u>\$ 55,654,611</u>	<u>\$ 54,677,945</u>
Total net assets	<u>\$ 55,654,611</u>	<u>\$ 54,677,945</u>
Total liabilities and net assets	<u>\$ 58,765,070</u>	<u>\$ 57,653,954</u>

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

HUNTINGTON-CLEVELAND IRRIGATION COMPANY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

	2017	2018
	UNRESTRICTED OPERATIONS & MAINTENANCE	UNRESTRICTED OPERATIONS & MAINTENANCE
Charges for Services:		
A Water Assessment	\$ 82,034	\$ 81,834
B Water Assessment	22,699	88,350
Municipal and Industry Assessment	577,832	577,864
Dam Repayment Assessment	28,734	28,990
Project Repayment/O & M Assessment	68,069	2,534
Upper Pond Assessment	65,031	65,076
Meter Assessment	33,150	31,950
Minimal Assessment Adjustments	2,536	2,526
	\$ 880,085	\$ 879,124
Net charges for services	\$ 880,085	\$ 879,124
Governmental grants	\$ 322,594	\$ 11,606
	\$ 322,594	\$ 11,606
Other Revenue:		
Payments from Stockholders (NRCS)	\$ 2,500	
Certificate Transfers	2,178	\$ 1,890
Late Fees	1,885	1,498
Interest	1,557	2,941
Reimbursements	1,300	12,454
Net gain from salinity settlement	282,995	
Miscellaneous	9,358	1,450
	\$ 301,773	\$ 20,233
Total other revenue	\$ 301,773	\$ 20,233
Total revenues	\$ 1,504,452	\$ 910,963
	\$ 1,504,452	\$ 910,963
Expenses:		
Program services:		
Water Master Wage	\$ 102,538	\$ 98,972
Reservoir Manager Wage	18,183	18,379
Other Labor Wage	3,141	1,026
Payroll Benefits	17,193	18,846
Machine Hire	7,940	
Non project water O & M		15,444
Charge for water through the reservoir		12,872
Non Employee Labor	5,220	
Joe's Valley Dam Repayment	26,198	26,198
O&M - EWCD	30,821	30,821
Huntington Dam Repayment	11,154	11,154
Water System Maintenance	357,656	252,605
Water Rights Assessments	17,465	26,177
Beaver & Muskrat Control	440	160
Vehicle and Equipment Expense	7,740	11,647
Material and Supplies	3,012	6,704
Insurance	11,180	11,353
Depreciation	1,204,576	1,205,311
Interest expense	39,993	38,857
Miscellaneous	1,617	9,640
	\$ 1,866,067	\$ 1,796,166
Total program expenses	\$ 1,866,067	\$ 1,796,166

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

(Continued)

HUNTINGTON-CLEVELAND IRRIGATION COMPANY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2018

	<u>2017</u>	<u>2018</u>
	<u>UNRESTRICTED OPERATIONS & MAINTENANCE</u>	<u>UNRESTRICTED OPERATIONS & MAINTENANCE</u>
Support Services:		
Secretary Wage	\$ 27,087	\$ 27,420
Payroll Benefits	2,072	1,559
Office Rent	3,600	3,600
Accounting and Auditing	6,270	6,470
Legal Fees	20,883	11,631
Telephone and Internet	5,878	5,345
Office Supplies	2,900	2,850
Postage	954	1,349
Meetings	50	50
Bank Charges and Fees	663	673
Travel	2,004	4,463
Miscellaneous	4,715	5,303
Total support services	<u>\$ 77,076</u>	<u>\$ 70,713</u>
Total expenses	<u>\$ 1,943,143</u>	<u>\$ 1,866,879</u>
Change in net assets before release of restrictions	<u>\$ (438,691)</u>	<u>\$ (955,916)</u>
Change in net assets	\$ (438,691)	\$ (955,916)
Net assets, beginning of year	56,099,933	55,654,611
Prior period adjustment	<u>(6,631)</u>	<u>(20,750)</u>
Net assets, end of year	<u>\$ 55,654,611</u>	<u>\$ 54,677,945</u>

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

Loan Summary to and from affiliates for the year ended December 31, 2018

		Pacific Minerals, Inc.
A.	The month-end amounts outstanding, separately for short-term and long-term loans. Short-term loans: January - December Long-term loans:	(a) N/A
B.	The highest amount outstanding during the year, separately for short-term and long-term loans. Maximum short-term loan to affiliate: Maximum short-term loan from affiliate: Amount Date Long-term loans to or from affiliate:	N/A \$ 31,000,000 December 28, 2018 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 Weighted average interest rate Long-term loans:	\$ 69,069 0 (a) 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 “PacifiCorp – Pacific Minerals, Inc. Umbrella Loan Agreement Transaction Statement” on the following page for detail of month-end loan amounts outstanding, interest charged or credited, and the rates of interest.

PacifiCorp – Pacific Minerals, Inc. (“PMI”) Umbrella Loan Agreement Transaction Statement

	Net Principal Advanced to PacifiCorp	Net Principal Repaid by PacifiCorp	Principal Advanced to PMI	Principal Repaid by PMI	Outstanding Month-end Balance	Interest Rate Range	Interest Expense Incurred by PacifiCorp	Interest Income Earned by PacifiCorp
Dec '17					\$ 9,000,000			
Jan '18	\$ 10,000,000	\$ (7,200,000)	\$ -	\$ -	11,800,000	1.657% - 1.81%	\$ 7,224	
Feb '18	14,738,000	(6,000,000)	-	-	20,538,000	1.674% - 1.750%	16,831	
Mar '18	39,720,357	(60,258,357)	-	-	-	1.750% - 2.208%	17,917	
Apr '18	13,000,000	-	-	-	13,000,000	2.150% - 2.224%	9,316	
May '18	14,100,000	(27,100,000)	-	-	-	2.130% - 2.150%	7,964	
Jun '18	-	-	-	-	-			
Jul '18	-	-	-	-	-			
Aug '18	-	-	-	-	-			
Sep '18	-	-	-	-	-			
Oct '18	-	-	-	-	-			
Nov '18	-	-	-	-	-			
Dec '18	31,000,000	-	-	-	\$ 31,000,000	2.460% - 2.850%	9,817	
Total	\$ 122,558,357	\$ (100,558,357)	\$ -	\$ -			\$ 69,069	\$ -

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, 2018, and the balance as of December 31, 2018.

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.

Summary of PacifiCorp Employee Transfers to and from Affiliates during the year ended December 31, 2018

Transfer of Employee to PacifiCorp

from Affiliate	Job Title	Count
Interwest Mining Company	Manager, Lands & Regulatory Affairs	1
Interwest Mining Company	Director, Mining Finance	1
Pacific Minerals, Inc.	Equipment Serviceman In-Charge	1
	Total transfers from Affiliates	3

Transfer of Employee from PacifiCorp

to Affiliate	Job Title	Count
Berkshire Hathaway Energy Company	Senior Director, Tax	1
BHE Renewables, LLC	Plant Operations/Maintenance Planner	1
MidAmerican Energy Company	Chief Corporate Counsel & Corporate Secretary	1
MidAmerican Energy Company	Vice President & General Counsel	1
NV Energy, Inc.	Intern	1
	Total transfers to Affiliates	5

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, 2018

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 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, 2018, 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:

Affiliate	Total services received as reported in II. Transactions	Amount of services based on allocations
Berkshire Hathaway Energy Company	\$ 5,165,883	\$ 3,363,298
BHE Renewables, LLC	4,866	4,866
BHE US Transmission, LCC	1,199,006	-
Kern River Gas Transmission Company	104	104
MHC, Inc.	499,935	119,102
MidAmerican Energy Company	4,465,031	3,271,758
Nevada Power Company	150,071	414
Northern Natural Gas Company	1,686	684
NV Energy, Inc.	820	-
Sierra Pacific Power Company	268	-
	<u>\$ 11,487,670</u>	<u>\$ 6,760,226</u>

BHE and its subsidiaries allocated the amounts to PacifiCorp using eight different formulae during the year ended December 31, 2018. 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, 2018, was 25.72%.
- 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, 2018, was 30.10%.
- 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, 2018, was 36.04%.

- 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, 2018, was 36.42%.
- 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, 2018, was 30.49%.
- 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, 2018, was 39.88%.
- g) A formula based on the gross plant asset amounts of each of BHE's subsidiaries. PacifiCorp's allocation percentage during the period of January 1 through December 31, 2018, was 30.99%.
- 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 December 31, 2018, was 2.80%.

PacifiCorp to BHE and subsidiaries

During the year ended December 31, 2018, 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:

Affiliate	Total services provided as reported in II. Transactions		Amount of services based on allocations
Berkshire Hathaway Energy Company	\$	166,178	\$ 18,218
BHE AltaLink Ltd.		39,833	32,505
BHE Renewables, LLC		66,694	37,511
BHE US Transmission, LLC		220,058	3,551
CalEnergy Generation Operating Company		18,127	11,283
CalEnergy Philippines		1,204	1,151
Home Services of America, Inc.		122,245	104,159
Kern River Gas Transmission Company		28,367	13,293
MEC Construction Services Co.		3,494	79
MidAmerican Energy Company		485,465	156,382
MidAmerican Energy Services		4,421	4,249
Midwest Capital Group, Inc.		211	201
Nevada Power Company		67,328	63,008
Northern Natural Gas Company		97,413	38,566
Northern Powergrid Holdings Company		53,801	41,090
NV Energy, Inc.		116,005	771
Sierra Pacific Power Company		37,232	34,682
	<u>\$</u>	<u>1,528,076</u>	<u>\$ 560,699</u>

PacifiCorp allocated the amounts to BHE and its subsidiaries using five different formulae during the year ended December 31, 2018. 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 during the period of January 1 through December 31, 2018, was 74.28%.
- 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 during the period of January 1 through December 31, 2018, was 69.90%.

- 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 during the period of January 1 through December 31, 2018, was 63.96%.
- 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 during the period of January 1 through December 31, 2018, was 63.58%.
- e) 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 during the period of January 1 through December 31, 2018, was 97.20%.

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

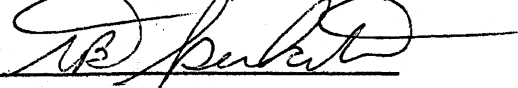
HOME SERVICES OF AMERICA, INC.

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 MIDAMERICAN ENERGY COMPANY

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

NORTHERN NATURAL GAS COMPANY PACIFICORP

By: _____ Title: VP, CFO Pacificorp Name: Nikki Kobiha Date: 11/2/2015

NEVADA POWER COMPANY DBA NV ENERGY 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 MIDAMERICAN ENERGY COMPANY

By: _____ Title: VP, Francis Name: Tony L Lills Date: 7/9/15

NORTHERN NATURAL GAS COMPANY PACIFICORP

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

NEVADA POWER COMPANY DBA NV ENERGY 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: [Signature]
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 Latta
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

MIDAMERICAN ENERGY COMPANY

By: _____

By: _____

Title: _____

Title: _____

Name: _____

Name: _____

Date: _____

Date: _____

NORTHERN NATURAL GAS COMPANY

PACIFICORP

By: _____

By: _____

Title: _____

Title: _____

Name: _____

Name: _____

Date: _____

Date: _____

NEVADA POWER COMPANY
DBA NV ENERGY

SIERRA PACIFIC POWER COMPANY
DBA NV ENERGY

By: E. Kevin Bethel

By: E. Kevin Bethel

Title: SVP, Chief Financial Officer

Title: SVP, Chief Financial Officer

Name: E. Kevin Bethel

Name: E. Kevin Bethel

Date: 3/12/15

Date: 3/12/15

Appendix A - 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 affiliate 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
	18-454	UI 408	December 4, 2018
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	UI 269	July 27, 2007
	09-504	UI 288	December 28, 2009
	10-090	UI 292	March 11, 2010
	10-089	UI 293	March 11, 2010
	12-348	UI 325	September 13, 2012
	14-210	UI 347	June 10, 2014
	15-358	UI 359	November 3, 2015
	17-476	UI 387	November 21, 2017
	18-121	UI 393	April 10, 2018
18-158	UI 394	May 8, 2018	
Bridger Coal Company	01-472	UI 189	June 12, 2001
	15-218	UI 357	July 21, 2015
	18-085	UI 392	March 13, 2018
	18-228	UI 397	June 19, 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	UI 312	August 26, 2011
	16-345	UI 373	September 13, 2016
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	UI 301	September 2, 2010
	16-247	UI 301 (1)	July 5, 2016
	18-192	UI 396	May 24, 2018
FlightSafety International, Inc.	15-357	UI 358	November 3, 2015
	18-135	UI 358 (1)	April 27, 2018
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	UI 249	June 19, 2006
	07-269	UI 264	June 11, 2007
	08-165	UI 277	March 12, 2008
	11-053	UI 304	February 11, 2011
	16-163	UI 369	May 3, 2016
Huntington Cleveland Irrigation Company	10-353	UI 300	September 10, 2010
	14-209	UI 345	June 10, 2014
	16-344	UI 374	September 13, 2016
Interwest Mining Company	09-261	UI 286	July 7, 2009

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Affiliate	Order No.	Docket No.	Date Approved
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 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
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 Bank of New York Mellon Corporation	18-313	UI 406	August 28, 2018
The Kerite Company (a Marmon Holdings, Inc. company)	10-409	UI 303	October 18, 2010
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

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Affiliate	Order No.	Docket No.	Date Approved
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