

PacifiCorp

**Affiliated Interest Report**

for the year ended December 31, 2019

## Table of Contents

- I. Organization
    - I. A. Officers and Directors
      - 1. PacifiCorp Board of Directors and Committees of the Board of Directors
      - 2. PacifiCorp Executive Officers
      - 3. PacifiCorp Executive Officers and Directors with Affiliated Positions
    - I. B. Changes in Ownership
    - I. C. Affiliate Descriptions
    - I. D. Financial Statements
  - II. Transactions
  - III. Loans
  - IV. Debt Guarantees
  - V. Other Transactions
  - VI. Employee Transfers
  - VII. Cost Allocations
    - Intercompany Administrative Services Agreement
    - Intercompany Mutual Assistance Agreement
- Appendix A – Oregon Public Utility Commission orders approving transactions with affiliates

## **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 combined 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 was incorporated under the laws of the state of Oregon in 1989 and its principal executive offices are located at 825 N.E. Multnomah Street, Portland, Oregon 97232, its telephone number is (503) 813-5258 and its internet address is [www.pacificorp.com](http://www.pacificorp.com). 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, 2019, including Berkshire Hathaway affiliates.

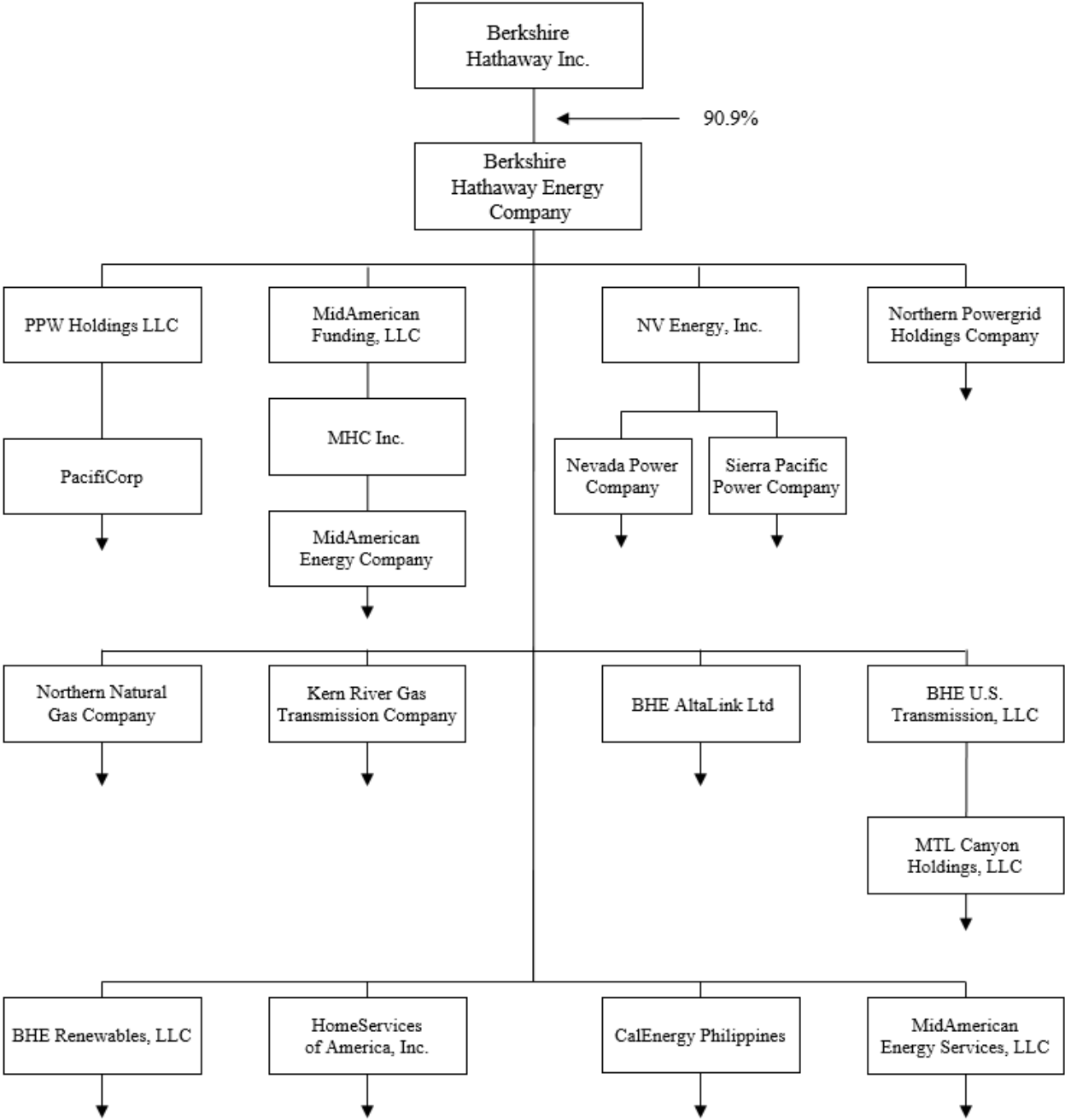
## Subsidiaries of PacifiCorp as of December 31, 2019

| Name of Subsidiary                                     | Approximate Percentage of Voting Securities Owned | State of Jurisdiction of Incorporation or Organization |
|--|---|--|
| Energy West Mining Company <sup>(a)</sup>              | 100%  | Utah   |
| Fossil Rock Fuels, LLC                                 | 100%  | Delaware   |
| Glenrock Coal Company <sup>(b)</sup>                   | 100%  | Wyoming  |
| Interwest Mining Company                               | 100%  | Oregon   |
| Pacific Minerals, Inc. <sup>(c)</sup>                  | 100%  | Wyoming  |
| - Bridger Coal Company, a joint venture <sup>(d)</sup> | 66.67%  | Wyoming  |
| Trapper Mining Inc. <sup>(e)</sup>                     | 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, 2019



\*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, 2019 (File No. 001-14881) at [www.sec.gov](http://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, 2019**
- 2. PacifiCorp executive officers during the year ended December 31, 2019**
- 3. PacifiCorp executive officers and directors with affiliated positions as of December 31, 2019**

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, 2019, as indicated. Changes that occurred subsequent to December 31, 2019 (if any) are annotated.

**1. PacifiCorp Board of Directors and Committees of the Board of Directors during the year ended December 31, 2019**

| <b>Director</b>                   | <b>Address</b>  | <b>From</b> | <b>To</b> | <b>Director at 12/31/2019</b> | <b>Elected During the Year Ended 12/31/2019</b> | <b>Resigned During the Year Ended 12/31/2019</b> |
|-----------------------------------|---|-------------|-----------|-------------------------------|---|--|
| William J. Fehrman                | 666 Grand Avenue<br>27th Floor<br>Des Moines, Iowa 50309          | 1/10/2018   |           | Yes                           | No  | No   |
| Stefan A. Bird                    | 825 NE Multnomah Street<br>Suite 2000<br>Portland, Oregon 97232   | 3/10/2015   |           | Yes                           | No  | No   |
| Gary W. Hoogeveen                 | 1407 West North Temple<br>Suite 310<br>Salt Lake City, Utah 84116 | 11/19/2018  |           | Yes                           | No  | No   |
| Nikki L. Kobliha                  | 825 NE Multnomah Street<br>Suite 1900<br>Portland, Oregon 97232   | 2/1/2017    |           | Yes                           | No  | No   |
| Patrick J. Goodman <sup>(a)</sup> | 666 Grand Avenue<br>27th Floor<br>Des Moines, Iowa 50309          | 3/21/2006   |           | Yes                           | No  | No   |
| Natalie L. Hocken                 | 825 NE Multnomah Street<br>Suite 2000<br>Portland, Oregon 97232   | 8/30/2007   |           | Yes                           | No  | No   |
| Cindy A. Crane <sup>(b)</sup>     | 1407 West North Temple<br>Suite 310<br>Salt Lake City, Utah 84116 | 3/10/2015   | 2/4/2019  | No                            | No  | Yes  |

(a) Patrick J. Goodman retired from the PacifiCorp Board of Directors on May 29, 2020. Calvin Haack was elected to fill the resulting vacant Board position effective May 29, 2020.

(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, 2019

| <b>Title</b>   | <b>Officer</b>     | <b>Address</b>  | <b>From</b>                   | <b>To</b> | <b>Officer at<br/>12/31/2019</b> | <b>Elected<br/>During the<br/>Year Ended<br/>12/31/2019</b> | <b>Resigned<br/>During the<br/>Year Ended<br/>12/31/2019</b> |
|--|--------------------|---|-------------------------------|-----------|----------------------------------|---|--|
| Chairman of the Board of Directors and Chief Executive Officer | William J. Fehrman | 666 Grand Avenue<br>27th Floor<br>Des Moines, Iowa 50309          | 1/10/2018                     |           | Yes                              | No  | No   |
| President and Chief Executive Officer, Pacific Power           | Stefan A. Bird     | 825 NE Multnomah Street<br>Suite 2000<br>Portland, Oregon 97232   | 3/10/2015                     |           | Yes                              | No  | No   |
| President and Chief Executive Officer, Rocky Mountain Power    | Gary W. Hoogeveen  | 1407 West North Temple<br>Suite 310<br>Salt Lake City, Utah 84116 | 6/1/2018<br>and<br>11/28/2018 |           | Yes                              | No  | No   |
| Vice President, Chief Financial Officer and Treasurer          | Nikki L. Kobliha   | 825 NE Multnomah Street<br>Suite 1900<br>Portland, Oregon 97232   | 8/13/2015                     |           | Yes                              | No  | No   |



### 3. PacifiCorp Executive Officers and Directors with Affiliated Positions as of December 31, 2019

#### **Fehrman, William J.**

| <b>Business Entity</b>               | <b>Title</b>                        |
|--------------------------------------|-------------------------------------|
| 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                            |
| NV Energy, Inc.                      | Director                            |
| PPW Holdings LLC                     | President                           |
| Sierra Pacific Power Company         | Chairman                            |
| Tongonan Power Investment, Inc.      | Director                            |

#### **Bird, Stefan A.**

| <b>Business Entity</b> | <b>Title</b> |
|------------------------|--------------|
| PacifiCorp Foundation  | Chairperson  |
| PacifiCorp Foundation  | Director     |

#### **Hoogeveen, Gary W.**

| <b>Business Entity</b>     | <b>Title</b> |
|----------------------------|--------------|
| Energy West Mining Company | Director     |
| Energy West Mining Company | President    |
| Fossil Rock Fuels, LLC     | Board Member |
| Fossil Rock Fuels, LLC     | President    |
| Glenrock Coal Company      | Director     |
| Glenrock Coal Company      | President    |
| Interwest Mining Company   | Director     |
| Interwest Mining Company   | President    |
| Pacific Minerals, Inc.     | Director     |
| Pacific Minerals, Inc.     | President    |
| PacifiCorp Foundation      | Director     |
| PacifiCorp Foundation      | President    |

#### **Kobliha, Nikki L.**

| <b>Business Entity</b> | <b>Title</b>   |
|------------------------|----------------|
| Pacific Minerals, Inc. | Treasurer      |
| PacifiCorp Foundation  | Treasurer      |
| PacifiCorp Foundation  | Vice President |

#### **Goodman, Patrick J.**

| <b>Business Entity</b>               | <b>Title</b>           |
|--------------------------------------|------------------------|
| Alaska Gas Pipeline Company, LLC     | Manager <sup>(1)</sup> |
| Alaska Gas Transmission Company, LLC | Manager <sup>(1)</sup> |
| Alaska Storage Holding Company, LLC  | Manager <sup>(1)</sup> |
| AltaLink Management Ltd.             | Director               |

**Goodman, Patrick J. (continued)**

| <b>Business Entity</b>                      | <b>Title</b>                                       |
|---|--|
| Andromeda Community Solar Gardens, LLC      | Manager <sup>(1)</sup>                             |
| Andromeda CSG1, LLC                         | Manager <sup>(1)</sup>                             |
| Andromeda CSG2, LLC                         | Manager <sup>(1)</sup>                             |
| Andromeda CSG3, LLC                         | Manager <sup>(1)</sup>                             |
| Andromeda CSG4, LLC                         | Manager <sup>(1)</sup>                             |
| Andromeda CSG5, LLC                         | Manager <sup>(1)</sup>                             |
| Antares Community Solar Gardens, LLC        | Manager <sup>(1)</sup>                             |
| Antares CSG1, LLC                           | Manager <sup>(1)</sup>                             |
| Antares CSG2, LLC                           | Manager <sup>(1)</sup>                             |
| Antares CSG3, LLC                           | Manager <sup>(1)</sup>                             |
| Antlia Community Solar Gardens, LLC         | Manager <sup>(1)</sup>                             |
| Antlia CSG1, LLC                            | Manager <sup>(1)</sup>                             |
| Antlia CSG2, LLC                            | Manager <sup>(1)</sup>                             |
| Argo Navis Community Solar Gardens, LLC     | Manager <sup>(1)</sup>                             |
| Argo Navis CSG1, LLC                        | Manager <sup>(1)</sup>                             |
| Argo Navis CSG2, LLC                        | Manager <sup>(1)</sup>                             |
| Argo Navis CSG3, LLC                        | Manager <sup>(1)</sup>                             |
| Aries Community Solar Gardens, LLC          | Manager <sup>(1)</sup>                             |
| Aries CSG1, LLC                             | Manager <sup>(1)</sup>                             |
| Aries CSG2, LLC                             | Manager <sup>(1)</sup>                             |
| Aries CSG3, LLC                             | Manager <sup>(1)</sup>                             |
| Aries CSG4, LLC                             | Manager <sup>(1)</sup>                             |
| 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 <sup>(1)</sup>                             |
| BHE AC Holding, LLC                         | Manager <sup>(1)</sup>                             |
| BHE Canada (BC) Holdings Corporation        | Director   |
| BHE Canada Holdings Corporation             | Director   |
| BHE Canada, LLC                             | Executive Vice President & Chief Financial Officer |
| BHE Canada, LLC                             | Manager <sup>(1)</sup>                             |
| BHE Community Solar, LLC                    | Manager <sup>(1)</sup>                             |
| BHE Compression Services, LLC               | Manager <sup>(1)</sup>                             |
| BHE CS Holdings, LLC                        | Manager <sup>(1)</sup>                             |
| BHE Geothermal, LLC                         | Manager <sup>(1)</sup>                             |
| BHE Hydro, LLC                              | Manager <sup>(1)</sup>                             |
| BHE Midcontinent Transmission Holdings, LLC | Manager <sup>(1)</sup>                             |
| BHE Solar, LLC                              | Manager <sup>(1)</sup>                             |
| 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 <sup>(1)</sup>                             |
| BHE Wind, LLC                               | Manager <sup>(1)</sup>                             |
| BHER Santa Rita Investment, LLC             | Manager <sup>(1)</sup>                             |
| BHES CSG Holdings, LLC                      | Manager <sup>(1)</sup>                             |
| Bishop Hill II Holdings, LLC                | Manager <sup>(1)</sup>                             |
| Caelum Community Solar Gardens, LLC         | Manager <sup>(1)</sup>                             |
| Caelum CSG1, LLC                            | Manager <sup>(1)</sup>                             |
| Caelum CSG2, LLC                            | Manager <sup>(1)</sup>                             |
| CalEnergy Company, Inc.                     | Director   |
| CalEnergy Generation Operating Company      | Director   |
| CalEnergy Geothermal Holding, LLC           | Manager <sup>(1)</sup>                             |

**Goodman, Patrick J. (continued)**

| <b>Business Entity</b>                                | <b>Title</b>                                       |
|---|--|
| CalEnergy International Services, Inc.                | Director   |
| California Utility HoldCo, LLC                        | Manager <sup>(1)</sup>                             |
| Capella Community Solar Gardens, LLC                  | Manager <sup>(1)</sup>                             |
| Capella CSG1, LLC                                     | Manager <sup>(1)</sup>                             |
| Capella CSG2, LLC                                     | Manager <sup>(1)</sup>                             |
| Capella CSG3, LLC                                     | Manager <sup>(1)</sup>                             |
| Capella CSG4, LLC                                     | Manager <sup>(1)</sup>                             |
| Capella CSG5, LLC                                     | Manager <sup>(1)</sup>                             |
| Carina Community Solar Gardens, LLC                   | Manager <sup>(1)</sup>                             |
| Carina CSG1, LLC                                      | Manager <sup>(1)</sup>                             |
| Carina CSG2, LLC                                      | Manager <sup>(1)</sup>                             |
| Carina CSG3, LLC                                      | Manager <sup>(1)</sup>                             |
| Carina CSG4, LLC                                      | Manager <sup>(1)</sup>                             |
| CE Asia Limited                                       | Director   |
| CE Asia Limited                                       | Executive Vice President & Chief Financial Officer |
| CE Casecan Ltd.                                       | Executive Vice President & Chief Financial Officer |
| CE Casecan Water and Energy Company, Inc.             | Executive Vice President & Chief Financial Officer |
| CE Electric (NY), Inc.                                | Director   |
| CE Geothermal, Inc.                                   | Director   |
| CE International (Bermuda) Limited                    | Director   |
| CE International (Bermuda) Limited                    | Executive Vice President & Chief Financial Officer |
| CE International Investments, Inc.                    | 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 <sup>(1)</sup>                             |
| Centaurus CSG1, LLC                                   | Manager <sup>(1)</sup>                             |
| Centaurus CSG2, LLC                                   | Manager <sup>(1)</sup>                             |
| Cook Inlet Natural Gas Storage Alaska, LLC            | Manager <sup>(1)</sup>                             |
| Corvus Community Solar, LLC                           | Manager <sup>(1)</sup>                             |
| Corvus CSG1, LLC                                      | Manager <sup>(1)</sup>                             |
| Corvus CSG2, LLC                                      | Manager <sup>(1)</sup>                             |
| Corvus CSG3, LLC                                      | Manager <sup>(1)</sup>                             |
| Corvus CSG4, LLC                                      | Manager <sup>(1)</sup>                             |
| Corvus CSG5, LLC                                      | Manager <sup>(1)</sup>                             |
| Crater Community Solar Gardens, LLC                   | Manager <sup>(1)</sup>                             |
| Crater CSG1, LLC                                      | Manager <sup>(1)</sup>                             |
| Crater CSG2, LLC                                      | Manager <sup>(1)</sup>                             |
| Crater CSG3, LLC                                      | Manager <sup>(1)</sup>                             |
| Delphinus Community Solar Gardens, LLC                | Manager <sup>(1)</sup>                             |
| Delphinus CSG1, LLC                                   | Manager <sup>(1)</sup>                             |
| Delphinus CSG2, LLC                                   | Manager <sup>(1)</sup>                             |
| Gemini Community Solar, LLC                           | Manager <sup>(1)</sup>                             |
| Gemini CSG1, LLC                                      | Manager <sup>(1)</sup>                             |
| Gemini CSG2, LLC                                      | Manager <sup>(1)</sup>                             |
| Gemini CSG3, LLC                                      | Manager <sup>(1)</sup>                             |
| Geronimo Community Solar Gardens Holding Company, LLC | Manager <sup>(1)</sup>                             |
| Geronimo Community Solar Gardens, LLC                 | Manager <sup>(1)</sup>                             |
| GPWH Holdings, LLC                                    | Manager <sup>(1)</sup>                             |
| Grande Prairie Land Holding, LLC                      | Manager <sup>(1)</sup>                             |
| Grande Prairie Wind Holdings, LLC                     | Manager <sup>(1)</sup>                             |
| Grande Prairie Wind II, LLC                           | Manager <sup>(1)</sup>                             |
| HomeServices of America, Inc.                         | Director   |

**Goodman, Patrick J. (continued)**

| <b>Business Entity</b>                                   | <b>Title</b>                                    |
|--|---|
| HomeServices of America, Inc.                            | Finance Committee Member                        |
| Kanstar Transmission, LLC                                | Manager <sup>(1)</sup>                          |
| Kern River Gas Transmission Company                      | Director  |
| KR Holding, LLC  | Manager <sup>(1)</sup>                          |
| KR Holding, LLC  | Vice President & Treasurer                      |
| Lyra Community Solar Gardens, LLC                        | Manager <sup>(1)</sup>                          |
| Lyra CSG1, LLC   | Manager <sup>(1)</sup>                          |
| Lyra CSG2, LLC   | Manager <sup>(1)</sup>                          |
| Lyra CSG3, LLC   | Manager <sup>(1)</sup>                          |
| M & M Ranch Acquisition Company, LLC                     | Manager <sup>(1)</sup>                          |
| M & M Ranch Holding Company, LLC                         | Manager <sup>(1)</sup>                          |
| Magma Netherlands B.V.                                   | Director  |
| Magma Netherlands B.V.                                   | Senior Vice President                           |
| Mapleton Community Solar, LLC                            | Manager <sup>(1)</sup>                          |
| Mapleton CSG1, LLC                                       | Manager <sup>(1)</sup>                          |
| Mapleton CSG2, LLC                                       | Manager <sup>(1)</sup>                          |
| MEHC Investment, Inc.                                    | Director  |
| MEHC Investment, Inc.                                    | President, Chief Financial Officer & Treasurer  |
| MES Holding, LLC   | Manager <sup>(1)</sup>                          |
| MidAmerican Central California Transco, LLC              | Manager <sup>(1)</sup>                          |
| MidAmerican Energy Machining Services LLC                | Manager <sup>(1)</sup>                          |
| MidAmerican Funding, LLC                                 | Manager <sup>(1)</sup>                          |
| MidAmerican Geothermal Development Corporation           | Director  |
| Midwest Power Midcontinent Transmission Development, LLC | Manager <sup>(1)</sup>                          |
| Midwest Power Transmission Arkansas, LLC                 | Manager <sup>(1)</sup>                          |
| Midwest Power Transmission Iowa, LLC                     | Manager <sup>(1)</sup>                          |
| Midwest Power Transmission Kansas, LLC                   | Manager <sup>(1)</sup>                          |
| Midwest Power Transmission Oklahoma, LLC                 | Manager <sup>(1)</sup>                          |
| Midwest Power Transmission Texas, LLC                    | Manager <sup>(1)</sup>                          |
| Morgan Community Solar, LLC                              | Manager <sup>(1)</sup>                          |
| Morgan CSG1, LLC   | Manager <sup>(1)</sup>                          |
| Morgan CSG2, LLC   | Manager <sup>(1)</sup>                          |
| Morgan CSG3, LLC   | Manager <sup>(1)</sup>                          |
| MPT Heartland Development, LLC                           | Manager <sup>(1)</sup>                          |
| NNGC Acquisition, LLC                                    | Manager <sup>(1)</sup>                          |
| 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 <sup>(1)</sup>                          |
| Pegasus Community Solar Gardens, LLC                     | Manager <sup>(1)</sup>                          |
| Pegasus CSG1, LLC  | Manager <sup>(1)</sup>                          |
| Pegasus CSG2, LLC  | Manager <sup>(1)</sup>                          |
| Pinyon Pines Funding, LLC                                | Manager <sup>(1)</sup>                          |
| Pinyon Pines I Holding Company, LLC                      | Manager <sup>(1)</sup>                          |
| Pinyon Pines II Holding Company, LLC                     | Manager <sup>(1)</sup>                          |
| Pinyon Pines Projects Holding, LLC                       | Manager <sup>(1)</sup>                          |
| Pollux Community Solar Gardens, LLC                      | Manager <sup>(1)</sup>                          |
| Pollux CSG1, LLC   | Manager <sup>(1)</sup>                          |
| Pollux CSG2, LLC   | Manager <sup>(1)</sup>                          |
| PPW Holdings LLC   | Manager <sup>(1)</sup>                          |
| Solar Star 3, LLC  | Manager <sup>(1)</sup>                          |
| Solar Star 4, LLC  | Manager <sup>(1)</sup>                          |
| Solar Star Funding, LLC                                  | Manager <sup>(1)</sup>                          |

**Goodman, Patrick J. (continued)**

| <b>Business Entity</b>             | <b>Title</b>                                       |
|------------------------------------|--|
| Solar Star Projects Holding, LLC   | Manager <sup>(1)</sup>                             |
| Spica Community Solar Gardens, LLC | Manager <sup>(1)</sup>                             |
| Spica CSG1, LLC                    | Manager <sup>(1)</sup>                             |
| Spica CSG2, LLC                    | Manager <sup>(1)</sup>                             |
| SSC XIX, LLC                       | Manager <sup>(1)</sup>                             |
| SSC XX, LLC                        | Manager <sup>(1)</sup>                             |
| Taurus Community Solar, LLC        | Manager <sup>(1)</sup>                             |
| Taurus CSG1, LLC                   | Manager <sup>(1)</sup>                             |
| Taurus CSG2, LLC                   | Manager <sup>(1)</sup>                             |
| Taurus CSG3, LLC                   | Manager <sup>(1)</sup>                             |
| Taurus CSG4, LLC                   | Manager <sup>(1)</sup>                             |
| Tongonan Power Investment, Inc.    | Director   |
| Tongonan Power Investment, Inc.    | Executive Vice President & Chief Financial Officer |
| TPZ Holding, LLC                   | Manager <sup>(1)</sup>                             |
| Vega Community Solar Gardens, LLC  | Manager <sup>(1)</sup>                             |
| Vega CSG1, LLC                     | Manager <sup>(1)</sup>                             |
| Vega CSG2, LLC                     | Manager <sup>(1)</sup>                             |
| Vega CSG3, LLC                     | Manager <sup>(1)</sup>                             |
| Vega CSG4, LLC                     | Manager <sup>(1)</sup>                             |
| Vega CSG5, LLC                     | Manager <sup>(1)</sup>                             |
| Visayas Geothermal Power Company   | Senior Vice President & Chief Financial Officer    |

**Hocken, Natalie L.**

| <b>Business Entity</b>                      | <b>Title</b>                               |
|---|--|
| 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 America Transco, LLC                    | Manager <sup>(1)</sup>                     |
| BHE America Transco, LLC                    | President                                  |
| BHE Canada (BC) Holdings Corporation        | Director                                   |
| BHE Canada Holdings Corporation             | Director                                   |
| BHE Canada Holdings Corporation             | Executive Vice President & Secretary       |
| BHE Canada, LLC                             | Executive Vice President & General Counsel |
| BHE Canada, LLC                             | Manager <sup>(1)</sup>                     |
| BHE Compression Services, LLC               | Manager <sup>(1)</sup>                     |
| BHE CS Holdings, LLC                        | Manager <sup>(1)</sup>                     |
| BHE Midcontinent Transmission Holdings, LLC | Manager <sup>(1)</sup>                     |
| BHE Midcontinent Transmission Holdings, LLC | President                                  |
| BHE Southwest Transmission Holdings, LLC    | Manager <sup>(1)</sup>                     |
| BHE Southwest Transmission Holdings, LLC    | President                                  |
| BHE Texas Transco, LLC                      | Manager <sup>(1)</sup>                     |
| 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 <sup>(1)</sup>                     |
| CalEnergy Company, Inc.                     | Senior Vice President & General Counsel    |
| California Utility HoldCo, LLC              | Manager <sup>(1)</sup>                     |
| California Utility HoldCo, LLC              | President                                  |
| HomeServices of America, Inc.               | Director                                   |
| Kanstar Transmission, LLC                   | Manager <sup>(1)</sup>                     |

**Hocken, Natalie L. (continued)**

| <b>Business Entity</b>                                   | <b>Title</b>   |
|--|--|
| Kanstar Transmission, LLC                                | President  |
| Kern River Gas Transmission Company                      | Director   |
| KR Holding, LLC  | Manager <sup>(1)</sup>                                       |
| KR Holding, LLC  | Vice President & Secretary                                   |
| M & M Ranch Acquisition Company, LLC                     | Manager <sup>(1)</sup>                                       |
| M & M Ranch Acquisition Company, LLC                     | President  |
| M & M Ranch Holding Company, LLC                         | Manager <sup>(1)</sup>                                       |
| 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 |
| MHC Investment Company                                   | Director   |
| MidAmerican Central California Transco, LLC              | Manager <sup>(1)</sup>                                       |
| MidAmerican Central California Transco, LLC              | President  |
| MidAmerican Energy Company                               | Vice President   |
| MidAmerican Funding, LLC                                 | Manager <sup>(1)</sup>                                       |
| Midwest Power Midcontinent Transmission Development, LLC | Manager <sup>(1)</sup>                                       |
| Midwest Power Midcontinent Transmission Development, LLC | President  |
| Midwest Power Transmission Arkansas, LLC                 | Manager <sup>(1)</sup>                                       |
| Midwest Power Transmission Arkansas, LLC                 | President  |
| Midwest Power Transmission Kansas, LLC                   | Manager <sup>(1)</sup>                                       |
| Midwest Power Transmission Kansas, LLC                   | President  |
| Midwest Power Transmission Oklahoma, LLC                 | Manager <sup>(1)</sup>                                       |
| Midwest Power Transmission Oklahoma, LLC                 | President  |
| Midwest Power Transmission Texas, LLC                    | Manager <sup>(1)</sup>                                       |
| Midwest Power Transmission Texas, LLC                    | President  |
| MPT Heartland Development, LLC                           | Manager <sup>(1)</sup>                                       |
| MPT Heartland Development, LLC                           | President  |
| MTL Canyon Holdings, LLC                                 | Manager <sup>(1)</sup>                                       |
| MTL Canyon Holdings, LLC                                 | President  |
| NNGC Acquisition, LLC                                    | Manager <sup>(1)</sup>                                       |
| Northern Natural Gas Company                             | Director   |
| NVE Holdings, LLC  | Manager <sup>(1)</sup>                                       |
| NVE Insurance Company, Inc.                              | President  |
| PPW Holdings LLC   | Manager <sup>(1)</sup>                                       |

(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, 2019**

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, 2019. 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, 2019.

## **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, 2019. 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.

The narrative descriptions below are as of December 31, 2019 and do not contemplate changes subsequent to that date.

**American Airlines, Inc. (“American Airlines”)** – At December 31, 2019, Berkshire Hathaway held a 9.98% ownership interest in American Airlines Group Inc., which wholly owns American Airlines. 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, 2019, Berkshire Hathaway held a 18.27% 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.

**Apple Inc. (“Apple”)** – At December 31, 2019, Berkshire Hathaway held a 5.73% ownership interest in Apple Inc. Apple designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories, and sells a variety of related services. In addition to its high tech related activities, Apple owns several renewable electric generation facilities primarily for Apple’s use; however, Apple has received permission to sell its surplus electricity into the marketplace at wholesale prices through spot transactions. PacifiCorp purchases wholesale energy from Apple.

**The Bank of New York Mellon Corporation (“BNY Mellon”)** – At December 31, 2019, Berkshire Hathaway held a 9.98% ownership interest in BNY Mellon. BNY Mellon engages in trust and custody activities, investment management services, banking services and various securities-related activities. BNY Mellon provides trustee, custodial and lending services to PacifiCorp.

**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, 2019, Berkshire Hathaway held a 10.96% ownership interest in Delta Air. 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. FlightSafety provides aviation training to PacifiCorp.

**J. Aron & Company LLC (“J. Aron”)** – At December 31, 2019, Berkshire Hathaway held a 5.31% ownership interest in The Goldman Sachs Group, Inc, which wholly owns J. Aron. J. Aron is an international commodities dealer that is engaged as a market-maker in physical and financial transactions involving various commodities, including electricity, natural gas, precious metals, base metals, crude oil and petroleum products. J. Aron provides financial transactions related to energy hedging activity to PacifiCorp.

**Marmon Utility LLC** – a wholly owned subsidiary of Marmon Holdings, Inc. (“Marmon”), in which Berkshire Hathaway held a 99.75% ownership interest at December 31, 2019. Marmon is an international association of numerous manufacturing and service businesses in energy-related and other markets. Marmon affiliate Marmon Utility LLC provides materials and supplies to PacifiCorp in the normal course of business.

**Moody’s Investors Service (“Moody’s”)** – At December 31, 2019, Berkshire Hathaway held a 13.07% 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.

**Penn Machine Company LLC** – a wholly owned subsidiary of Marmon. Penn Machine Company provides equipment parts to PacifiCorp in the normal course of business.

**Southwest Airlines Co. (“Southwest Airlines”)** – At December 31, 2019, Berkshire Hathaway held a 10.19% 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, 2019, Berkshire Hathaway held a 9.61% 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 and lending services to PacifiCorp.

**Wells Fargo & Company (“Wells Fargo”)** – At December 31, 2019, Berkshire Hathaway held a 9.48% 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 and lending 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 January 31, 2020, Berkshire Hathaway owned 90.9% of BHE’s common stock. As of January 31, 2020, 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 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.

**Grid Assurance, LLC (“Grid Assurance”)** – a joint venture in which BTL holds a 16.67% ownership interest. Grid Assurance offers cost-effective solutions for enhancing transmission system grid resilience and faster access to critical transmission equipment following a catastrophic event. PacifiCorp provides administrative services to Grid Assurance under the IASA.

**Electric Transmission Texas, LLC (“ETT”)** – a joint venture in which a wholly owned subsidiary of BTL holds a 50% ownership interest. ETT acquires, constructs, owns and operates electric transmission facilities within the Electric Reliability Council of Texas. PacifiCorp provides administrative services to ETT under the IASA.

**MTL Canyon Holdings, LLC (“MTL”)** – a wholly owned subsidiary of BTL. MTL owns a 50% interest in TransCanyon, LLC, an independent developer of electric transmission infrastructure for the western United States. PacifiCorp provides services to MTL under the IASA.

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

**HomeServices of America, Inc. (“HomeServices”)** – a majority-owned subsidiary of BHE, which held 97.78% ownership at December 31, 2019. 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.

**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. PacifiCorp 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. PacifiCorp 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 to Nevada Power 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 wholesale energy and transmission services from Sierra Pacific. PacifiCorp sells transmission services to Sierra Pacific. 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.

**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 25.98% 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 36.82% 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 34.12% 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, 2019, are included in Section II. Transactions.**

## II. Transactions

The following pages include the following information about services <sup>(1)</sup> 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.

<sup>(1)</sup> 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, 2019

| Affiliated Entity                                      | Ownership Interest as of 12/31/2019 | Services provided pursuant to the IASA <sup>(1)</sup> |                              |   | 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.                                | 9.98%                               | \$ -  | \$ -                         | \$ -  | \$ 31,618                    | \$ -                         | \$ 31,618                                       |
| American Express Travel Related Services Company, Inc. | 18.27%                              | -   | -                            | -   | 62,974                       | -                            | 62,974  |
| Apple Inc.   | 5.73%                               | -   | -                            | -   | 409,072                      | -                            | 409,072   |
| The Bank of New York Mellon Corporation                | 9.98%                               | -   | -                            | -   | 182,214                      | -                            | 182,214   |
| BNSF Railway Company                                   | 100.00%                             | -   | -                            | -   | 35,201,754                   | -                            | 35,201,754                                      |
| Delta Air Lines, Inc.                                  | 10.96%                              | -   | -                            | -   | 1,193,177                    | -                            | 1,193,177                                       |
| Environment One Corporation                            | 100.00%                             | -   | -                            | -   | 21,281                       | -                            | 21,281  |
| FlightSafety International Inc.                        | 100.00%                             | -   | -                            | -   | 14,200                       | -                            | 14,200  |
| J. Aron & Company LLC                                  | 5.31%                               | -   | -                            | -   | 14,666,938                   | -                            | 14,666,938                                      |
| Marmon Utility LLC                                     | 99.75%                              | -   | -                            | -   | 17,510                       | -                            | 17,510  |
| Moody's Investors Service                              | 13.07%                              | -   | -                            | -   | 500,454                      | -                            | 500,454   |
| Penn Machine Company LLC                               | 99.75%                              | -   | -                            | -   | 26,806                       | -                            | 26,806  |
| Southwest Airlines Co.                                 | 10.19%                              | -   | -                            | -   | 56,695                       | -                            | 56,695  |
| U.S. Bancorp   | 9.61%                               | -   | -                            | -   | 355,291                      | -                            | 355,291   |
| Wells Fargo & Company                                  | 9.48%                               | -   | -                            | -   | 1,107,114                    | 344,870                      | 1,451,984                                       |
| Berkshire Hathaway Energy Company                      | 90.90%                              | 4,963,789   | 118,335                      | 5,082,124                                       | -                            | -                            | -   |
| BHE AltaLink Ltd.                                      | 100.00%                             | -   | 55,068                       | 55,068  | -                            | -                            | -   |
| BHE Renewables, LLC                                    | 100.00%                             | 2,927   | 70,506                       | 73,433  | -                            | -                            | -   |
| CalEnergy Generation Operating Company                 | 100.00%                             | -   | 762                          | 762   | -                            | -                            | -   |
| BHE U.S. Transmission, LLC                             | 100.00%                             | 12,407  | 184,527                      | 196,934   | -                            | -                            | -   |
| Grid Assurance, LLC                                    | 16.67%                              | -   | 2,072                        | 2,072   | -                            | -                            | -   |
| Electric Transmission Texas, LLC                       | 50.00%                              | -   | 4,508                        | 4,508   | -                            | -                            | -   |
| MTL Canyon Holdings, LLC                               | 100.00%                             | -   | 74,023                       | 74,023  | -                            | -                            | -   |
| CalEnergy Philippines                                  | various                             | -   | 1,737                        | 1,737   | -                            | -                            | -   |
| HomeServices of America, Inc.                          | 97.78%                              | -   | 141,320                      | 141,320   | 1,312,195                    | -                            | 1,312,195                                       |
| Kern River Gas Transmission Company                    | 100.00%                             | 93  | 28,845                       | 28,938  | 3,080,471                    | 250                          | 3,080,721                                       |
| MHC Inc.   | 100.00%                             | 494,378   | -                            | 494,378   | -                            | -                            | -   |
| MidAmerican Energy Company                             | 100.00%                             | 4,401,310   | 428,101                      | 4,829,411                                       | -                            | -                            | -   |
| Midwest Capital Group, Inc.                            | 100.00%                             | -   | 203                          | 203   | -                            | -                            | -   |
| MidAmerican Energy Services, LLC                       | 100.00%                             | -   | 4,175                        | 4,175   | -                            | -                            | -   |
| Northern Natural Gas Company                           | 100.00%                             | -   | 86,745                       | 86,745  | -                            | -                            | -   |
| Northern Powergrid Holdings Company                    | 100.00%                             | -   | 71,566                       | 71,566  | -                            | -                            | -   |
| NV Energy, Inc.  | 100.00%                             | -   | 60,015                       | 60,015  | -                            | -                            | -   |
| Nevada Power Company                                   | 100.00%                             | 127,670   | 88,400                       | 216,070   | 1,760,265                    | 467,804                      | 2,228,069                                       |
| Sierra Pacific Power Company                           | 100.00%                             | -   | 50,512                       | 50,512  | 367,810                      | 47,489                       | 415,299   |
| PPW Holdings LLC                                       | 100.00%                             | -   | -                            | -   | -                            | -                            | -   |
| Fossil Rock Fuels, LLC                                 | 100.00%                             | -   | -                            | -   | -                            | -                            | -   |
| Pacific Minerals, Inc.                                 | 100.00%                             | -   | -                            | -   | -                            | -                            | -   |
| Bridger Coal Company                                   | 66.67%                              | -   | -                            | -   | 142,144,831                  | 1,341,044                    | 143,485,875                                     |
| Trapper Mining Inc.                                    | 21.40%                              | -   | -                            | -   | 13,332,176                   | 7,028                        | 13,339,204                                      |
| PacifiCorp Foundation                                  | 0.00%                               | -   | -                            | -   | -                            | 185,616                      | 185,616   |
| Cottonwood Creek Consolidated Irrigation Company       | 25.98%                              | -   | -                            | -   | 325,321                      | -                            | 325,321   |
| Ferron Canal & Reservoir Company                       | 36.82%                              | -   | -                            | -   | 1,049,366                    | -                            | 1,049,366                                       |
| Huntington Cleveland Irrigation Company                | 34.12%                              | -   | -                            | -   | 528,309                      | -                            | 528,309   |
| <b>Total Affiliated Services by Category</b>           |                                     | <b>\$ 10,002,574</b>                                  | <b>\$ 1,471,420</b>          | <b>\$ 11,473,994</b>                            | <b>\$ 217,747,842</b>        | <b>\$ 2,394,101</b>          | <b>\$ 220,141,943</b>                           |

(1) Intercompany Administrative Services Agreement



**American Airlines, Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>           | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--------------------------------------|---|---|
| Travel services                      | \$ 31,618                               | \$ -                                    |
| <b>Total</b>                         | <b>\$ 31,618</b>                        | <b>\$ -</b>                             |
| 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, 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, 2019 (File No. 001-2691) at [www.sec.gov](http://www.sec.gov).

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

|   | December 31, |           |
|---|--------------|-----------|
|   | 2019         | 2018      |
| <b>ASSETS</b>   |              |           |
| <b>Current assets</b>   |              |           |
| Cash  | \$ 267       | \$ 265    |
| Short-term investments  | 3,543        | 4,482     |
| Restricted cash and short-term investments                                      | 158          | 154       |
| Accounts receivable, net  | 1,770        | 1,755     |
| Receivables from related parties, net   | 12,451       | 10,666    |
| Aircraft fuel, spare parts and supplies, net                                    | 1,754        | 1,442     |
| Prepaid expenses and other  | 584          | 493       |
| Total current assets  | 20,527       | 19,257    |
| <b>Operating property and equipment</b>   |              |           |
| Flight equipment  | 42,213       | 41,180    |
| Ground property and equipment   | 9,089        | 8,466     |
| Equipment purchase deposits   | 1,674        | 1,277     |
| Total property and equipment, at cost   | 52,976       | 50,923    |
| Less accumulated depreciation and amortization                                  | (18,335)     | (17,123)  |
| Total property and equipment, net   | 34,641       | 33,800    |
| <b>Operating lease right-of-use assets</b>                                      | 8,694        | 9,094     |
| <b>Other assets</b>   |              |           |
| Goodwill  | 4,091        | 4,091     |
| Intangibles, net of accumulated amortization of \$704 and \$663, respectively   | 2,084        | 2,137     |
| Deferred tax asset  | 689          | 1,280     |
| Other assets  | 1,164        | 1,219     |
| Total other assets  | 8,028        | 8,727     |
| <b>Total assets</b>   | \$ 71,890    | \$ 70,878 |
| <b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>                                     |              |           |
| <b>Current liabilities</b>  |              |           |
| Current maturities of long-term debt and finance leases                         | \$ 2,358     | \$ 2,547  |
| Accounts payable  | 1,990        | 1,707     |
| Accrued salaries and wages  | 1,461        | 1,363     |
| Air traffic liability   | 4,808        | 4,339     |
| Loyalty program liability   | 3,193        | 3,267     |
| Operating lease liabilities   | 1,695        | 1,639     |
| Other accrued liabilities   | 2,055        | 2,259     |
| Total current liabilities   | 17,560       | 17,121    |
| <b>Noncurrent liabilities</b>   |              |           |
| Long-term debt and finance leases, net of current maturities                    | 20,684       | 20,650    |
| Pension and postretirement benefits   | 6,008        | 6,863     |
| Loyalty program liability   | 5,422        | 5,272     |
| Operating lease liabilities   | 7,388        | 7,857     |
| Other liabilities   | 1,406        | 1,345     |
| Total noncurrent liabilities  | 40,908       | 41,987    |
| <b>Commitments and contingencies (Note 10)</b>                                  |              |           |
| <b>Stockholder's equity</b>   |              |           |
| Common stock, \$1.00 par value; 1,000 shares authorized, issued and outstanding | —            | —         |
| Additional paid-in capital  | 16,903       | 16,802    |
| Accumulated other comprehensive loss  | (6,423)      | (5,992)   |
| Retained earnings   | 2,942        | 960       |
| Total stockholder's equity  | 13,422       | 11,770    |
| <b>Total liabilities and stockholder's equity</b>                               | \$ 71,890    | \$ 70,878 |

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

|                                       | Year Ended December 31, |           |           |
|---------------------------------------|-------------------------|-----------|-----------|
|                                       | 2019                    | 2018      | 2017      |
| <b>Operating revenues:</b>            |                         |           |           |
| Passenger                             | \$ 42,010               | \$ 40,676 | \$ 39,131 |
| Cargo                                 | 863                     | 1,013     | 890       |
| Other                                 | 2,888                   | 2,841     | 2,589     |
| Total operating revenues              | 45,761                  | 44,530    | 42,610    |
| <b>Operating expenses:</b>            |                         |           |           |
| Aircraft fuel and related taxes       | 7,526                   | 8,053     | 6,128     |
| Salaries, wages and benefits          | 12,600                  | 12,240    | 11,942    |
| Regional expenses                     | 7,518                   | 7,064     | 6,572     |
| Maintenance, materials and repairs    | 2,380                   | 2,050     | 1,959     |
| Other rent and landing fees           | 2,055                   | 1,900     | 1,806     |
| Aircraft rent                         | 1,326                   | 1,264     | 1,197     |
| Selling expenses                      | 1,602                   | 1,520     | 1,477     |
| Depreciation and amortization         | 1,982                   | 1,839     | 1,702     |
| Special items, net                    | 635                     | 787       | 712       |
| Other                                 | 5,090                   | 5,090     | 4,910     |
| Total operating expenses              | 42,714                  | 41,807    | 38,405    |
| <b>Operating income</b>               | 3,047                   | 2,723     | 4,205     |
| <b>Nonoperating income (expense):</b> |                         |           |           |
| Interest income                       | 515                     | 330       | 215       |
| Interest expense, net                 | (1,109)                 | (1,028)   | (988)     |
| Other income, net                     | 152                     | 167       | 123       |
| Total nonoperating expense, net       | (442)                   | (531)     | (650)     |
| <b>Income before income taxes</b>     | 2,605                   | 2,192     | 3,555     |
| Income tax provision                  | 633                     | 534       | 2,270     |
| <b>Net income</b>                     | \$ 1,972                | \$ 1,658  | \$ 1,285  |

**American Express Travel Related Services Company, Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>  | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|-----------------------------|---|---|
| Travel arrangement services | \$ 62,974                               | \$ -                                    |
| <b>Total</b>                | <b>\$ 62,974</b>                        | <b>\$ -</b>                             |

|                                      |     |     |
|--------------------------------------|-----|-----|
| 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, 2019 (File No. 001-7657) at [www.sec.gov](http://www.sec.gov).

American Express Company  
**CONSOLIDATED BALANCE SHEETS**

| December 31 (Millions, except share data)  | 2019              | 2018              |
|--|-------------------|-------------------|
| <b>Assets</b>  |                   |                   |
| Cash and cash equivalents  |                   |                   |
| Cash and due from banks  | \$ 3,402          | \$ 3,253          |
| Interest-bearing deposits in other banks (includes securities purchased under resale agreements: 2019, \$87; 2018, \$64)   | 20,392            | 24,026            |
| Short-term investment securities   | 138               | 166               |
| Total cash and cash equivalents  | 23,932            | 27,445            |
| Card Member receivables (includes gross receivables available to settle obligations of a consolidated variable interest entity: 2019, \$8,284; 2018, \$8,539), less reserves: 2019, \$619; 2018, \$573 | 56,794            | 55,320            |
| Card Member loans (includes gross loans available to settle obligations of a consolidated variable interest entity: 2019, \$32,230; 2018, \$33,194), less reserves: 2019, \$2,383; 2018, \$2,134       | 84,998            | 79,720            |
| Other loans, less reserves: 2019, \$152; 2018, \$124   | 4,626             | 3,676             |
| Investment securities  | 8,406             | 4,647             |
| Premises and equipment, less accumulated depreciation and amortization: 2019, \$6,562; 2018, \$6,015   | 4,834             | 4,416             |
| Other assets (includes restricted cash of consolidated variable interest entities: 2019, \$85; 2018, \$70)   | 14,731            | 13,378            |
| <b>Total assets</b>  | <b>\$ 198,321</b> | <b>\$ 188,602</b> |
| <b>Liabilities and Shareholders' Equity</b>  |                   |                   |
| <b>Liabilities</b>   |                   |                   |
| Customer deposits  | \$ 73,287         | \$ 69,960         |
| Accounts payable   | 12,738            | 12,255            |
| Short-term borrowings  | 6,442             | 3,100             |
| Long-term debt (includes debt issued by consolidated variable interest entities: 2019, \$19,668; 2018, \$19,509)   | 57,835            | 58,423            |
| Other liabilities  | 24,948            | 22,574            |
| <b>Total liabilities</b>   | <b>\$ 175,250</b> | <b>\$ 166,312</b> |
| <b>Contingencies and Commitments (Note 12)</b>   |                   |                   |
| <b>Shareholders' Equity</b>  |                   |                   |
| Preferred shares, \$1.66 <sup>2/3</sup> par value, authorized 20 million shares; issued and outstanding 1,600 shares as of December 31, 2019 and 2018 (Note 16)  | —                 | —                 |
| Common shares, \$0.20 par value, authorized 3.6 billion shares; issued and outstanding 810 million shares as of December 31, 2019 and 847 million shares as of December 31, 2018                       | 163               | 170               |
| Additional paid-in capital   | 11,774            | 12,218            |
| Retained earnings  | 13,871            | 12,499            |
| Accumulated other comprehensive loss   |                   |                   |
| Net unrealized debt securities gains (losses), net of tax of: 2019, \$11; 2018, \$(1)  | 33                | (8)               |
| Foreign currency translation adjustments, net of tax of: 2019, \$(319); 2018, \$(300)  | (2,189)           | (2,133)           |
| Net unrealized pension and other postretirement benefits, net of tax of: 2019, \$(208); 2018, \$(170)  | (581)             | (456)             |
| Total accumulated other comprehensive loss   | (2,737)           | (2,597)           |
| <b>Total shareholders' equity</b>  | <b>23,071</b>     | <b>22,290</b>     |
| <b>Total liabilities and shareholders' equity</b>  | <b>\$ 198,321</b> | <b>\$ 188,602</b> |

American Express Company  
**CONSOLIDATED STATEMENTS OF INCOME**

| Year Ended December 31 ( <i>Millions, except per share amounts</i> ) | 2019      | 2018      | 2017      |
|--|-----------|-----------|-----------|
| <b>Revenues</b>  |           |           |           |
| Non-interest revenues  |           |           |           |
| Discount revenue   | \$ 26,167 | \$ 24,721 | \$ 22,890 |
| Net card fees  | 4,042     | 3,441     | 3,090     |
| Other fees and commissions   | 3,297     | 3,153     | 2,990     |
| Other  | 1,430     | 1,360     | 1,457     |
| Total non-interest revenues  | 34,936    | 32,675    | 30,427    |
| <b>Interest income</b>   |           |           |           |
| Interest on loans  | 11,308    | 9,941     | 8,148     |
| Interest and dividends on investment securities                      | 188       | 118       | 89        |
| Deposits with banks and other  | 588       | 547       | 326       |
| Total interest income  | 12,084    | 10,606    | 8,563     |
| <b>Interest expense</b>  |           |           |           |
| Deposits   | 1,559     | 1,287     | 779       |
| Long-term debt and other   | 1,905     | 1,656     | 1,333     |
| Total interest expense   | 3,464     | 2,943     | 2,112     |
| Net interest income  | 8,620     | 7,663     | 6,451     |
| Total revenues net of interest expense                               | 43,556    | 40,338    | 36,878    |
| <b>Provisions for losses</b>   |           |           |           |
| Charge card  | 963       | 937       | 795       |
| Card Member loans  | 2,462     | 2,266     | 1,868     |
| Other  | 148       | 149       | 97        |
| Total provisions for losses  | 3,573     | 3,352     | 2,760     |
| Total revenues net of interest expense after provisions for losses   | 39,983    | 36,986    | 34,118    |
| <b>Expenses</b>  |           |           |           |
| Marketing and business development                                   | 7,114     | 6,470     | 5,722     |
| Card Member rewards  | 10,439    | 9,696     | 8,687     |
| Card Member services   | 2,222     | 1,777     | 1,392     |
| Salaries and employee benefits                                       | 5,911     | 5,250     | 5,258     |
| Other, net   | 5,868     | 5,671     | 5,634     |
| Total expenses   | 31,554    | 28,864    | 26,693    |
| Pretax income  | 8,429     | 8,122     | 7,425     |
| Income tax provision   | 1,670     | 1,201     | 4,677     |
| Net income   | \$ 6,759  | \$ 6,921  | \$ 2,748  |
| <b>Earnings per Common Share — (Note 21)<sup>(a)</sup></b>           |           |           |           |
| Basic  | \$ 8.00   | \$ 7.93   | \$ 3.00   |
| Diluted  | \$ 7.99   | \$ 7.91   | \$ 2.99   |
| Average common shares outstanding for earnings per common share:     |           |           |           |
| Basic  | 828       | 856       | 883       |
| Diluted  | 830       | 859       | 886       |

(a) Represents net income less (i) earnings allocated to participating share awards of \$47 million, \$54 million and \$21 million for the years ended December 31, 2019, 2018 and 2017, respectively, and (ii) dividends on preferred shares of \$81 million, \$80 million and \$81 million for the years ended December 31, 2019, 2018 and 2017, respectively.

**Apple Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|----------------------------|---|---|
| Wholesale energy purchases | \$ 409,072                              | \$ -                                    |
| <b>Total</b>               | <b>\$ 409,072</b>                       | <b>\$ -</b>                             |

|                                      |     |     |
|--------------------------------------|-----|-----|
| 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) Wholesale energy purchases are priced at a tariff rate on file with the Oregon Public Utility Commission.

For further information on the following financial statements, refer to Apple Inc.'s Form 10-K for the year ended September 28, 2019 (File No. 001-36743) at [www.sec.gov](http://www.sec.gov).

Apple Inc.

**CONSOLIDATED BALANCE SHEETS**

(In millions, except number of shares which are reflected in thousands and par value)

|   | <u>September 28,<br/>2019</u> | <u>September 29,<br/>2018</u> |
|---|-------------------------------|-------------------------------|
| <b>ASSETS:</b>  |                               |                               |
| Current assets:   |                               |                               |
| Cash and cash equivalents   | \$ 48,844                     | \$ 25,913                     |
| Marketable securities   | 51,713                        | 40,388                        |
| Accounts receivable, net  | 22,926                        | 23,186                        |
| Inventories   | 4,106                         | 3,956                         |
| Vendor non-trade receivables  | 22,878                        | 25,809                        |
| Other current assets  | 12,352                        | 12,087                        |
| Total current assets  | <u>162,819</u>                | <u>131,339</u>                |
| Non-current assets:   |                               |                               |
| Marketable securities   | 105,341                       | 170,799                       |
| Property, plant and equipment, net  | 37,378                        | 41,304                        |
| Other non-current assets  | 32,978                        | 22,283                        |
| Total non-current assets  | <u>175,697</u>                | <u>234,386</u>                |
| Total assets  | <u>\$ 338,516</u>             | <u>\$ 365,725</u>             |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY:</b>  |                               |                               |
| Current liabilities:  |                               |                               |
| Accounts payable  | \$ 46,236                     | \$ 55,888                     |
| Other current liabilities   | 37,720                        | 33,327                        |
| Deferred revenue  | 5,522                         | 5,966                         |
| Commercial paper  | 5,980                         | 11,964                        |
| Term debt   | 10,260                        | 8,784                         |
| Total current liabilities   | <u>105,718</u>                | <u>115,929</u>                |
| Non-current liabilities:  |                               |                               |
| Term debt   | 91,807                        | 93,735                        |
| Other non-current liabilities   | 50,503                        | 48,914                        |
| Total non-current liabilities   | <u>142,310</u>                | <u>142,649</u>                |
| Total liabilities   | <u>248,028</u>                | <u>258,578</u>                |
| Commitments and contingencies   |                               |                               |
| Shareholders' equity:   |                               |                               |
| Common stock and additional paid-in capital, \$0.00001 par value: 12,600,000 shares authorized; 4,443,236 and 4,754,986 shares issued and outstanding, respectively | 45,174                        | 40,201                        |
| Retained earnings   | 45,898                        | 70,400                        |
| Accumulated other comprehensive income/(loss)   | (584)                         | (3,454)                       |
| Total shareholders' equity  | <u>90,488</u>                 | <u>107,147</u>                |
| Total liabilities and shareholders' equity  | <u>\$ 338,516</u>             | <u>\$ 365,725</u>             |



Apple Inc.

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In millions, except number of shares which are reflected in thousands and per share amounts)

|  | Years ended           |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | September 28,<br>2019 | September 29,<br>2018 | September 30,<br>2017 |
| Net sales:                                   |                       |                       |                       |
| Products                                     | \$ 213,883            | \$ 225,847            | \$ 196,534            |
| Services                                     | 46,291                | 39,748                | 32,700                |
| Total net sales                              | 260,174               | 265,595               | 229,234               |
| Cost of sales:                               |                       |                       |                       |
| Products                                     | 144,996               | 148,164               | 126,337               |
| Services                                     | 16,786                | 15,592                | 14,711                |
| Total cost of sales                          | 161,782               | 163,756               | 141,048               |
| Gross margin                                 | 98,392                | 101,839               | 88,186                |
| Operating expenses:                          |                       |                       |                       |
| Research and development                     | 16,217                | 14,236                | 11,581                |
| Selling, general and administrative          | 18,245                | 16,705                | 15,261                |
| Total operating expenses                     | 34,462                | 30,941                | 26,842                |
| Operating income                             | 63,930                | 70,898                | 61,344                |
| Other income/(expense), net                  | 1,807                 | 2,005                 | 2,745                 |
| Income before provision for income taxes     | 65,737                | 72,903                | 64,089                |
| Provision for income taxes                   | 10,481                | 13,372                | 15,738                |
| Net income                                   | \$ 55,256             | \$ 59,531             | \$ 48,351             |
| Earnings per share:                          |                       |                       |                       |
| Basic  | \$ 11.97              | \$ 12.01              | \$ 9.27               |
| Diluted                                      | \$ 11.89              | \$ 11.91              | \$ 9.21               |
| Shares used in computing earnings per share: |                       |                       |                       |
| Basic  | 4,617,834             | 4,955,377             | 5,217,242             |
| Diluted                                      | 4,648,913             | 5,000,109             | 5,251,692             |

**The Bank of New York Mellon Corporation**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>              | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|---|---|---|
| Trustee, custodial and lending services | \$ 182,214                              | \$ -                                    |
| <b>Total</b>                            | <b>\$ 182,214</b>                       | <b>\$ -</b>                             |

|                                      |     |     |
|--------------------------------------|-----|-----|
| 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) The Bank of New York Mellon Corporation provides trustee, custodial and lending services to PacifiCorp in the normal course of business at standard pricing.

For further information on the following financial statements, refer to The Bank of New York Mellon Corporation's Form 10-K for the year ended December 31, 2019 (File No. 001-35651) at [www.sec.gov](http://www.sec.gov).

Consolidated Balance Sheet

| <i>(dollars in millions, except per share amounts)</i>   | Dec. 31,   |            |
|--|------------|------------|
|  | 2019       | 2018       |
| <b>Assets</b>  |            |            |
| Cash and due from banks  | \$ 4,830   | \$ 5,864   |
| Interest-bearing deposits with the Federal Reserve and other central banks   | 95,042     | 67,988     |
| Interest-bearing deposits with banks (\$2,437 and \$2,394 is restricted)   | 14,811     | 14,148     |
| Federal funds sold and securities purchased under resale agreements  | 30,182     | 46,795     |
| Securities:  |            |            |
| Held-to-maturity (fair value of \$34,805 and \$33,302)   | 34,483     | 33,982     |
| Available-for-sale   | 88,550     | 85,809     |
| Total securities   | 123,033    | 119,791    |
| Trading assets   | 13,571     | 7,035      |
| Loans  | 54,953     | 56,564     |
| Allowance for loan losses  | (122)      | (146)      |
| Net loans  | 54,831     | 56,418     |
| Premises and equipment   | 3,625      | 1,832      |
| Accrued interest receivable  | 624        | 671        |
| Goodwill   | 17,386     | 17,350     |
| Intangible assets  | 3,107      | 3,220      |
| Other assets (includes \$419 and \$742, at fair value)   | 20,221     | 21,298     |
| Subtotal assets of operations  | 381,263    | 362,410    |
| Assets of consolidated investment management funds, at fair value  | 245        | 463        |
| Total assets   | \$ 381,508 | \$ 362,873 |
| <b>Liabilities</b>   |            |            |
| Deposits:  |            |            |
| Noninterest-bearing (principally U.S. offices)   | \$ 57,630  | \$ 70,783  |
| Interest-bearing deposits in U.S. offices  | 101,542    | 74,904     |
| Interest-bearing deposits in non-U.S. offices  | 100,294    | 93,091     |
| Total deposits   | 259,466    | 238,778    |
| Federal funds purchased and securities sold under repurchase agreements  | 11,401     | 14,243     |
| Trading liabilities  | 4,841      | 3,479      |
| Payables to customers and broker-dealers   | 18,758     | 19,731     |
| Commercial paper   | 3,959      | 1,939      |
| Other borrowed funds   | 599        | 3,227      |
| Accrued taxes and other expenses   | 5,642      | 5,669      |
| Other liabilities (including allowance for lending-related commitments of \$94 and \$106, also includes \$607 and \$88, at fair value) | 7,612      | 5,774      |
| Long-term debt (includes \$387 and \$371, at fair value)   | 27,501     | 29,163     |
| Subtotal liabilities of operations   | 339,779    | 322,003    |
| Liabilities of consolidated investment management funds, at fair value   | 1          | 2          |
| Total liabilities  | 339,780    | 322,005    |
| <b>Temporary equity</b>  |            |            |
| Redeemable noncontrolling interests  | 143        | 129        |
| <b>Permanent equity</b>  |            |            |
| Preferred stock – par value \$0.01 per share; authorized 100,000,000 shares; issued 35,826 and 35,826 shares                           | 3,542      | 3,542      |
| Common stock – par value \$0.01 per share; authorized 3,500,000,000 shares; issued 1,374,443,376 and 1,364,877,915 shares              | 14         | 14         |
| Additional paid-in capital   | 27,515     | 27,118     |
| Retained earnings  | 31,894     | 28,652     |
| Accumulated other comprehensive loss, net of tax   | (2,638)    | (3,171)    |
| Less: Treasury stock of 473,760,338 and 404,452,246 common shares, at cost   | (18,844)   | (15,517)   |
| Total The Bank of New York Mellon Corporation shareholders' equity   | 41,483     | 40,638     |
| Nonredeemable noncontrolling interests of consolidated investment management funds   | 102        | 101        |
| Total permanent equity   | 41,585     | 40,739     |
| Total liabilities, temporary equity and permanent equity   | \$ 381,508 | \$ 362,873 |

Consolidated Income Statement

| <i>(in millions)</i>  | Year ended Dec. 31, |          |          |
|---|---------------------|----------|----------|
|   | 2019                | 2018     | 2017     |
| <b>Fee and other revenue</b>  |                     |          |          |
| Investment services fees:   |                     |          |          |
| Asset servicing fees  | \$ 4,563            | \$ 4,608 | \$ 4,383 |
| Clearing services fees <i>(a)</i>   | 1,648               | 1,616    | 1,598    |
| Issuer services fees  | 1,130               | 1,099    | 977      |
| Treasury services fees  | 559                 | 554      | 557      |
| Total investment services fees <i>(a)</i>   | 7,900               | 7,877    | 7,515    |
| Investment management and performance fees <i>(a)</i>   | 3,389               | 3,647    | 3,539    |
| Foreign exchange and other trading revenue  | 654                 | 732      | 668      |
| Financing-related fees  | 196                 | 207      | 216      |
| Distribution and servicing  | 129                 | 139      | 160      |
| Investment and other income   | 968                 | 240      | 64       |
| Total fee revenue   | 13,236              | 12,842   | 12,162   |
| Net securities (losses) gains — including other-than-temporary impairment   | (17)                | (47)     | 6        |
| Noncredit-related portion of other-than-temporary impairment (recognized in other comprehensive income)   | 1                   | 1        | 3        |
| Net securities (losses) gains   | (18)                | (48)     | 3        |
| Total fee and other revenue   | 13,218              | 12,794   | 12,165   |
| <b>Operations of consolidated investment management funds</b>   |                     |          |          |
| Investment income (loss)  | 57                  | (12)     | 74       |
| Interest of investment management fund note holders   | 1                   | 1        | 4        |
| Income (loss) from consolidated investment management funds   | 56                  | (13)     | 70       |
| <b>Net interest revenue</b>   |                     |          |          |
| Interest revenue  | 7,548               | 6,432    | 4,382    |
| Interest expense  | 4,360               | 2,821    | 1,074    |
| Net interest revenue  | 3,188               | 3,611    | 3,308    |
| Total revenue   | 16,462              | 16,392   | 15,543   |
| <b>Provision for credit losses</b>  |                     |          |          |
|   | (25)                | (11)     | (24)     |
| <b>Noninterest expense</b>  |                     |          |          |
| Staff   | 6,063               | 6,145    | 6,033    |
| Professional, legal and other purchased services  | 1,345               | 1,334    | 1,276    |
| Software and equipment  | 1,222               | 1,062    | 985      |
| Net occupancy   | 564                 | 630      | 570      |
| Sub-custodian and clearing  | 450                 | 450      | 414      |
| Distribution and servicing  | 374                 | 406      | 419      |
| Business development  | 213                 | 228      | 229      |
| Bank assessment charges   | 125                 | 170      | 220      |
| Amortization of intangible assets   | 117                 | 180      | 209      |
| Other   | 427                 | 606      | 602      |
| Total noninterest expense   | 10,900              | 11,211   | 10,957   |
| <b>Income</b>   |                     |          |          |
| Income before income taxes  | 5,587               | 5,192    | 4,610    |
| Provision for income taxes  | 1,120               | 938      | 496      |
| Net income  | 4,467               | 4,254    | 4,114    |
| Net (income) loss attributable to noncontrolling interests (includes \$(26), \$12 and \$(33) related to consolidated investment management funds, respectively) | (26)                | 12       | (24)     |
| Net income applicable to shareholders of The Bank of New York Mellon Corporation  | 4,441               | 4,266    | 4,090    |
| Preferred stock dividends   | (169)               | (169)    | (175)    |
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation   | \$ 4,272            | \$ 4,097 | \$ 3,915 |

*(a) In 2019, we reclassified certain platform-related fees to clearing services fees from investment management and performance fees. Prior periods have been reclassified.*

**Consolidated Income Statement** (continued)

| Net income applicable to common shareholders of The Bank of New York Mellon Corporation used for the earnings per share calculation<br><i>(in millions)</i>                          | Year ended Dec. 31, |          |          |
|--|---------------------|----------|----------|
|  | 2019                | 2018     | 2017     |
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation  | \$ 4,272            | \$ 4,097 | \$ 3,915 |
| Less: Earnings allocated to participating securities   | 18                  | 27       | 43       |
| Net income applicable to common shareholders of The Bank of New York Mellon Corporation after required adjustment for the calculation of basic and diluted earnings per common share | \$ 4,254            | \$ 4,070 | \$ 3,872 |

| Average common shares and equivalents outstanding of The Bank of New York Mellon Corporation<br><i>(in thousands)</i> | Year ended Dec. 31, |           |           |
|---|---------------------|-----------|-----------|
|   | 2019                | 2018      | 2017      |
| Basic   | 939,623             | 1,002,922 | 1,034,281 |
| Common stock equivalents  | 5,087               | 6,801     | 13,030    |
| Less: Participating securities  | (1,601)             | (2,582)   | (7,021)   |
| Diluted   | 943,109             | 1,007,141 | 1,040,290 |
| Anti-dilutive securities <i>(a)</i>   | 4,014               | 6,804     | 12,383    |

*(a) Represents stock options, restricted stock, restricted stock units and participating securities outstanding but not included in the computation of diluted average common shares because their effect would be anti-dilutive.*

| Earnings per share applicable to common shareholders of The Bank of New York Mellon Corporation<br><i>(in dollars)</i> | Year ended Dec. 31, |         |         |
|--|---------------------|---------|---------|
|  | 2019                | 2018    | 2017    |
| Basic  | \$ 4.53             | \$ 4.06 | \$ 3.74 |
| Diluted  | \$ 4.51             | \$ 4.04 | \$ 3.72 |

**BNSF Railway Company**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|----------------------------|---|---|
| Rail services              | \$ 35,158,552                           | \$ -                                    |
| Right of way fees          | 43,202                                  | -                                       |
| <b>Total</b>               | <u>\$ 35,201,754</u>                    | <u>\$ -</u>                             |

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

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

For further information on the following financial statements, refer to BNSF Railway Company's Consolidated Financial Statements for the year ended December 31, 2019 at [www.bnsf.com](http://www.bnsf.com).

**BNSF Railway Company and Subsidiaries**

***Consolidated Balance Sheets***

In millions

|  | December 31,<br>2019 | December 31,<br>2018 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| Current assets:  |                      |                      |
| Cash and cash equivalents  | \$ 557               | \$ 513               |
| Accounts receivable, net   | 1,874                | 1,784                |
| Materials and supplies   | 789                  | 793                  |
| Other current assets   | 129                  | 297                  |
| Total current assets   | 3,349                | 3,387                |
| Property and equipment, net of accumulated depreciation of \$12,065 and \$9,981, respectively    | 64,343               | 63,147               |
| Goodwill   | 14,803               | 14,803               |
| Operating lease right-of-use assets  | 2,264                | —                    |
| Other assets   | 2,723                | 2,618                |
| Total assets   | \$ 87,482            | \$ 83,955            |
| <b>Liabilities and Stockholder's Equity</b>  |                      |                      |
| Current liabilities:   |                      |                      |
| Accounts payable and other current liabilities   | \$ 3,619             | \$ 3,082             |
| Long-term debt and finance leases due within one year  | 121                  | 80                   |
| Total current liabilities  | 3,740                | 3,162                |
| Deferred income taxes  | 14,430               | 13,875               |
| Operating lease liabilities  | 1,614                | —                    |
| Long-term debt and finance leases  | 1,151                | 1,269                |
| Casualty and environmental liabilities   | 465                  | 486                  |
| Pension and retiree health and welfare liability   | 285                  | 267                  |
| Other liabilities  | 1,287                | 1,400                |
| Total liabilities  | 22,972               | 20,459               |
| Commitments and contingencies (see Note 12)  |                      |                      |
| Stockholder's equity:  |                      |                      |
| Common stock, \$1 par value, 1,000 shares authorized; issued and outstanding and paid-in-capital | 42,920               | 42,920               |
| Retained earnings  | 52,655               | 45,748               |
| Intercompany notes receivable  | (31,210)             | (25,302)             |
| Accumulated other comprehensive income (loss)  | 145                  | 130                  |
| Total stockholder's equity   | 64,510               | 63,496               |
| Total liabilities and stockholder's equity   | \$ 87,482            | \$ 83,955            |

**BNSF Railway Company and Subsidiaries**

***Consolidated Statements of Income***

In millions

|                                  | Years ended December 31, |           |           |
|----------------------------------|--------------------------|-----------|-----------|
|                                  | 2019                     | 2018      | 2017      |
| Revenues                         | \$ 22,745                | \$ 22,999 | \$ 20,747 |
| Operating expenses:              |                          |           |           |
| Compensation and benefits        | 5,270                    | 5,322     | 4,968     |
| Fuel                             | 2,944                    | 3,346     | 2,518     |
| Depreciation and amortization    | 2,389                    | 2,306     | 2,341     |
| Purchased services               | 2,086                    | 2,168     | 2,019     |
| Equipment rents                  | 758                      | 732       | 784       |
| Materials and other              | 1,239                    | 1,329     | 875       |
| Total operating expenses         | 14,686                   | 15,203    | 13,505    |
| Operating income                 | 8,059                    | 7,796     | 7,242     |
| Interest expense                 | 57                       | 51        | 43        |
| Interest income, related parties | (892)                    | (643)     | (360)     |
| Other (income) expense, net      | (229)                    | (70)      | (24)      |
| Income before income taxes       | 9,123                    | 8,458     | 7,583     |
| Income tax expense (benefit)     | 2,216                    | 2,019     | (4,536)   |
| Net income                       | \$ 6,907                 | \$ 6,439  | \$ 12,119 |



**Delta Air Lines, Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>           | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--------------------------------------|---|---|
| Travel services                      | \$ 1,193,177                            | \$ -                                    |
| <b>Total</b>                         | <b>\$ 1,193,177</b>                     | <b>\$ -</b>                             |
| 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, 2019 (File No. 001-5424) at [www.sec.gov](http://www.sec.gov).

**DELTA AIR LINES, INC.**  
**Consolidated Balance Sheets**

| (in millions, except share data)   | December 31, |           |
|--|--------------|-----------|
|  | 2019         | 2018      |
| <b>ASSETS</b>  |              |           |
| <b>Current Assets:</b>   |              |           |
| Cash and cash equivalents  | \$ 2,882     | \$ 1,565  |
| Accounts receivable, net of an allowance for uncollectible accounts of \$13 and \$12 at December 31, 2019 and 2018, respectively                           | 2,854        | 2,314     |
| Fuel inventory   | 730          | 592       |
| Expendable parts and supplies inventories, net of an allowance for obsolescence of \$82 and \$102 at December 31, 2019 and 2018, respectively              | 521          | 463       |
| Prepaid expenses and other   | 1,262        | 1,406     |
| Total current assets   | 8,249        | 6,340     |
| <b>Noncurrent Assets:</b>  |              |           |
| Property and equipment, net of accumulated depreciation and amortization of \$17,027 and \$15,823 at December 31, 2019 and 2018, respectively              | 31,310       | 28,335    |
| Operating lease right-of-use assets  | 5,627        | 5,994     |
| Goodwill   | 9,781        | 9,781     |
| Identifiable intangibles, net of accumulated amortization of \$873 and \$862 at December 31, 2019 and 2018, respectively                                   | 5,163        | 4,830     |
| Cash restricted for airport construction   | 636          | 1,136     |
| Other noncurrent assets  | 3,766        | 3,850     |
| Total noncurrent assets  | 56,283       | 53,926    |
| Total assets   | \$ 64,532    | \$ 60,266 |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |              |           |
| <b>Current Liabilities:</b>  |              |           |
| Current maturities of debt and finance leases  | \$ 2,287     | \$ 1,518  |
| Current maturities of operating leases   | 801          | 955       |
| Air traffic liability  | 5,116        | 4,661     |
| Accounts payable   | 3,266        | 2,976     |
| Accrued salaries and related benefits  | 3,701        | 3,287     |
| Loyalty program deferred revenue   | 3,219        | 2,989     |
| Fuel card obligation   | 736          | 1,075     |
| Other accrued liabilities  | 1,078        | 1,117     |
| Total current liabilities  | 20,204       | 18,578    |
| <b>Noncurrent Liabilities:</b>   |              |           |
| Debt and finance leases  | 8,873        | 8,253     |
| Pension, postretirement and related benefits   | 8,452        | 9,163     |
| Loyalty program deferred revenue   | 3,509        | 3,652     |
| Noncurrent operating leases  | 5,294        | 5,801     |
| Deferred income taxes, net   | 1,456        | 163       |
| Other noncurrent liabilities   | 1,386        | 969       |
| Total noncurrent liabilities   | 28,970       | 28,001    |
| <b>Commitments and Contingencies</b>   |              |           |
| <b>Stockholders' Equity:</b>   |              |           |
| Common stock at \$0.0001 par value; 1,500,000,000 shares authorized, 651,731,443 and 688,136,306 shares issued at December 31, 2019 and 2018, respectively | —            | —         |
| Additional paid-in capital   | 11,129       | 11,671    |
| Retained earnings  | 12,454       | 10,039    |
| Accumulated other comprehensive loss   | (7,989)      | (7,825)   |
| Treasury stock, at cost, 8,959,730 and 8,191,831 shares at December 31, 2019 and 2018, respectively  | (236)        | (198)     |
| Total stockholders' equity   | 15,358       | 13,687    |
| Total liabilities and stockholders' equity   | \$ 64,532    | \$ 60,266 |

**DELTA AIR LINES, INC.**  
**Consolidated Statements of Operations**

| (in millions, except per share data)               | Year Ended December 31, |           |           |
|--|-------------------------|-----------|-----------|
|  | 2019                    | 2018      | 2017      |
| <b>Operating Revenue:</b>                          |                         |           |           |
| Passenger  | \$ 42,277               | \$ 39,755 | \$ 36,947 |
| Cargo  | 753                     | 865       | 744       |
| Other  | 3,977                   | 3,818     | 3,447     |
| Total operating revenue                            | 47,007                  | 44,438    | 41,138    |
| <b>Operating Expense:</b>                          |                         |           |           |
| Salaries and related costs                         | 11,225                  | 10,743    | 10,058    |
| Aircraft fuel and related taxes                    | 8,519                   | 9,020     | 6,756     |
| Regional carriers expense, excluding fuel          | 3,584                   | 3,438     | 3,466     |
| Contracted services                                | 2,641                   | 2,175     | 2,108     |
| Depreciation and amortization                      | 2,581                   | 2,329     | 2,222     |
| Passenger commissions and other selling expenses   | 1,993                   | 1,941     | 1,827     |
| Landing fees and other rents                       | 1,762                   | 1,662     | 1,501     |
| Aircraft maintenance materials and outside repairs | 1,751                   | 1,575     | 1,591     |
| Profit sharing                                     | 1,643                   | 1,301     | 1,065     |
| Passenger service                                  | 1,251                   | 1,178     | 1,123     |
| Ancillary businesses and refinery                  | 1,245                   | 1,695     | 1,495     |
| Aircraft rent                                      | 423                     | 394       | 351       |
| Other  | 1,771                   | 1,723     | 1,609     |
| Total operating expense                            | 40,389                  | 39,174    | 35,172    |
| <b>Operating Income</b>                            | 6,618                   | 5,264     | 5,966     |
| <b>Non-Operating Expense:</b>                      |                         |           |           |
| Interest expense, net                              | (301)                   | (311)     | (396)     |
| Gain/(loss) on investments, net                    | 119                     | 38        | —         |
| Miscellaneous, net                                 | (238)                   | 160       | (70)      |
| Total non-operating expense, net                   | (420)                   | (113)     | (466)     |
| <b>Income Before Income Taxes</b>                  | 6,198                   | 5,151     | 5,500     |
| <b>Income Tax Provision</b>                        | (1,431)                 | (1,216)   | (2,295)   |
| <b>Net Income</b>                                  | \$ 4,767                | \$ 3,935  | \$ 3,205  |
| <b>Basic Earnings Per Share</b>                    | \$ 7.32                 | \$ 5.69   | \$ 4.45   |
| <b>Diluted Earnings Per Share</b>                  | \$ 7.30                 | \$ 5.67   | \$ 4.43   |
| <b>Cash Dividends Declared Per Share</b>           | \$ 1.51                 | \$ 1.31   | \$ 1.02   |

**Environment One Corporation**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>           | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--------------------------------------|---|---|
| Equipment parts                      | \$ 21,281                               | \$ -                                    |
| <b>Total</b>                         | <b>\$ 21,281</b>                        | <b>\$ -</b>                             |
| 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, 2019**

| <u>Account Description</u> | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|----------------------------|---|---|
| Aviation training          | \$ 14,200                               | \$ -                                    |
| <b>Total</b>               | <u>\$ 14,200</u>                        | <u>\$ -</u>                             |

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

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

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

# J. Aron & Company LLC

## Affiliated Transactions

### For the Year Ended December 31, 2019

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Financial transactions related to energy hedging activity <sup>(a)</sup> | \$ 15,874,950                           | \$ -                                    |
| Interest earned <sup>(b)</sup>   | (1,208,012)                             | -                                       |
| <b>Total</b>   | <b>\$ 14,666,938</b>                    | <b>\$ -</b>                             |
| <br>   |   |   |
| Basis of pricing   | See discussion below                    | N/A                                     |
| Cost of service  | See discussion below                    | N/A                                     |
| The margin of charges over costs   | See discussion below                    | N/A                                     |
| Assets allocable to the services   | See discussion below                    | N/A                                     |
| The overall rate of return on assets                                     | See discussion below                    | N/A                                     |

(a) Represents the financial impact realized on natural gas swaps during the year ended December 31, 2019. In conjunction with these swap arrangements, PacifiCorp had posted \$47,000,000 of collateral at J.Aron & Company LLC at December 31, 2019. Please refer to further discussion below.

(b) Represents interest earned on collateral posted during the year ended December 31, 2019 in conjunction with the natural gas swaps discussed in (a) above.

The costs incurred with J. Aron & Company LLC 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, 2019.

J. Aron & Company LLC is not a public company, and its financial statements are not available. The financial statements of its parent company, The Goldman Sachs Group, Inc., are included. For further information on the following financial statements, refer to The Goldman Sachs Group, Inc.'s Form 10-K for the year ended December 31, 2019 (File No. 001-14965) at [www.sec.gov](http://www.sec.gov).

**Consolidated Balance Sheets**

| <i>\$ in millions</i>   | As of December   |           |
|---|------------------|-----------|
|   | 2019             | 2018      |
| <b>Assets</b>   |                  |           |
| Cash and cash equivalents   | <b>\$133,546</b> | \$130,547 |
| Collateralized agreements:  |                  |           |
| Securities purchased under agreements to resell (includes <b>\$85,691</b> and \$139,220 at fair value)                    | <b>85,691</b>    | 139,258   |
| Securities borrowed (includes <b>\$26,279</b> and \$23,142 at fair value)   | <b>136,071</b>   | 135,285   |
| Customer and other receivables (includes <b>\$53</b> and \$160 at fair value)   | <b>74,605</b>    | 72,455    |
| Trading assets (at fair value and includes <b>\$66,605</b> and \$47,371 pledged as collateral)                            | <b>355,332</b>   | 280,195   |
| Investments (includes <b>\$57,827</b> and \$45,579 at fair value, and <b>\$10,968</b> and \$7,710 pledged as collateral)  | <b>63,937</b>    | 47,224    |
| Loans (includes <b>\$14,386</b> and \$13,416 at fair value)   | <b>108,904</b>   | 97,837    |
| Other assets  | <b>34,882</b>    | 28,995    |
| <b>Total assets</b>   | <b>\$992,968</b> | \$931,796 |
| <b>Liabilities and shareholders' equity</b>   |                  |           |
| Deposits (includes <b>\$17,765</b> and \$21,060 at fair value)  | <b>\$190,019</b> | \$158,257 |
| Collateralized financings:  |                  |           |
| Securities sold under agreements to repurchase (at fair value)  | <b>117,756</b>   | 78,723    |
| Securities loaned (includes <b>\$714</b> and \$3,241 at fair value)   | <b>14,985</b>    | 11,808    |
| Other secured financings (includes <b>\$18,071</b> and \$20,904 at fair value)  | <b>19,277</b>    | 21,433    |
| Customer and other payables   | <b>174,817</b>   | 180,235   |
| Trading liabilities (at fair value)   | <b>108,835</b>   | 108,897   |
| Unsecured short-term borrowings (includes <b>\$26,007</b> and \$16,963 at fair value)                                     | <b>48,287</b>    | 40,502    |
| Unsecured long-term borrowings (includes <b>\$43,661</b> and \$46,584 at fair value)                                      | <b>207,076</b>   | 224,149   |
| Other liabilities (includes <b>\$150</b> and \$132 at fair value)   | <b>21,651</b>    | 17,607    |
| Total liabilities   | <b>902,703</b>   | 841,611   |
| <b>Commitments, contingencies and guarantees</b>  |                  |           |
| <b>Shareholders' equity</b>   |                  |           |
| Preferred stock; aggregate liquidation preference of <b>\$11,203</b> and \$11,203   | <b>11,203</b>    | 11,203    |
| Common stock; <b>896,782,650</b> and 891,356,284 shares issued, and <b>347,343,184</b> and 367,741,973 shares outstanding | <b>9</b>         | 9         |
| Share-based awards  | <b>3,195</b>     | 2,845     |
| Nonvoting common stock; no shares issued and outstanding  | —                | —         |
| Additional paid-in capital  | <b>54,883</b>    | 54,005    |
| Retained earnings   | <b>106,465</b>   | 100,100   |
| Accumulated other comprehensive income/(loss)   | <b>(1,484)</b>   | 693       |
| Stock held in treasury, at cost; <b>549,439,468</b> and 523,614,313 shares  | <b>(84,006)</b>  | (78,670)  |
| Total shareholders' equity  | <b>90,265</b>    | 90,185    |
| <b>Total liabilities and shareholders' equity</b>   | <b>\$992,968</b> | \$931,796 |

THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES  
**Consolidated Statements of Earnings**

| <i>in millions, except per share amounts</i>          | Year Ended December |                 |                 |
|---|---------------------|-----------------|-----------------|
|   | 2019                | 2018            | 2017            |
| <b>Revenues</b>                                       |                     |                 |                 |
| Investment banking                                    | \$ 6,798            | \$ 7,430        | \$ 7,076        |
| Investment management                                 | 6,189               | 6,590           | 5,867           |
| Commissions and fees                                  | 2,988               | 3,199           | 3,051           |
| Market making   | 10,157              | 9,724           | 7,853           |
| Other principal transactions                          | 6,052               | 5,906           | 5,951           |
| Total non-interest revenues                           | 32,184              | 32,849          | 29,798          |
| Interest income                                       | 21,738              | 19,679          | 13,113          |
| Interest expense                                      | 17,376              | 15,912          | 10,181          |
| Net interest income                                   | 4,362               | 3,767           | 2,932           |
| Total net revenues                                    | 36,546              | 36,616          | 32,730          |
| Provision for credit losses                           | 1,065               | 674             | 657             |
| <b>Operating expenses</b>                             |                     |                 |                 |
| Compensation and benefits                             | 12,353              | 12,328          | 11,653          |
| Brokerage, clearing, exchange and distribution fees   | 3,252               | 3,200           | 2,876           |
| Market development                                    | 739                 | 740             | 588             |
| Communications and technology                         | 1,167               | 1,023           | 897             |
| Depreciation and amortization                         | 1,704               | 1,328           | 1,152           |
| Occupancy   | 1,029               | 809             | 733             |
| Professional fees                                     | 1,316               | 1,214           | 1,165           |
| Other expenses  | 3,338               | 2,819           | 1,877           |
| Total operating expenses                              | 24,898              | 23,461          | 20,941          |
| Pre-tax earnings                                      | 10,583              | 12,481          | 11,132          |
| Provision for taxes                                   | 2,117               | 2,022           | 6,846           |
| Net earnings  | 8,466               | 10,459          | 4,286           |
| Preferred stock dividends                             | 569                 | 599             | 601             |
| <b>Net earnings applicable to common shareholders</b> | <b>\$ 7,897</b>     | <b>\$ 9,860</b> | <b>\$ 3,685</b> |
| <b>Earnings per common share</b>                      |                     |                 |                 |
| Basic   | \$ 21.18            | \$ 25.53        | \$ 9.12         |
| Diluted   | \$ 21.03            | \$ 25.27        | \$ 9.01         |
| <b>Average common shares</b>                          |                     |                 |                 |
| Basic   | 371.6               | 385.4           | 401.6           |
| Diluted   | 375.5               | 390.2           | 409.1           |



**Marmon Utility LLC**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|----------------------------|---|---|
| Materials                  | \$ 17,510                               | \$ -                                    |
| <b>Total</b>               | <u>\$ 17,510</u>                        | <u>\$ -</u>                             |

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

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

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

**Moody's Investors Service  
Affiliated Transactions  
For the Year Ended December 31, 2019**

| <u>Account Description</u>           | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--------------------------------------|---|---|
| Credit rating services               | \$ 500,454                              | \$ -                                    |
| <b>Total</b>                         | <b>\$ 500,454</b>                       | <b>\$ -</b>                             |
| 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, 2019 (File No. 001-14037) at [www.sec.gov](http://www.sec.gov).

MOODY'S CORPORATION  
**CONSOLIDATED BALANCE SHEETS**

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

|   | December 31,     |                 |
|---|------------------|-----------------|
|   | 2019             | 2018            |
| <b>ASSETS</b>   |                  |                 |
| Current assets:   |                  |                 |
| Cash and cash equivalents   | \$ 1,832         | \$ 1,685        |
| Short-term investments  | 98               | 133             |
| Accounts receivable, net of allowances of \$43 in 2019 and \$43 in 2018   | 1,419            | 1,287           |
| Other current assets  | 330              | 282             |
| <b>Total current assets</b>   | <b>3,679</b>     | <b>3,387</b>    |
| Property and equipment, net   | 292              | 320             |
| Operating lease right-of-use assets   | 456              | —               |
| Goodwill  | 3,722            | 3,781           |
| Intangible assets, net  | 1,498            | 1,566           |
| Deferred tax assets, net  | 229              | 197             |
| Other assets  | 389              | 275             |
| <b>Total assets</b>   | <b>\$ 10,265</b> | <b>\$ 9,526</b> |
| <b>LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND SHAREHOLDERS' EQUITY</b>   |                  |                 |
| Current liabilities:  |                  |                 |
| Accounts payable and accrued liabilities  | \$ 773           | \$ 696          |
| Current portion of operating lease liabilities  | 89               | —               |
| Current portion of long-term debt   | —                | 450             |
| Deferred revenue  | 1,050            | 953             |
| <b>Total current liabilities</b>  | <b>1,912</b>     | <b>2,099</b>    |
| Non-current portion of deferred revenue   | 112              | 122             |
| Long-term debt  | 5,581            | 5,226           |
| Deferred tax liabilities, net   | 357              | 352             |
| Uncertain tax positions   | 477              | 495             |
| Operating lease liabilities   | 485              | —               |
| Other liabilities   | 504              | 576             |
| <b>Total liabilities</b>  | <b>9,428</b>     | <b>8,870</b>    |
| Contingencies (Note 22)   |                  |                 |
| <b>Redeemable noncontrolling interest</b>   | <b>6</b>         | <b>—</b>        |
| <b>Shareholders' equity:</b>  |                  |                 |
| 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, 2019 and December 31, 2018, respectively. | 3                | 3               |
| Capital surplus   | 642              | 601             |
| Retained earnings   | 9,656            | 8,594           |
| Treasury stock, at cost; 155,215,143 and 151,598,695 shares of common stock at December 31, 2019 and December 31, 2018, respectively                          | (9,250)          | (8,313)         |
| Accumulated other comprehensive loss  | (439)            | (426)           |
| <b>Total Moody's shareholders' equity</b>   | <b>612</b>       | <b>459</b>      |
| Noncontrolling interests  | 219              | 197             |
| <b>Total shareholders' equity</b>   | <b>831</b>       | <b>656</b>      |
| <b>Total liabilities, redeemable noncontrolling interest and shareholders' equity</b>   | <b>\$ 10,265</b> | <b>\$ 9,526</b> |

MOODY'S CORPORATION  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Amounts in millions, except per share data)

|   | Year Ended December 31, |                 |                 |
|---|-------------------------|-----------------|-----------------|
|   | 2019                    | 2018            | 2017            |
| <b>Revenue</b>  | <b>\$ 4,829</b>         | <b>\$ 4,443</b> | <b>\$ 4,204</b> |
| <b>Expenses</b>   |                         |                 |                 |
| Operating   | 1,387                   | 1,246           | 1,216           |
| Selling, general and administrative                       | 1,167                   | 1,080           | 986             |
| Restructuring   | 60                      | 49              | —               |
| Depreciation and amortization                             | 200                     | 192             | 158             |
| Acquisition-Related Expenses                              | 3                       | 8               | 23              |
| Loss pursuant to the divestiture of MAKs                  | 14                      | —               | —               |
| <b>Total expenses</b>                                     | <b>2,831</b>            | <b>2,575</b>    | <b>2,383</b>    |
| <b>Operating income</b>                                   | <b>1,998</b>            | <b>1,868</b>    | <b>1,821</b>    |
| <b>Non-operating (expense) income, net</b>                |                         |                 |                 |
| Interest expense, net                                     | (208)                   | (215)           | (209)           |
| Other non-operating income, net                           | 20                      | 19              | 4               |
| Purchase Price Hedge Gain                                 | —                       | —               | 111             |
| CCXI Gain   | —                       | —               | 60              |
| <b>Non-operating (expense) income, net</b>                | <b>(188)</b>            | <b>(196)</b>    | <b>(34)</b>     |
| <b>Income before provision for income taxes</b>           | <b>1,810</b>            | <b>1,672</b>    | <b>1,787</b>    |
| Provision for income taxes                                | 381                     | 352             | 779             |
| <b>Net income</b>   | <b>1,429</b>            | <b>1,320</b>    | <b>1,008</b>    |
| Less: Net income attributable to noncontrolling interests | 7                       | 10              | 7               |
| <b>Net income attributable to Moody's</b>                 | <b>\$ 1,422</b>         | <b>\$ 1,310</b> | <b>\$ 1,001</b> |
| <b>Earnings per share</b>                                 |                         |                 |                 |
| Basic   | <b>\$ 7.51</b>          | <b>\$ 6.84</b>  | <b>\$ 5.24</b>  |
| Diluted   | <b>\$ 7.42</b>          | <b>\$ 6.74</b>  | <b>\$ 5.15</b>  |
| <b>Weighted average shares outstanding</b>                |                         |                 |                 |
| Basic   | <b>189.3</b>            | <b>191.6</b>    | <b>191.1</b>    |
| Diluted   | <b>191.6</b>            | <b>194.4</b>    | <b>194.2</b>    |

**Penn Machine Company LLC**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp</u><br><u>Received Services</u> | <u>PacifiCorp</u><br><u>Provided Services</u> |
|----------------------------|---|---|
| Equipment                  | \$ 26,806                                     | \$ -  |
| <b>Total</b>               | <b>\$ 26,806</b>                              | <b>\$ -</b>                                   |

|                                      |     |     |
|--------------------------------------|-----|-----|
| 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) Penn Machine Company provides services to PacifiCorp in the normal course of business at standard pricing.

Penn Machine Company is not a public company, and its financial statements are not available.

**Southwest Airlines Co.  
 Affiliated Transactions  
 For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|----------------------------|---|---|
| Travel services            | \$ 56,695                               | \$ -                                    |
| <b>Total</b>               | <b>\$ 56,695</b>                        | <b>\$ -</b>                             |

|                                      |     |     |
|--------------------------------------|-----|-----|
| 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, 2019 (File No. 001-7259) at [www.sec.gov](http://www.sec.gov).

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

|  | <u>December 31, 2019</u> | <u>December 31, 2018</u> |
|--|--------------------------|--------------------------|
| <b>ASSETS</b>  |                          |                          |
| Current assets:  |                          |                          |
| Cash and cash equivalents  | \$ 2,548                 | \$ 1,854                 |
| Short-term investments   | 1,524                    | 1,835                    |
| Accounts and other receivables   | 1,086                    | 568                      |
| Inventories of parts and supplies, at cost   | 529                      | 461                      |
| Prepaid expenses and other current assets  | 287                      | 310                      |
| Total current assets   | <u>5,974</u>             | <u>5,028</u>             |
| Property and equipment, at cost:   |                          |                          |
| Flight equipment   | 21,629                   | 21,753                   |
| Ground property and equipment  | 5,672                    | 4,960                    |
| Deposits on flight equipment purchase contracts  | 248                      | 775                      |
| Assets constructed for others  | 164                      | 1,768                    |
|  | <u>27,713</u>            | <u>29,256</u>            |
| Less allowance for depreciation and amortization   | 10,688                   | 9,731                    |
|  | <u>17,025</u>            | <u>19,525</u>            |
| Goodwill   | 970                      | 970                      |
| Operating lease right-of-use assets  | 1,349                    | —                        |
| Other assets   | 577                      | 720                      |
|  | <u>\$ 25,895</u>         | <u>\$ 26,243</u>         |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                          |                          |
| Current liabilities:   |                          |                          |
| Accounts payable   | \$ 1,574                 | \$ 1,416                 |
| Accrued liabilities  | 1,749                    | 1,749                    |
| Current operating lease liabilities  | 353                      | —                        |
| Air traffic liability  | 4,457                    | 4,134                    |
| Current maturities of long-term debt   | 819                      | 606                      |
| Total current liabilities  | <u>8,952</u>             | <u>7,905</u>             |
| Long-term debt less current maturities   | 1,846                    | 2,771                    |
| Air traffic liability - noncurrent   | 1,053                    | 936                      |
| Deferred income taxes  | 2,364                    | 2,427                    |
| Construction obligation  | 164                      | 1,701                    |
| Noncurrent operating lease liabilities   | 978                      | —                        |
| Other noncurrent liabilities   | 706                      | 650                      |
| Stockholders' equity:  |                          |                          |
| Common stock, \$1.00 par value; 2,000,000,000 shares authorized;<br>807,611,634 shares issued in 2019 and 2018 | 808                      | 808                      |
| Capital in excess of par value   | 1,581                    | 1,510                    |
| Retained earnings  | 17,945                   | 15,967                   |
| Accumulated other comprehensive income (loss)  | (61)                     | 20                       |
| Treasury stock, at cost: 288,547,318 and 255,008,275 shares in 2019<br>and 2018 respectively                   | (10,441)                 | (8,452)                  |
| Total stockholders' equity   | <u>9,832</u>             | <u>9,853</u>             |
|  | <u>\$ 25,895</u>         | <u>\$ 26,243</u>         |

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

|   | Year ended December 31, |           |           |
|---|-------------------------|-----------|-----------|
|   | 2019                    | 2018      | 2017      |
| <b>OPERATING REVENUES:</b>                  |                         |           |           |
| Passenger                                   | \$ 20,776               | \$ 20,455 | \$ 19,763 |
| Freight                                     | 172                     | 175       | 173       |
| Other                                       | 1,480                   | 1,335     | 1,210     |
| Total operating revenues                    | 22,428                  | 21,965    | 21,146    |
| <b>OPERATING EXPENSES:</b>                  |                         |           |           |
| Salaries, wages, and benefits               | 8,293                   | 7,649     | 7,305     |
| Fuel and oil                                | 4,347                   | 4,616     | 4,076     |
| Maintenance materials and repairs           | 1,223                   | 1,107     | 1,001     |
| Landing fees and airport rentals            | 1,363                   | 1,334     | 1,292     |
| Depreciation and amortization               | 1,219                   | 1,201     | 1,218     |
| Other operating expenses                    | 3,026                   | 2,852     | 2,847     |
| Total operating expenses                    | 19,471                  | 18,759    | 17,739    |
| <b>OPERATING INCOME</b>                     | 2,957                   | 3,206     | 3,407     |
| <b>OTHER EXPENSES (INCOME):</b>             |                         |           |           |
| Interest expense                            | 118                     | 131       | 114       |
| Capitalized interest                        | (36)                    | (38)      | (49)      |
| Interest income                             | (90)                    | (69)      | (35)      |
| Other (gains) losses, net                   | 8                       | 18        | 112       |
| Total other expenses (income)               | —                       | 42        | 142       |
| <b>INCOME BEFORE INCOME TAXES</b>           | 2,957                   | 3,164     | 3,265     |
| <b>PROVISION (BENEFIT) FOR INCOME TAXES</b> | 657                     | 699       | (92)      |
| <b>NET INCOME</b>                           | \$ 2,300                | \$ 2,465  | \$ 3,357  |
| <b>NET INCOME PER SHARE, BASIC</b>          | \$ 4.28                 | \$ 4.30   | \$ 5.58   |
| <b>NET INCOME PER SHARE, DILUTED</b>        | \$ 4.27                 | \$ 4.29   | \$ 5.57   |



**U.S. Bancorp**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|------------------------------|---|---|
| Banking and lending services | \$ 355,291                              | \$ -                                    |
| <b>Total</b>                 | <b>\$ 355,291</b>                       | <b>\$ -</b>                             |

|                                      |     |     |
|--------------------------------------|-----|-----|
| 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 and lending services to PacifiCorp in the normal course of business at standard pricing for certain transactions and at negotiated rates below standard pricing for 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, 2019 (File No. 001-6880) at [www.sec.gov](http://www.sec.gov)

# U.S. Bancorp

## Consolidated Balance Sheet

At December 31 (Dollars in Millions)

2019

2018

### Assets

|   |                  |                  |
|---|------------------|------------------|
| Cash and due from banks   | \$ 22,405        | \$ 21,453        |
| Investment securities   |                  |                  |
| Held-to-maturity (2018 fair value \$44,964)   | —                | 46,050           |
| Available-for-sale (\$269 and \$2,057 pledged as collateral, respectively) <sup>(a)</sup>                                       | 122,613          | 66,115           |
| Loans held for sale (including \$5,533 and \$2,035 of mortgage loans carried at fair value, respectively)                       | 5,578            | 2,056            |
| Loans   |                  |                  |
| Commercial  | 103,863          | 102,444          |
| Commercial real estate  | 39,746           | 39,539           |
| Residential mortgages   | 70,586           | 65,034           |
| Credit card   | 24,789           | 23,363           |
| Other retail  | 57,118           | 56,430           |
| Total loans   | 296,102          | 286,810          |
| Less allowance for loan losses  | (4,020)          | (3,973)          |
| Net loans   | 292,082          | 282,837          |
| Premises and equipment  | 3,702            | 2,457            |
| Goodwill  | 9,655            | 9,369            |
| Other intangible assets   | 3,223            | 3,392            |
| Other assets (including \$951 and \$843 of trading securities at fair value pledged as collateral, respectively) <sup>(a)</sup> | 36,168           | 33,645           |
| Total assets  | <u>\$495,426</u> | <u>\$467,374</u> |

### Liabilities and Shareholders' Equity

|   |                  |                  |
|---|------------------|------------------|
| Deposits  |                  |                  |
| Noninterest-bearing   | \$ 75,590        | \$ 81,811        |
| Interest-bearing <sup>(b)</sup>   | 286,326          | 263,664          |
| Total deposits  | 361,916          | 345,475          |
| Short-term borrowings   | 23,723           | 14,139           |
| Long-term debt  | 40,167           | 41,340           |
| Other liabilities   | 17,137           | 14,763           |
| Total liabilities   | 442,943          | 415,717          |
| Shareholders' equity  |                  |                  |
| Preferred stock   | 5,984            | 5,984            |
| Common stock, par value \$0.01 a share — authorized: 4,000,000,000 shares; issued: 2019 and 2018 — 2,125,725,742 shares | 21               | 21               |
| Capital surplus   | 8,475            | 8,469            |
| Retained earnings   | 63,186           | 59,065           |
| Less cost of common stock in treasury: 2019 — 591,570,506 shares; 2018 — 517,391,021 shares                             | (24,440)         | (20,188)         |
| Accumulated other comprehensive income (loss)   | (1,373)          | (2,322)          |
| Total U.S. Bancorp shareholders' equity   | 51,853           | 51,029           |
| Noncontrolling interests  | 630              | 628              |
| Total equity  | 52,483           | 51,657           |
| Total liabilities and equity  | <u>\$495,426</u> | <u>\$467,374</u> |

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

(b) Includes time deposits greater than \$250,000 balances of \$7.8 billion and \$15.3 billion at December 31, 2019 and 2018, respectively.

# U.S. Bancorp

## Consolidated Statement of Income

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

|  | 2019     | 2018     | 2017     |
|--|----------|----------|----------|
| <b>Interest Income</b>                                     |          |          |          |
| Loans  | \$14,099 | \$13,120 | \$11,788 |
| Loans held for sale  | 162      | 165      | 144      |
| Investment securities                                      | 2,893    | 2,616    | 2,232    |
| Other interest income                                      | 340      | 272      | 182      |
| Total interest income                                      | 17,494   | 16,173   | 14,346   |
| <b>Interest Expense</b>                                    |          |          |          |
| Deposits   | 2,855    | 1,869    | 1,041    |
| Short-term borrowings                                      | 360      | 378      | 141      |
| Long-term debt   | 1,227    | 1,007    | 784      |
| Total interest expense                                     | 4,442    | 3,254    | 1,966    |
| Net interest income  | 13,052   | 12,919   | 12,380   |
| Provision for credit losses                                | 1,504    | 1,379    | 1,390    |
| Net interest income after provision for credit losses      | 11,548   | 11,540   | 10,990   |
| <b>Noninterest Income</b>                                  |          |          |          |
| Credit and debit card revenue                              | 1,413    | 1,401    | 1,289    |
| Corporate payment products revenue                         | 664      | 644      | 575      |
| Merchant processing services                               | 1,601    | 1,531    | 1,486    |
| Trust and investment management fees                       | 1,673    | 1,619    | 1,522    |
| Deposit service charges                                    | 909      | 1,070    | 1,035    |
| Treasury management fees                                   | 578      | 594      | 618      |
| Commercial products revenue                                | 934      | 895      | 954      |
| Mortgage banking revenue                                   | 874      | 720      | 834      |
| Investment products fees                                   | 186      | 188      | 173      |
| Realized securities gains (losses), net                    | 73       | 30       | 57       |
| Other  | 926      | 910      | 774      |
| Total noninterest income                                   | 9,831    | 9,602    | 9,317    |
| <b>Noninterest Expense</b>                                 |          |          |          |
| Compensation   | 6,325    | 6,162    | 5,746    |
| Employee benefits  | 1,286    | 1,231    | 1,134    |
| Net occupancy and equipment                                | 1,123    | 1,063    | 1,019    |
| Professional services                                      | 454      | 407      | 419      |
| Marketing and business development                         | 426      | 429      | 542      |
| Technology and communications                              | 1,095    | 978      | 903      |
| Postage, printing and supplies                             | 290      | 324      | 323      |
| Other intangibles  | 168      | 161      | 175      |
| Other  | 1,618    | 1,709    | 2,529    |
| Total noninterest expense                                  | 12,785   | 12,464   | 12,790   |
| Income before income taxes                                 | 8,594    | 8,678    | 7,517    |
| Applicable income taxes                                    | 1,648    | 1,554    | 1,264    |
| Net income   | 6,946    | 7,124    | 6,253    |
| Net (income) loss attributable to noncontrolling interests | (32)     | (28)     | (35)     |
| Net income attributable to U.S. Bancorp                    | \$ 6,914 | \$ 7,096 | \$ 6,218 |
| Net income applicable to U.S. Bancorp common shareholders  | \$ 6,583 | \$ 6,784 | \$ 5,913 |
| Earnings per common share                                  | \$ 4.16  | \$ 4.15  | \$ 3.53  |
| Diluted earnings per common share                          | \$ 4.16  | \$ 4.14  | \$ 3.51  |
| Average common shares outstanding                          | 1,581    | 1,634    | 1,677    |
| Average diluted common shares outstanding                  | 1,583    | 1,638    | 1,683    |

# Wells Fargo & Company

## Affiliated Transactions

### For the Year Ended December 31, 2019

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Banking and lending services   | \$ 1,107,114                            | \$ -                                    |
| Financial transactions related to energy hedging activity <sup>(a)</sup> | -                                       | 344,870                                 |
| <b>Total</b>   | <b>\$ 1,107,114</b>                     | <b>\$ 344,870</b>                       |

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

(a) Represents the financial impact realized on natural gas swaps during the year ended December 31, 2019. In conjunction with these swap arrangements, PacifiCorp had no collateral at Wells Fargo as of December 31, 2019. Please refer to 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 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, 2019.

For further information on the following financial statements, refer to Wells Fargo & Company's Form 10-K for the year ended December 31, 2019 (File No. 001-2979) at [www.sec.gov](http://www.sec.gov).

Wells Fargo & Company and Subsidiaries

**Consolidated Balance Sheet**

| (in millions, except shares)   | Dec 31,<br>2019 | Dec 31,<br>2018 |
|--|-----------------|-----------------|
| <b>Assets</b>  |                 |                 |
| Cash and due from banks  | \$ 21,757       | 23,551          |
| Interest-earning deposits with banks   | 119,493         | 149,736         |
| Total cash, cash equivalents, and restricted cash  | 141,250         | 173,287         |
| Federal funds sold and securities purchased under resale agreements                            | 102,140         | 80,207          |
| Debt securities:   |                 |                 |
| Trading, at fair value   | 79,733          | 69,989          |
| Available-for-sale, at fair value  | 263,459         | 269,912         |
| Held-to-maturity, at cost (fair value \$156,860 and \$142,115)                                 | 153,933         | 144,788         |
| Mortgage loans held for sale (includes \$16,606 and \$11,771 carried at fair value) (1)        | 23,342          | 15,126          |
| Loans held for sale (includes \$972 and \$1,469 carried at fair value) (1)                     | 977             | 2,041           |
| Loans (includes \$171 and \$244 carried at fair value) (1)                                     | 962,265         | 953,110         |
| Allowance for loan losses  | (9,551)         | (9,775)         |
| Net loans  | 952,714         | 943,335         |
| Mortgage servicing rights:   |                 |                 |
| Measured at fair value   | 11,517          | 14,649          |
| Amortized  | 1,430           | 1,443           |
| Premises and equipment, net  | 9,309           | 8,920           |
| Goodwill   | 26,390          | 26,418          |
| Derivative assets  | 14,203          | 10,770          |
| Equity securities (includes \$41,936 and \$29,556 carried at fair value) (1)                   | 68,241          | 55,148          |
| Other assets   | 78,917          | 79,850          |
| Total assets (2)   | \$ 1,927,555    | 1,895,883       |
| <b>Liabilities</b>   |                 |                 |
| Noninterest-bearing deposits   | \$ 344,496      | 349,534         |
| Interest-bearing deposits  | 978,130         | 936,636         |
| Total deposits   | 1,322,626       | 1,286,170       |
| Short-term borrowings  | 104,512         | 105,787         |
| Derivative liabilities   | 9,079           | 8,499           |
| Accrued expenses and other liabilities   | 75,163          | 69,317          |
| Long-term debt   | 228,191         | 229,044         |
| Total liabilities (3)  | 1,739,571       | 1,698,817       |
| <b>Equity</b>  |                 |                 |
| Wells Fargo stockholders' equity:  |                 |                 |
| Preferred stock  | 21,549          | 23,214          |
| 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   | 61,049          | 60,685          |
| Retained earnings  | 166,697         | 158,163         |
| Cumulative other comprehensive income (loss)   | (1,311)         | (6,336)         |
| Treasury stock – 1,347,385,537 shares and 900,557,866 shares                                   | (68,831)        | (47,194)        |
| Unearned ESOP shares   | (1,143)         | (1,502)         |
| Total Wells Fargo stockholders' equity   | 187,146         | 196,166         |
| Noncontrolling interests   | 838             | 900             |
| Total equity   | 187,984         | 197,066         |
| Total liabilities and equity   | \$ 1,927,555    | 1,895,883       |

(1) Parenthetical amounts represent assets and liabilities that we are required to carry at fair value or have elected the fair value option.

(2) Our consolidated assets at December 31, 2019 and 2018, 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, \$16 million and \$139 million; Interest-bearing deposits with banks, \$284 million and \$8 million; Debt securities, \$540 million and \$562 million; Net loans, \$13.2 billion and \$13.6 billion; Derivative assets, \$1 million and \$0 million; Equity securities, \$118 million and \$85 million; Other assets, \$239 million and \$227 million; and Total assets, \$14.4 billion and \$14.6 billion, respectively. Prior period balances have been conformed to current period presentation.

(3) Our consolidated liabilities at December 31, 2019 and 2018, include the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Short-term borrowings, \$401 million and \$493 million; Derivative liabilities, \$3 million and \$0 million; Accrued expenses and other liabilities, \$235 million and \$199 million; Long-term debt, \$587 million and \$816 million; and Total liabilities, \$1.2 billion and \$1.5 billion, respectively. Prior period balances have been conformed to current period presentation.

Wells Fargo & Company and Subsidiaries

**Consolidated Statement of Income**

| (in millions, except per share amounts)                  | Year ended December 31, |         |         |
|--|-------------------------|---------|---------|
|  | 2019                    | 2018    | 2017    |
| <b>Interest income</b>                                   |                         |         |         |
| Debt securities  | \$ 14,955               | 14,406  | 12,946  |
| Mortgage loans held for sale                             | 813                     | 777     | 786     |
| Loans held for sale                                      | 79                      | 140     | 50      |
| Loans  | 44,146                  | 43,974  | 41,388  |
| Equity securities  | 962                     | 992     | 799     |
| Other interest income                                    | 5,128                   | 4,358   | 2,940   |
| Total interest income                                    | 66,083                  | 64,647  | 58,909  |
| <b>Interest expense</b>                                  |                         |         |         |
| Deposits   | 8,635                   | 5,622   | 3,013   |
| Short-term borrowings                                    | 2,316                   | 1,717   | 758     |
| Long-term debt   | 7,350                   | 6,703   | 5,157   |
| Other interest expense                                   | 551                     | 610     | 424     |
| Total interest expense                                   | 18,852                  | 14,652  | 9,352   |
| <b>Net interest income</b>                               | 47,231                  | 49,995  | 49,557  |
| Provision for credit losses                              | 2,687                   | 1,744   | 2,528   |
| Net interest income after provision for credit losses    | 44,544                  | 48,251  | 47,029  |
| <b>Noninterest income</b>                                |                         |         |         |
| Service charges on deposit accounts                      | 4,798                   | 4,716   | 5,111   |
| Trust and investment fees                                | 14,072                  | 14,509  | 14,495  |
| Card fees  | 4,016                   | 3,907   | 3,960   |
| Other fees   | 3,084                   | 3,384   | 3,557   |
| Mortgage banking   | 2,715                   | 3,017   | 4,350   |
| Insurance  | 378                     | 429     | 1,049   |
| Net gains from trading activities                        | 993                     | 602     | 542     |
| Net gains on debt securities (1)                         | 140                     | 108     | 479     |
| Net gains from equity securities (2)                     | 2,843                   | 1,515   | 1,779   |
| Lease income   | 1,612                   | 1,753   | 1,907   |
| Other  | 3,181                   | 2,473   | 1,603   |
| Total noninterest income                                 | 37,832                  | 36,413  | 38,832  |
| <b>Noninterest expense</b>                               |                         |         |         |
| Salaries   | 18,382                  | 17,834  | 17,363  |
| Commission and incentive compensation                    | 10,828                  | 10,264  | 10,442  |
| Employee benefits  | 5,874                   | 4,926   | 5,566   |
| Technology and equipment                                 | 2,763                   | 2,444   | 2,237   |
| Net occupancy  | 2,945                   | 2,888   | 2,849   |
| Core deposit and other intangibles                       | 108                     | 1,058   | 1,152   |
| FDIC and other deposit assessments                       | 526                     | 1,110   | 1,287   |
| Other  | 16,752                  | 15,602  | 17,588  |
| Total noninterest expense                                | 58,178                  | 56,126  | 58,484  |
| <b>Income before income tax expense</b>                  | 24,198                  | 28,538  | 27,377  |
| Income tax expense                                       | 4,157                   | 5,662   | 4,917   |
| <b>Net income before noncontrolling interests</b>        | 20,041                  | 22,876  | 22,460  |
| Less: Net income from noncontrolling interests           | 492                     | 483     | 277     |
| <b>Wells Fargo net income</b>                            | \$ 19,549               | 22,393  | 22,183  |
| Less: Preferred stock dividends and other                | 1,611                   | 1,704   | 1,629   |
| <b>Wells Fargo net income applicable to common stock</b> | \$ 17,938               | 20,689  | 20,554  |
| <b>Per share information</b>                             |                         |         |         |
| Earnings per common share                                | \$ 4.08                 | 4.31    | 4.14    |
| Diluted earnings per common share                        | 4.05                    | 4.28    | 4.10    |
| <b>Average common shares outstanding</b>                 | 4,393.1                 | 4,799.7 | 4,964.6 |
| <b>Diluted average common shares outstanding</b>         | 4,425.4                 | 4,838.4 | 5,017.3 |

(1) Total other-than-temporary impairment (OTTI) losses were \$64 million, \$17 million and \$205 million for the years ended December 31, 2019, 2018 and 2017, respectively. Of total OTTI, losses of \$63 million, \$28 million and \$262 million were recognized in earnings, and losses (reversal of losses) of \$1 million, \$(11) million and \$(57) million were recognized as non-credit-related OTTI in other comprehensive income for the years ended December 31, 2019, 2018 and 2017, respectively.

(2) Includes OTTI losses of \$245 million, \$352 million and \$344 million for the years ended December 31, 2019, 2018 and 2017, respectively.

# Berkshire Hathaway Energy Company

## Affiliated Transactions

### For the Year Ended December 31, 2019

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ 4,963,789                            | \$ 118,335                              |
| <b>Total</b>   | <b>\$ 4,963,789</b>                     | <b>\$ 118,335</b>                       |

|                                      |      |      |
|--------------------------------------|------|------|
| 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 \$74,482.

PacifiCorp is party to an income tax-sharing arrangement and is part of the Berkshire Hathaway Inc. consolidated 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, 2019, PacifiCorp and Pacific Minerals, Inc. owed PPW Holdings LLC \$28,342,099 and \$2,804,117, respectively.

For further information on the following financial statements, refer to Berkshire Hathaway Energy Company’s Form 10-K for the year ended December 31, 2019 (File No. 001-14881) at [www.sec.gov](http://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, |                  |
|--|--------------------|------------------|
|  | 2019               | 2018             |
| <b>Current assets:</b>   |                    |                  |
| Cash and cash equivalents  | \$ 1,040           | \$ 627           |
| Restricted cash and cash equivalents                                 | 212                | 227              |
| Trade receivables, net   | 1,910              | 2,038            |
| Inventories  | 873                | 844              |
| Mortgage loans held for sale   | 1,039              | 468              |
| Other current assets   | 839                | 943              |
| Total current assets   | 5,913              | 5,147            |
| Property, plant and equipment, net                                   | 73,305             | 68,087           |
| Goodwill   | 9,722              | 9,595            |
| Regulatory assets  | 2,766              | 2,896            |
| Investments and restricted cash and cash equivalents and investments | 6,255              | 4,903            |
| Other assets   | 2,090              | 1,561            |
| <b>Total assets</b>  | <b>\$ 100,051</b>  | <b>\$ 92,189</b> |

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)

|  | <b>As of December 31,</b> |                  |
|--|---------------------------|------------------|
|  | <b>2019</b>               | <b>2018</b>      |
| <b>LIABILITIES AND EQUITY</b>  |                           |                  |
| <b>Current liabilities:</b>  |                           |                  |
| Accounts payable   | \$ 1,839                  | \$ 1,809         |
| Accrued interest   | 493                       | 469              |
| Accrued property, income and other taxes   | 537                       | 599              |
| Accrued employee expenses  | 285                       | 275              |
| Short-term debt  | 3,214                     | 2,516            |
| Current portion of long-term debt  | 2,539                     | 2,081            |
| Other current liabilities  | 1,350                     | 1,021            |
| Total current liabilities  | 10,257                    | 8,770            |
| BHE senior debt  | 8,231                     | 8,577            |
| BHE junior subordinated debentures   | 100                       | 100              |
| Subsidiary debt  | 28,483                    | 25,492           |
| Regulatory liabilities   | 7,100                     | 7,346            |
| Deferred income taxes  | 9,653                     | 9,047            |
| Other long-term liabilities  | 3,649                     | 3,134            |
| Total liabilities  | 67,473                    | 62,466           |
| <b>Commitments and contingencies (Note 16)</b>                                       |                           |                  |
| <b>Equity:</b>   |                           |                  |
| BHE shareholders' equity:  |                           |                  |
| Common stock - 115 shares authorized, no par value, 77 shares issued and outstanding | —                         | —                |
| Additional paid-in capital   | 6,389                     | 6,371            |
| Long-term income tax receivable  | (530)                     | (457)            |
| Retained earnings  | 28,296                    | 25,624           |
| Accumulated other comprehensive loss, net  | (1,706)                   | (1,945)          |
| Total BHE shareholders' equity   | 32,449                    | 29,593           |
| Noncontrolling interests   | 129                       | 130              |
| Total equity   | 32,578                    | 29,723           |
| <b>Total liabilities and equity</b>  | <b>\$ 100,051</b>         | <b>\$ 92,189</b> |

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)

|  | <b>Years Ended December 31,</b> |                 |                 |
|--|---------------------------------|-----------------|-----------------|
|  | <b>2019</b>                     | <b>2018</b>     | <b>2017</b>     |
| <b>Operating revenue:</b>  |                                 |                 |                 |
| Energy   | \$ 15,371                       | \$ 15,573       | \$ 15,171       |
| Real estate  | 4,473                           | 4,214           | 3,443           |
| Total operating revenue  | <u>19,844</u>                   | <u>19,787</u>   | <u>18,614</u>   |
| <b>Operating expenses:</b>                                       |                                 |                 |                 |
| Energy:  |                                 |                 |                 |
| Cost of sales  | 4,586                           | 4,769           | 4,518           |
| Operations and maintenance                                       | 3,318                           | 3,440           | 3,210           |
| Depreciation and amortization                                    | 2,965                           | 2,933           | 2,580           |
| Property and other taxes   | 574                             | 573             | 555             |
| Real estate  | 4,251                           | 4,000           | 3,229           |
| Total operating expenses   | <u>15,694</u>                   | <u>15,715</u>   | <u>14,092</u>   |
| <b>Operating income</b>  | <u>4,150</u>                    | <u>4,072</u>    | <u>4,522</u>    |
| <b>Other income (expense):</b>                                   |                                 |                 |                 |
| Interest expense   | (1,912)                         | (1,838)         | (1,841)         |
| Capitalized interest   | 77                              | 61              | 45              |
| Allowance for equity funds                                       | 173                             | 104             | 76              |
| Interest and dividend income                                     | 117                             | 113             | 111             |
| (Losses) gains on marketable securities, net                     | (288)                           | (538)           | 14              |
| Other, net   | 97                              | (9)             | (420)           |
| Total other income (expense)                                     | <u>(1,736)</u>                  | <u>(2,107)</u>  | <u>(2,015)</u>  |
| <b>Income before income tax benefit and equity (loss) income</b> | 2,414                           | 1,965           | 2,507           |
| Income tax benefit   | (598)                           | (583)           | (554)           |
| Equity (loss) income   | (44)                            | 43              | (151)           |
| <b>Net income</b>  | <u>2,968</u>                    | <u>2,591</u>    | <u>2,910</u>    |
| Net income attributable to noncontrolling interests              | 18                              | 23              | 40              |
| <b>Net income attributable to BHE shareholders</b>               | <u>\$ 2,950</u>                 | <u>\$ 2,568</u> | <u>\$ 2,870</u> |

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

**BHE AltaLink Ltd.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 55,068                               |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 55,068</b>                        |
| 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.

For further information on the following financial statements, refer to the AltaLink, L.P. Financial Statements for the year ended December 31, 2019, at [www.brkenenergy.com](http://www.brkenenergy.com).

Statement of Financial Position

|   |        | As at                |                     |
|---|--------|----------------------|---------------------|
|   |        | December 31,<br>2019 | December 31<br>2018 |
|   |        | Notes                |                     |
| <i>(in thousands of Canadian dollars)</i>     |        |                      |                     |
| <b>ASSETS</b>                                 |        |                      |                     |
| <b>Current</b>                                |        |                      |                     |
| Cash  |        | \$ 1,313             | \$ 4,929            |
| Trade and other receivables                   | 6      | 159,086              | 286,811             |
|   |        | <b>160,399</b>       | <b>291,740</b>      |
| <b>Non-current</b>                            |        |                      |                     |
| Goodwill                                      |        | 202,066              | 202,066             |
| Intangible assets                             | 7      | 291,468              | 290,862             |
| Property, plant and equipment                 | 8      | 8,131,718            | 8,039,365           |
| Third party deposits                          | 9      | 62,606               | 67,004              |
| Other non-current assets                      | 10     | 717,921              | 742,364             |
|   |        | <b>\$ 9,566,178</b>  | <b>\$ 9,633,401</b> |
| <b>LIABILITIES AND PARTNERS' EQUITY</b>       |        |                      |                     |
| <b>Current</b>                                |        |                      |                     |
| Trade and other payables                      | 11     | \$ 136,373           | \$ 126,596          |
| Commercial paper and bank credit facilities   | 12     | 249,361              | 384,020             |
| Long-term debt maturing in less than one year | 12     | 125,000              | —                   |
| Current portion of deferred revenue           | 13     | 61,402               | 56,579              |
|   |        | <b>572,136</b>       | <b>567,195</b>      |
| <b>Non-current</b>                            |        |                      |                     |
| Long-term debt                                | 12     | 4,497,604            | 4,621,192           |
| Deferred revenue                              | 13     | 995,995              | 963,745             |
| Third party deposits liability                | 9      | 62,606               | 67,004              |
| Lease liabilities                             | 14     | 51,449               | —                   |
| Other non-current liabilities                 | 15     | 35,476               | 30,501              |
|   |        | <b>6,215,266</b>     | <b>6,249,637</b>    |
| <b>Commitments and contingencies</b>          | 25, 26 |                      |                     |
| <b>Partners' Equity</b>                       |        |                      |                     |
| AltaLink, L.P. equity                         | 21     | 3,340,978            | 3,383,764           |
| Non-controlling interest                      | 22     | 9,934                | —                   |
|   |        | <b>3,350,912</b>     | <b>3,383,764</b>    |
|   |        | <b>\$ 9,566,178</b>  | <b>\$ 9,633,401</b> |



Statement of Comprehensive Income

|   | Notes | Year ended           |                      |
|---|-------|----------------------|----------------------|
|   |       | December 31,<br>2019 | December 31,<br>2018 |
| <i>(in thousands of dollars)</i>              |       |                      |                      |
| <b>Revenue</b>                                |       |                      |                      |
| Operations                                    | 18    | \$ 947,614           | \$ 968,814           |
| Re-measurement of future income tax recovery  | 18    | (57,969)             | —                    |
| Other   | 19    | 42,529               | 33,278               |
|   |       | <b>932,174</b>       | <b>1,002,092</b>     |
| <b>Expenses</b>                               |       |                      |                      |
| Operating                                     | 20    | (109,060)            | (98,272)             |
| Property taxes, salvage and other             | 20    | (101,200)            | (105,101)            |
| Depreciation and amortization                 |       | (270,688)            | (277,970)            |
| Disallowed capital costs                      | 8     | —                    | (29,725)             |
|   |       | <b>(480,948)</b>     | <b>(511,068)</b>     |
|   |       | <b>451,226</b>       | <b>491,024</b>       |
| Finance costs                                 | 12    | (191,116)            | (193,924)            |
| Loss on disposal of assets                    |       | (5,247)              | (4,954)              |
| <b>Income before non-controlling interest</b> |       | <b>\$ 254,863</b>    | <b>\$ 292,146</b>    |
| Non-controlling interest                      |       | (571)                | —                    |
| <b>Net income</b>                             |       | <b>254,292</b>       | <b>292,146</b>       |
| <b>Other comprehensive income</b>             |       |                      |                      |
| Actuarial gain                                | 16    | 3,355                | 334                  |
| <b>Comprehensive income</b>                   |       | <b>\$ 257,647</b>    | <b>\$ 292,480</b>    |

**BHE Renewables, LLC**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ 2,927                                | \$ 70,506                               |
| <b>Total</b>   | <b>\$ 2,927</b>                         | <b>\$ 70,506</b>                        |
| <br>   |   |   |
| 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, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 762                                  |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 762</b>                           |

|                                      |     |      |
|--------------------------------------|-----|------|
| 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, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ 12,407                               | \$ 184,527                              |
| <b>Total</b>   | <b>\$ 12,407</b>                        | <b>\$ 184,527</b>                       |
| 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.



**Grid Assurance, LLC**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 2,072                                |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 2,072</b>                         |

|                                      |     |      |
|--------------------------------------|-----|------|
| 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.

Grid Assurance, LLC is not a consolidated subsidiary of Berkshire Hathaway Energy Company nor is it a public company; accordingly, its financial statements are not available.

**Electric Transmission Texas, LLC**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 4,508                                |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 4,508</b>                         |
| Basis of pricing   | N/A                                     | (a)                                     |
| Cost of service  | N/A                                     | (a)                                     |
| The margin of charges over costs   | N/A                                     | None                                    |
| Assets allocable to the services   | N/A                                     | None                                    |
| The overall rate of return on assets   | N/A                                     | None                                    |

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

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

**MTL Canyon Holdings, LLC**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 74,023                               |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 74,023</b>                        |

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

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

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

**CalEnergy Philippines  
Affiliated Transactions  
For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 1,737                                |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 1,737</b>                         |
| 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, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Employee relocation services   | \$ 1,312,195                            | \$ -                                    |
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | -                                       | 141,320                                 |
| <b>Total</b>   | <b>\$ 1,312,195</b>                     | <b>\$ 141,320</b>                       |

|                                      |     |      |
|--------------------------------------|-----|------|
| 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; \$0, \$350 or \$395 per homeowner relocation, depending on policy and date; \$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 \$51,156.

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, 2019

| <u>Account Description</u>  | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|---|---|---|
| Natural gas transportation services <sup>(a)</sup>  | \$ 3,080,471                            | \$ -                                    |
| Easement <sup>(b)</sup>   | -                                       | 250                                     |
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) <sup>(c)</sup> | 93                                      | 28,845                                  |
| <b>Total</b>  | <b>\$ 3,080,564</b>                     | <b>\$ 29,095</b>                        |

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

(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) Fair market value of the easement granted by PacifiCorp to Kern River Gas Transmission Company was \$121; however, the minimum transaction fee is \$250.

(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 the Kern River Gas Transmission Company FERC Form 2 for the year ended December 31, 2019 at [www.brkenenergy.com](http://www.brkenenergy.com).

| Name of Respondent<br>Kern River Gas Transmission Company  |   | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ /           | Year/Period of Report<br>End of 2019Q4 |
|--|---|---|---|--|
| <b>Comparative Balance Sheet (Assets and Other Debits)</b> |   |   |   |  |
| Line No.   | Title of Account<br>(a)   | Reference Page Number<br>(b)  | Current Year End of Quarter/Year Balance<br>(c) | Prior Year End Balance 12/31<br>(d)    |
| 1  | <b>UTILITY PLANT</b>  |   |   |  |
| 2  | Utility Plant (101-106, 114)  | 200-201   | 2,916,897,877                                   | 2,895,350,034                          |
| 3  | Construction Work in Progress (107)                                       | 200-201   | 1,857,807                                       | 5,956,482                              |
| 4  | <b>TOTAL Utility Plant (Total of lines 2 and 3)</b>                       | 200-201   | 2,918,755,684                                   | 2,901,306,516                          |
| 5  | (Less) Accum. Provision for Depr., Amort., Depl. (108, 111, 115)          |   | 1,423,520,564                                   | 1,379,172,870                          |
| 6  | <b>Net Utility Plant (Total of line 4 less 5)</b>                         |   | 1,495,235,120                                   | 1,522,133,646                          |
| 7  | Nuclear Fuel (120.1 thru 120.4, and 120.6)                                |   | 0   | 0                                      |
| 8  | (Less) Accum. Provision for Amort., of Nuclear Fuel Assemblies (120.5)    |   | 0   | 0                                      |
| 9  | <b>Nuclear Fuel (Total of line 7 less 8)</b>                              |   | 0   | 0                                      |
| 10   | <b>Net Utility Plant (Total of lines 6 and 9)</b>                         |   | 1,495,235,120                                   | 1,522,133,646                          |
| 11   | Utility Plant Adjustments (116)   | 122   | 0   | 0                                      |
| 12   | Gas Stored-Base Gas (117.1)   | 220   | 0   | 0                                      |
| 13   | System Balancing Gas (117.2)  | 220   | 0   | 0                                      |
| 14   | Gas Stored in Reservoirs and Pipelines-Noncurrent (117.3)                 | 220   | 0   | 0                                      |
| 15   | Gas Owed to System Gas (117.4)  | 220   | 0   | 0                                      |
| 16   | <b>OTHER PROPERTY AND INVESTMENTS</b>                                     |   |   |  |
| 17   | Nonutility Property (121)   |   | 0   | 0                                      |
| 18   | (Less) Accum. Provision for Depreciation and Amortization (122)           |   | 0   | 0                                      |
| 19   | Investments in Associated Companies (123)                                 | 222-223   | 0   | 0                                      |
| 20   | Investments in Subsidiary Companies (123.1)                               | 224-225   | 0   | 0                                      |
| 21   | (For Cost of Account 123.1 See Footnote Page 224, line 40)                |   |   |  |
| 22   | <b>Noncurrent Portion of Allowances</b>                                   |   | 0   | 0                                      |
| 23   | Other Investments (124)   | 222-223   | 0   | 0                                      |
| 24   | Sinking Funds (125)   |   | 0   | 0                                      |
| 25   | Depreciation Fund (126)   |   | 0   | 0                                      |
| 26   | Amortization Fund - Federal (127)   |   | 0   | 0                                      |
| 27   | <b>Other Special Funds (128)</b>  |   | 10,812,573                                      | 19,239,487                             |
| 28   | Long-Term Portion of Derivative Assets (175)                              |   | 0   | 0                                      |
| 29   | Long-Term Portion of Derivative Assets - Hedges (176)                     |   | 0   | 0                                      |
| 30   | <b>TOTAL Other Property and Investments (Total of lines 17-20, 22-29)</b> |   | 10,812,573                                      | 19,239,487                             |
| 31   | <b>CURRENT AND ACCRUED ASSETS</b>   |   |   |  |
| 32   | Cash (131)  |   | 8,709,020                                       | 0                                      |
| 33   | Special Deposits (132-134)  |   | 1,040,274                                       | 1,670,663                              |
| 34   | Working Funds (135)   |   | 0   | 0                                      |
| 35   | Temporary Cash Investments (136)  | 222-223   | 0   | 23,837,662                             |
| 36   | Notes Receivable (141)  |   | 0   | 0                                      |
| 37   | Customer Accounts Receivable (142)  |   | 21,468,608                                      | 21,140,459                             |
| 38   | Other Accounts Receivable (143)   |   | 2,644,960                                       | 2,565                                  |
| 39   | (Less) Accum. Provision for Uncollectible Accounts - Credit (144)         |   | 0   | 0                                      |
| 40   | Notes Receivable from Associated Companies (145)                          |   | 0   | 0                                      |
| 41   | Accounts Receivable from Associated Companies (146)                       |   | 4,549,390                                       | 4,438,398                              |
| 42   | Fuel Stock (151)  |   | 0   | 0                                      |
| 43   | Fuel Stock Expenses Undistributed (152)                                   |   | 0   | 0                                      |

| Name of Respondent<br>Kern River Gas Transmission Company             |   | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ /           | Year/Period of Report<br>End of 2019Q4 |
|---|---|---|---|--|
| <b>Comparative Balance Sheet (Assets and Other Debits)(continued)</b> |   |   |   |  |
| Line No.  | Title of Account<br>(a)   | Reference Page Number<br>(b)  | Current Year End of Quarter/Year Balance<br>(c) | Prior Year End Balance 12/31<br>(d)    |
| 44  | Residuals (Elec) and Extracted Products (Gas) (153)                       |   | 0   | 0                                      |
| 45  | Plant Materials and Operating Supplies (154)                              |   | 12,723,084                                      | 12,476,562                             |
| 46  | Merchandise (155)   |   | 0   | 0                                      |
| 47  | Other Materials and Supplies (156)  |   | 0   | 0                                      |
| 48  | Nuclear Materials Held for Sale (157)                                     |   | 0   | 0                                      |
| 49  | Allowances (158.1 and 158.2)  |   | 0   | 0                                      |
| 50  | (Less) Noncurrent Portion of Allowances                                   |   | 0   | 0                                      |
| 51  | Stores Expense Undistributed (163)  |   | 0   | 0                                      |
| 52  | Gas Stored Underground-Current (164.1)                                    | 220   | 0   | 0                                      |
| 53  | Liquefied Natural Gas Stored and Held for Processing (164.2 thru 164.3)   | 220   | 0   | 0                                      |
| 54  | Prepayments (165)   | 230   | 1,713,556                                       | 1,318,184                              |
| 55  | Advances for Gas (166 thru 167)   |   | 0   | 0                                      |
| 56  | Interest and Dividends Receivable (171)                                   |   | 0   | 0                                      |
| 57  | Rents Receivable (172)  |   | 0   | 0                                      |
| 58  | Accrued Utility Revenues (173)  |   | 0   | 0                                      |
| 59  | Miscellaneous Current and Accrued Assets (174)                            |   | 2,615,772                                       | 3,750,767                              |
| 60  | Derivative Instrument Assets (175)  |   | 0   | 0                                      |
| 61  | (Less) Long-Term Portion of Derivative Instrument Assets (175)            |   | 0   | 0                                      |
| 62  | Derivative Instrument Assets - Hedges (176)                               |   | 1,500,430                                       | 2,668,030                              |
| 63  | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)   |   | 0   | 0                                      |
| 64  | <b>TOTAL Current and Accrued Assets (Total of lines 32 thru 63)</b>       |   | 57,171,094                                      | 71,303,291                             |
| 65  | <b>DEFERRED DEBITS</b>  |   |   |  |
| 66  | Unamortized Debt Expense (181)  |   | 0   | 0                                      |
| 67  | Extraordinary Property Losses (182.1)                                     | 230   | 0   | 0                                      |
| 68  | Unrecovered Plant and Regulatory Study Costs (182.2)                      | 230   | 0   | 0                                      |
| 69  | Other Regulatory Assets (182.3)   | 232   | 165,106,298                                     | 156,233,965                            |
| 70  | Preliminary Survey and Investigation Charges (Electric)(183)              |   | 0   | 0                                      |
| 71  | Preliminary Survey and Investigation Charges (Gas)(183.1 and 183.2)       |   | 789,940   | 226,702                                |
| 72  | Clearing Accounts (184)   |   | 0   | 0                                      |
| 73  | Temporary Facilities (185)  |   | 0   | 0                                      |
| 74  | Miscellaneous Deferred Debits (186)                                       | 233   | 0   | 0                                      |
| 75  | Deferred Losses from Disposition of Utility Plant (187)                   |   | 0   | 0                                      |
| 76  | Research, Development, and Demonstration Expend. (188)                    |   | 0   | 0                                      |
| 77  | Unamortized Loss on Reacquired Debt (189)                                 |   | 0   | 0                                      |
| 78  | Accumulated Deferred Income Taxes (190)                                   | 234-235   | 133,260,876                                     | 143,604,197                            |
| 79  | Unrecovered Purchased Gas Costs (191)                                     |   | 0   | 0                                      |
| 80  | <b>TOTAL Deferred Debits (Total of lines 66 thru 79)</b>                  |   | 299,157,114                                     | 300,064,804                            |
| 81  | <b>TOTAL Assets and Other Debits (Total of lines 10-15,30,84, and 80)</b> |   | 1,862,375,901                                   | 1,912,741,228                          |

| Name of Respondent<br>Kern River Gas Transmission Company        |   | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ /    | Year/Period of Report<br>End of 2019Q4 |
|--|---|---|--|--|
| <b>Comparative Balance Sheet (Liabilities and Other Credits)</b> |   |   |  |  |
| Line No.   | Title of Account<br>(a)                                     | Reference Page Number<br>(b)  | Current Year End of Quarter/Year Balance | Prior Year End Balance 12/31 (d)       |
| 1  | <b>PROPRIETARY CAPITAL</b>                                  |   |  |  |
| 2  | Common Stock Issued (201)                                   | 250-251   | 1  | 1                                      |
| 3  | Preferred Stock Issued (204)                                | 250-251   | 0  | 0                                      |
| 4  | Capital Stock Subscribed (202, 205)                         | 252   | 0  | 0                                      |
| 5  | Stock Liability for Conversion (203, 206)                   | 252   | 0  | 0                                      |
| 6  | Premium on Capital Stock (207)                              | 252   | 0  | 0                                      |
| 7  | Other Paid-In Capital (208-211)                             | 253   | 1,229,271,246                            | 1,229,271,246                          |
| 8  | Installments Received on Capital Stock (212)                | 252   | 0  | 0                                      |
| 9  | (Less) Discount on Capital Stock (213)                      | 254   | 0  | 0                                      |
| 10   | (Less) Capital Stock Expense (214)                          | 254   | 0  | 0                                      |
| 11   | Retained Earnings (215, 215.1, 216)                         | 118-119   | ( 277,091,724)                           | ( 272,728,225)                         |
| 12   | Unappropriated Undistributed Subsidiary Earnings (216.1)    | 118-119   | 0  | 0                                      |
| 13   | (Less) Reacquired Capital Stock (217)                       | 250-251   | 0  | 0                                      |
| 14   | Accumulated Other Comprehensive Income (219)                | 117   | 1,124,998                                | 1,997,100                              |
| 15   | <b>TOTAL Proprietary Capital (Total of lines 2 thru 14)</b> |   | <b>953,304,519</b>                       | <b>958,540,122</b>                     |
| 16   | <b>LONG TERM DEBT</b>                                       |   |  |  |
| 17   | Bonds (221)   | 256-257   | 0  | 0                                      |
| 18   | (Less) Reacquired Bonds (222)                               | 256-257   | 0  | 0                                      |
| 19   | Advances from Associated Companies (223)                    | 256-257   | 0  | 0                                      |
| 20   | Other Long-Term Debt (224)                                  | 256-257   | 0  | 0                                      |
| 21   | Unamortized Premium on Long-Term Debt (225)                 | 258-259   | 0  | 0                                      |
| 22   | (Less) Unamortized Discount on Long-Term Debt-Dr (226)      | 258-259   | 0  | 0                                      |
| 23   | (Less) Current Portion of Long-Term Debt                    |   | 0  | 0                                      |
| 24   | <b>TOTAL Long-Term Debt (Total of lines 17 thru 23)</b>     |   | <b>0</b>                                 | <b>0</b>                               |
| 25   | <b>OTHER NONCURRENT LIABILITIES</b>                         |   |  |  |
| 26   | Obligations Under Capital Leases-Noncurrent (227)           |   | 12,899,588                               | 0                                      |
| 27   | Accumulated Provision for Property Insurance (228.1)        |   | 0  | 0                                      |
| 28   | Accumulated Provision for Injuries and Damages (228.2)      |   | 0  | 0                                      |
| 29   | Accumulated Provision for Pensions and Benefits (228.3)     |   | 3,821,614                                | 2,583,436                              |
| 30   | Accumulated Miscellaneous Operating Provisions (228.4)      |   | 0  | 0                                      |
| 31   | Accumulated Provision for Rate Refunds (229)                |   | 0  | 595,518                                |

| Name of Respondent<br>Kern River Gas Transmission Company                   |  | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ /    | Year/Period of Report<br>End of 2019Q4 |
|---|--|---|--|--|
| <b>Comparative Balance Sheet (Liabilities and Other Credits)(continued)</b> |  |   |  |  |
| Line No.  | Title of Account<br>(a)  | Reference Page Number<br>(b)  | Current Year End of Quarter/Year Balance | Prior Year End Balance 12/31 (d)       |
| 32  | Long-Term Portion of Derivative Instrument Liabilities                         |   | 0  | 0                                      |
| 33  | Long-Term Portion of Derivative Instrument Liabilities - Hedges                |   | 0  | 0                                      |
| 34  | Asset Retirement Obligations (230)   |   | 0  | 0                                      |
| 35  | <b>TOTAL Other Noncurrent Liabilities (Total of lines 26 thru 34)</b>          |   | <b>16,521,200</b>                        | <b>3,178,954</b>                       |
| 36  | <b>CURRENT AND ACCRUED LIABILITIES</b>   |   |  |  |
| 37  | Current Portion of Long-Term Debt  |   | 0  | 0                                      |
| 38  | Notes Payable (231)  |   | 0  | 0                                      |
| 39  | Accounts Payable (232)   |   | 1,585,955                                | 17,688,952                             |
| 40  | Notes Payable to Associated Companies (233)                                    |   | 0  | 0                                      |
| 41  | Accounts Payable to Associated Companies (234)                                 |   | 594,382                                  | 743,993                                |
| 42  | Customer Deposits (235)  |   | 1,708,326                                | 14,294,007                             |
| 43  | Taxes Accrued (236)  | 262-263   | 4,645,635                                | 6,163,587                              |
| 44  | Interest Accrued (237)   |   | 18,894                                   | 18,894                                 |
| 45  | Dividends Declared (238)   |   | 0  | 0                                      |
| 46  | Matured Long-Term Debt (239)   |   | 0  | 0                                      |
| 47  | Matured Interest (240)   |   | 0  | 0                                      |
| 48  | Tax Collections Payable (241)  |   | 123,804                                  | 117,625                                |
| 49  | Miscellaneous Current and Accrued Liabilities (242)                            | 268   | 7,135,859                                | 5,652,255                              |
| 50  | Obligations Under Capital Leases-Current (243)                                 |   | 877,588                                  | 0                                      |
| 51  | Derivative Instrument Liabilities (244)  |   | 0  | 0                                      |
| 52  | (Less) Long-Term Portion of Derivative Instrument Liabilities                  |   | 0  | 0                                      |
| 53  | Derivative Instrument Liabilities - Hedges (245)                               |   | 0  | 0                                      |
| 54  | (Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges         |   | 0  | 0                                      |
| 55  | <b>TOTAL Current and Accrued Liabilities (Total of lines 37 thru 54)</b>       |   | <b>16,890,443</b>                        | <b>44,679,313</b>                      |
| 56  | <b>DEFERRED CREDITS</b>  |   |  |  |
| 57  | Customer Advances for Construction (252)                                       |   | 4,722,152                                | 2,533,645                              |
| 58  | Accumulated Deferred Investment Tax Credits (255)                              |   | 0  | 0                                      |
| 59  | Deferred Gains from Disposition of Utility Plant (256)                         |   | 0  | 0                                      |
| 60  | Other Deferred Credits (253)   | 269   | 0  | 0                                      |
| 61  | Other Regulatory Liabilities (254)   | 278   | 496,983,215                              | 524,730,050                            |
| 62  | Unamortized Gain on Reacquired Debt (257)                                      | 260   | 0  | 0                                      |
| 63  | Accumulated Deferred Income Taxes - Accelerated Amortization (281)             |   | 0  | 0                                      |
| 64  | Accumulated Deferred Income Taxes - Other Property (282)                       |   | 327,374,479                              | 337,708,741                            |
| 65  | Accumulated Deferred Income Taxes - Other (283)                                |   | 46,779,893                               | 41,370,393                             |
| 66  | <b>TOTAL Deferred Credits (Total of lines 57 thru 65)</b>                      |   | <b>875,859,739</b>                       | <b>906,342,839</b>                     |
| 67  | <b>TOTAL Liabilities and Other Credits (Total of lines 15,24,35,55,and 66)</b> |   | <b>1,862,375,901</b>                     | <b>1,912,741,228</b>                   |



| Name of Respondent<br>Kern River Gas Transmission Company   |  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ /                      | Year/Period of Report<br>End of 2019/Q4                  |  |  |
|---|--|---|--|--|--|--|
| <b>Statement of Income</b>  |  |   |  |  |  |  |
| <p>Quarterly</p> <p>1. Enter in column (d) the balance for the reporting quarter and in column (e) the balance for the same three month period for the prior year.</p> <p>2. Report in column (f) the quarter to date amounts for electric utility function; in column (h) the quarter to date amounts for gas utility, and in (i) the quarter to date amounts for other utility function for the current year quarter.</p> <p>3. Report in column (g) the quarter to date amounts for electric utility function; in column (i) the quarter to date amounts for gas utility, and in (j) the quarter to date amounts for other utility function for the prior year quarter.</p> <p>4. If additional columns are needed place them in a footnote.</p> <p>Annual or Quarterly, if applicable</p> <p>5. Do not report fourth quarter data in columns (h) and (j)</p> <p>6. Report amounts for accounts 412 and 413, Revenues and Expenses from Utility Plant Leased to Others, in another utility column a similar manner to a utility department. Spread the amount(s) over lines 2 thru 26 as appropriate. Include these amounts in columns (c) and (d) totals.</p> <p>7. Report amounts in account 414, Other Utility Operating Income, in the same manner as accounts 412 and 413 above.</p> <p>8. Report data for lines 9, 10 and 11 for Natural Gas companies using accounts 404.1, 404.2, 404.3, 407.1 and 407.2.</p> <p>9. Use page 122 for important notes regarding the statement of income for any account thereof.</p> <p>10. Give concise explanations concerning unsettled rate proceedings where a contingency exists such that refunds of a material amount may need to be made to the utility's customers or which may result in material refunds to the utility with respect to power or gas purchases. State for each year effected the gross revenues or costs to which the contingency relates and the tax effects together with an explanation of the major factors which affect the rights of the utility to retain such revenues or recover amounts paid with respect to power or gas purchases.</p> <p>11. Give concise explanations concerning significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases, and a summary of the adjustments made to balance sheet, income, and expense accounts.</p> <p>12. If any notes appearing in the report to stockholders are applicable to the Statement of Income, such notes may be included at page 122.</p> <p>13. Enter on page 122 a concise explanation of only those changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also, give the appropriate dollar effect of such changes.</p> <p>14. Explain in a footnote if the previous year's/quarter's figures are different from that reported in prior reports.</p> <p>15. If the columns are insufficient for reporting additional utility departments, supply the appropriate account titles report the information in a footnote to this schedule.</p> |  |   |  |  |  |  |
| Line No.  | Title of Account<br>(a)  | Reference Page Number<br>(b)  | Total Current Year to Date Balance for Quarter/Year<br>(c) | Total Prior Year to Date Balance for Quarter/Year<br>(d) | Current Three Months Ended Quarterly Only No Fourth Quarter<br>(e) | Prior Three Months Ended Quarterly Only No Fourth Quarter<br>(f) |
| 1   | UTILITY OPERATING INCOME   |   |  |  |  |  |
| 2   | Gas Operating Revenues (400)   | 300-301   | 278,302,546  | 312,817,312  | 0  | 0  |
| 3   | Operating Expenses   |   |  |  |  |  |
| 4   | Operating Expenses (401)   | 317-325   | 48,406,499   | 46,686,726   | 0  | 0  |
| 5   | Maintenance Expenses (402)   | 317-325   | 854,927  | 1,229,880  | 0  | 0  |
| 6   | Depreciation Expense (403)   | 336-338   | 60,017,188   | 59,571,985   | 0  | 0  |
| 7   | Depreciation Expense for Asset Retirement Costs (403.1)                                      | 336-338   | 0  | 0  | 0  | 0  |
| 8   | Amortization and Depletion of Utility Plant (404-405)  | 338-339   | 2,787,056  | 2,787,070  | 0  | 0  |
| 9   | Amortization of Utility Plant Acc. Adjustment (405)  | 338-339   | 0  | 0  | 0  | 0  |
| 10  | Amort. of Prop. Losses, Unrecovered Plant and Reg. Study Costs (407.1)                       |   | 0  | 0  | 0  | 0  |
| 11  | Amortization of Connection Expenses (407.2)  |   | 0  | 0  | 0  | 0  |
| 12  | Regulatory Debts (407.3)   |   | 6,900,539  | 21,551,380   | 0  | 0  |
| 13  | (Less) Regulatory Credits (407.4)  |   | 41,552,144   | 36,119,083   | 0  | 0  |
| 14  | Taxes Other than Income Taxes (408.1)  | 362-363   | 11,607,240   | 12,837,879   | 0  | 0  |
| 15  | Income Taxes-Federal (409.1)   | 362-363   | 34,265,316   | 35,276,027   | 0  | 0  |
| 16  | Income Taxes-Other (409.1)   | 362-363   | 7,942,967  | 8,458,441  | 0  | 0  |
| 17  | Provision of Deferred Income Taxes (410.1)   | 324-235   | 42,091,715   | 44,459,165   | 0  | 0  |
| 18  | (Less) Provision for Deferred Income Taxes-Credit (411.1)                                    | 324-235   | 39,904,846   | 39,368,256   | 0  | 0  |
| 19  | Investment Tax Credit Adjustment Net (411.4)   |   | 0  | 0  | 0  | 0  |
| 20  | (Less) Gains from Disposition of Utility Plant (411.6)                                       |   | 0  | 0  | 0  | 0  |
| 21  | Losses from Disposition of Utility Plant (411.7)   |   | 0  | 0  | 0  | 0  |
| 22  | (Less) Gains from Disposition of Allowances (411.8)  |   | 0  | 0  | 0  | 0  |
| 23  | Losses from Disposition of Allowances (411.8)  |   | 0  | 0  | 0  | 0  |
| 24  | Accretion Expense (411.10)   |   | 0  | 0  | 0  | 0  |
| 25  | TOTAL Utility Operating Expenses (Total of lines 2 thru 24)                                  |   | 133,416,459  | 157,411,214  | 0  | 0  |
| 26  | Net Utility Operating Income (Total of lines 2 less 25) (Carry forward to page 116, line 27) |   | 144,886,087  | 155,406,098  | 0  | 0  |

FERC FORM NO. 2 (12-96)

Page 114

| Name of Respondent<br>Kern River Gas Transmission Company |  | This Report Is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission | Date of Report<br>(Mo, Da, Yr)<br>/ /                | Year/Period of Report<br>End of 2019/Q4               |  |   |
|---|--|---|--|---|--|---|
| <b>Statement of Income</b>                                |  |   |  |   |  |   |
| Line No.  | Elec. Utility Current Year to Date (in dollars)<br>(g) | Elec. Utility Previous Year to Date (in dollars)<br>(h)   | Gas Utility Current Year to Date (in dollars)<br>(i) | Gas Utility Previous Year to Date (in dollars)<br>(j) | Other Utility Current Year to Date (in dollars)<br>(k) | Other Utility Previous Year to Date (in dollars)<br>(l) |
| 1   |  |   |  |   |  |   |
| 2   | 0  | 0   | 278,302,546  | 312,817,312   | 0  | 0   |
| 3   |  |   |  |   |  |   |
| 4   | 0  | 0   | 48,406,499   | 46,686,726  | 0  | 0   |
| 5   | 0  | 0   | 854,927  | 1,229,880   | 0  | 0   |
| 6   | 0  | 0   | 60,017,188   | 59,571,985  | 0  | 0   |
| 7   | 0  | 0   | 0  | 0   | 0  | 0   |
| 8   | 0  | 0   | 2,787,056  | 2,787,070   | 0  | 0   |
| 9   | 0  | 0   | 0  | 0   | 0  | 0   |
| 10  | 0  | 0   | 0  | 0   | 0  | 0   |
| 11  | 0  | 0   | 0  | 0   | 0  | 0   |
| 12  | 0  | 0   | 6,900,539  | 21,551,380  | 0  | 0   |
| 13  | 0  | 0   | 41,552,144   | 36,119,083  | 0  | 0   |
| 14  | 0  | 0   | 11,607,240   | 12,837,879  | 0  | 0   |
| 15  | 0  | 0   | 34,265,316   | 35,276,027  | 0  | 0   |
| 16  | 0  | 0   | 7,942,967  | 8,458,441   | 0  | 0   |
| 17  | 0  | 0   | 42,091,715   | 44,459,165  | 0  | 0   |
| 18  | 0  | 0   | 39,904,846   | 39,368,256  | 0  | 0   |
| 19  | 0  | 0   | 0  | 0   | 0  | 0   |
| 20  | 0  | 0   | 0  | 0   | 0  | 0   |
| 21  | 0  | 0   | 0  | 0   | 0  | 0   |
| 22  | 0  | 0   | 0  | 0   | 0  | 0   |
| 23  | 0  | 0   | 0  | 0   | 0  | 0   |
| 24  | 0  | 0   | 0  | 0   | 0  | 0   |
| 25  | 0  | 0   | 133,416,459  | 157,411,214   | 0  | 0   |
| 26  | 0  | 0   | 144,886,087  | 155,406,098   | 0  | 0   |

79

FERC FORM NO. 2 (12-96)

Page 115

| Name of Respondent<br>Kern River Gas Transmission Company |   | This Report is:<br>(1) <input checked="" type="checkbox"/> An Original<br>(2) <input type="checkbox"/> A Resubmission |  | Date of Report<br>(Mo, Da, Yr)<br>/ /                    | Year/Period of Report<br>End of 2019Q4                             |  |
|---|---|---|--|--|--|--|
| Statement of Income(continued)                            |   |   |  |  |  |  |
| Line No.  | Title of Account<br>(a)   | Reference Page Number<br>(b)  | Total Current Year to Date Balance for Quarter/Year<br>(c) | Total Prior Year to Date Balance for Quarter/Year<br>(d) | Current Three Months Ended Quarterly Only No Fourth Quarter<br>(e) | Prior Three Months Ended Quarterly Only No Fourth Quarter<br>(f) |
| 27  | Net Utility Operating Income (Carried forward from page 114)              |   | 144,886,057  | 155,403,096  | 0  | 0  |
| 28  | <b>OTHER INCOME AND DEDUCTIONS</b>  |   |  |  |  |  |
| 29  | Other Income  |   |  |  |  |  |
| 30  | Nonutility Operating Income   |   |  |  |  |  |
| 31  | Revenues from Manufacturing, Jobbing and Contract Work (415)              |   | 0  | 0  | 0  | 0  |
| 32  | (Less) Costs and Expenses of Manufacturing, Job & Contract Work (416)     |   | 0  | 0  | 0  | 0  |
| 33  | Revenues from Nonutility Operations (417)                                 |   | 0  | 0  | 0  | 0  |
| 34  | (Less) Expenses of Nonutility Operations (417.1)                          |   | 0  | 0  | 0  | 0  |
| 35  | Nonoperating Rental Income (418)  |   | 0  | 0  | 0  | 0  |
| 36  | Equity in Earnings of Subsidiary Companies (418.1)                        | 119   | 0  | 0  | 0  | 0  |
| 37  | Interest and Dividend Income (419)  |   | 272,346  | 377,910  | 0  | 0  |
| 38  | Allowance for Other Funds Used During Construction (419.1)                |   | 200,067  | 375,881  | 0  | 0  |
| 39  | Miscellaneous Nonoperating Income (421)                                   |   | 3,426,336  | 6,505,696  | 0  | 0  |
| 40  | Gain on Disposition of Property (421.1)                                   |   | 0  | 0  | 0  | 0  |
| 41  | TOTAL Other Income (Total of lines 31 thru 40)                            |   | 3,921,769  | 7,298,466  | 0  | 0  |
| 42  | Other Income Deductions   |   |  |  |  |  |
| 43  | Loss on Disposition of Property (421.2)                                   |   | 0  | 0  | 0  | 0  |
| 44  | Miscellaneous Amortization (425)  |   | 0  | 0  | 0  | 0  |
| 45  | Donations (426.1)   | 340   | 40,564   | 40,566   | 0  | 0  |
| 46  | Life Insurance (426.2)  |   | 0  | 0  | 0  | 0  |
| 47  | Penalties (426.3)   |   | 0  | 0  | 0  | 0  |
| 48  | Expenses for Certain Civic, Political and Related Activities (426.4)      |   | 4,673  | 6,826  | 0  | 0  |
| 49  | Other Deductions (426.5)  |   | 2,115  | 4,215  | 0  | 0  |
| 50  | TOTAL Other Income Deductions (Total of lines 43 thru 49)                 | 340   | 47,452   | 55,907   | 0  | 0  |
| 51  | Taxes Applicable to Other Income and Deductions                           |   |  |  |  |  |
| 52  | Taxes Other than Income Taxes (429.2)                                     | 262-263   | 0  | 0  | 0  | 0  |
| 53  | Income Taxes Federal (429.2)  | 262-263   | 147,854  | 143,361  | 0  | 0  |
| 54  | Income Taxes Other (429.2)  | 262-263   | 12,626   | 42,060   | 0  | 0  |
| 55  | Provision for Deferred Income Taxes (410.2)                               | 234-235   | 1,986,315  | 2,795,893  | 0  | 0  |
| 56  | (Less) Provision for Deferred Income Taxes-Credit (411.2)                 | 234-235   | 612,744  | 3,371,170  | 0  | 0  |
| 57  | Investment Tax Credit Adjustments Net (411.5)                             |   | 0  | 0  | 0  | 0  |
| 58  | (Less) Investment Tax Credits (429)                                       |   | 0  | 0  | 0  | 0  |
| 59  | TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)         |   | 1,133,569  | ( 379,851)   | 0  | 0  |
| 60  | Net Other Income and Deductions (Total of lines 41, 50, 59)               |   | 2,790,414  | 7,888,390  | 0  | 0  |
| 61  | <b>INTEREST CHARGES</b>   |   |  |  |  |  |
| 62  | Interest on Long-Term Debt (427)  |   | 0  | 0  | 0  | 0  |
| 63  | Amortization of Debt Disc. and Expense (428)                              | 258-259   | 0  | 0  | 0  | 0  |
| 64  | Amortization of Loss on Recquired Debt (428.1)                            |   | 0  | 1,725,055  | 0  | 0  |
| 65  | (Less) Amortization of Premium on Debt-Credit (429)                       | 258-259   | 0  | 0  | 0  | 0  |
| 66  | (Less) Amortization of Gain on Recquired Debt-Credit (429.1)              |   | 0  | 0  | 0  | 0  |
| 67  | Interest on Debt to Associated Companies (430)                            | 340   | 0  | 0  | 0  | 0  |
| 68  | Other Interest Expense (431)  | 340   | 0  | 647,862  | 0  | 0  |
| 69  | (Less) Allowance for Borrowed Funds Used During Construction-Credit (432) |   | 0  | ( 863)   | 0  | 0  |
| 70  | Net Interest Charges (Total of lines 62 thru 69)                          |   | 0  | 2,372,780  | 0  | 0  |
| 71  | Income before Extraordinary Items (Total of lines 27,60 and 70)           |   | 147,636,091  | 160,620,668  | 0  | 0  |
| 72  | <b>EXTRAORDINARY ITEMS</b>  |   |  |  |  |  |
| 73  | Extraordinary Income (435)  |   | 0  | 0  | 0  | 0  |
| 74  | (Less) Extraordinary Deductions (436)                                     |   | 0  | 0  | 0  | 0  |
| 75  | Net Extraordinary Items (Total of line 73 less line 74)                   |   | 0  | 0  | 0  | 0  |
| 76  | Income Taxes-Federal and Other (429.2)                                    | 262-263   | 0  | 0  | 0  | 0  |
| 77  | Extraordinary Items after Taxes (Total of line 75 less line 76)           |   | 0  | 0  | 0  | 0  |
| 78  | Net Income (Total of lines 71 and 77)                                     |   | 147,636,091  | 160,620,668  | 0  | 0  |

**MHC Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ 494,378                              | \$ -                                    |
| <b>Total</b>   | <b>\$ 494,378</b>                       | <b>\$ -</b>                             |

|                                      |      |     |
|--------------------------------------|------|-----|
| 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, 2019 (File No. 333-90553) at [www.sec.gov](http://www.sec.gov).

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

|  | <b>As of December 31,</b> |                  |
|--|---------------------------|------------------|
|  | <b>2019</b>               | <b>2018</b>      |
| <b>ASSETS</b>                          |                           |                  |
| Current assets:                        |                           |                  |
| Cash and cash equivalents              | \$ 288                    | \$ 1             |
| Trade receivables, net                 | 291                       | 363              |
| Inventories                            | 226                       | 204              |
| Other current assets                   | 90                        | 90               |
| Total current assets                   | 895                       | 658              |
| Property, plant and equipment, net     | 18,377                    | 16,169           |
| Goodwill                               | 1,270                     | 1,270            |
| Regulatory assets                      | 289                       | 273              |
| Investments and restricted investments | 820                       | 710              |
| Receivable from affiliate              | 1                         | 429              |
| Other assets                           | 188                       | 121              |
| <b>Total assets</b>                    | <b>\$ 21,840</b>          | <b>\$ 19,630</b> |

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

**As of December 31,**

**2019                      2018**

**LIABILITIES AND SHAREHOLDER'S EQUITY**

Current liabilities:

|  |    |       |    |       |
|--|----|-------|----|-------|
| Accounts payable                         | \$ | 520   | \$ | 575   |
| Accrued interest                         |    | 78    |    | 53    |
| Accrued property, income and other taxes |    | 226   |    | 300   |
| Note payable to affiliate                |    | 171   |    | 156   |
| Short-term debt                          |    | —     |    | 240   |
| Current portion of long-term debt        |    | —     |    | 500   |
| Other current liabilities                |    | 220   |    | 122   |
| Total current liabilities                |    | 1,215 |    | 1,946 |

|                              |  |        |  |        |
|------------------------------|--|--------|--|--------|
| Long-term debt               |  | 7,208  |  | 4,879  |
| Regulatory liabilities       |  | 1,406  |  | 1,620  |
| Deferred income taxes        |  | 2,621  |  | 2,319  |
| Asset retirement obligations |  | 704    |  | 552    |
| Other long-term liabilities  |  | 340    |  | 312    |
| Total liabilities            |  | 13,494 |  | 11,628 |

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   |  | 5,916 |  | 5,572 |
| Total shareholder's equity  |  | 8,346 |  | 8,002 |

|   |  |                  |  |                  |
|---|--|------------------|--|------------------|
| <b>Total liabilities and shareholder's equity</b> |  | <b>\$ 21,840</b> |  | <b>\$ 19,630</b> |
|---|--|------------------|--|------------------|

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

|  | <b>Years Ended December 31,</b> |               |               |
|--|---------------------------------|---------------|---------------|
|  | <b>2019</b>                     | <b>2018</b>   | <b>2017</b>   |
| <b>Operating revenue:</b>                          |                                 |               |               |
| Regulated electric                                 | \$ 2,237                        | \$ 2,283      | \$ 2,108      |
| Regulated natural gas and other                    | 690                             | 770           | 738           |
| Total operating revenue                            | <u>2,927</u>                    | <u>3,053</u>  | <u>2,846</u>  |
| <b>Operating expenses:</b>                         |                                 |               |               |
| Cost of fuel and energy                            | 399                             | 487           | 434           |
| Cost of natural gas purchased for resale and other | 412                             | 469           | 447           |
| Operations and maintenance                         | 801                             | 813           | 802           |
| Depreciation and amortization                      | 639                             | 609           | 500           |
| Property and other taxes                           | 127                             | 125           | 119           |
| Total operating expenses                           | <u>2,378</u>                    | <u>2,503</u>  | <u>2,302</u>  |
| <b>Operating income</b>                            | <u>549</u>                      | <u>550</u>    | <u>544</u>    |
| <b>Other income (expense):</b>                     |                                 |               |               |
| Interest expense                                   | (286)                           | (231)         | (215)         |
| Allowance for borrowed funds                       | 27                              | 20            | 15            |
| Allowance for equity funds                         | 78                              | 53            | 41            |
| Other, net   | 52                              | 31            | 39            |
| Total other income (expense)                       | <u>(129)</u>                    | <u>(127)</u>  | <u>(120)</u>  |
| <b>Income before income tax benefit</b>            | 420                             | 423           | 424           |
| Income tax benefit                                 | <u>(372)</u>                    | <u>(257)</u>  | <u>(180)</u>  |
| <b>Net income</b>                                  | <u>\$ 792</u>                   | <u>\$ 680</u> | <u>\$ 604</u> |

**MidAmerican Energy Company**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ 4,401,310                            | \$ 428,101                              |
| <b>Total</b>   | <b>\$ 4,401,310</b>                     | <b>\$ 428,101</b>                       |
| 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 \$10,168.

For further information on the following financial statements, refer to MidAmerican Energy Company’s Form 10-K for the year ended December 31, 2019 (File No. 333-15387) at [www.sec.gov](http://www.sec.gov).

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

|  | <b>As of December 31,</b> |                  |
|--|---------------------------|------------------|
|  | <b>2019</b>               | <b>2018</b>      |
| <b>ASSETS</b>                          |                           |                  |
| Current assets:                        |                           |                  |
| Cash and cash equivalents              | \$ 287                    | \$ —             |
| Trade receivables, net                 | 291                       | 367              |
| Inventories                            | 226                       | 204              |
| Other current assets                   | 90                        | 90               |
| Total current assets                   | 894                       | 661              |
| Property, plant and equipment, net     | 18,375                    | 16,157           |
| Regulatory assets                      | 289                       | 273              |
| Investments and restricted investments | 818                       | 708              |
| Other assets                           | 188                       | 121              |
| <b>Total assets</b>                    | <b>\$ 20,564</b>          | <b>\$ 17,920</b> |



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

**As of December 31,**

**2019                      2018**

**LIABILITIES AND SHAREHOLDER'S EQUITY**

Current liabilities:

|  |    |              |    |              |
|--|----|--------------|----|--------------|
| Accounts payable                         | \$ | 519          | \$ | 575          |
| Accrued interest                         |    | 78           |    | 53           |
| Accrued property, income and other taxes |    | 225          |    | 300          |
| Short-term debt                          |    | —            |    | 240          |
| Current portion of long-term debt        |    | —            |    | 500          |
| Other current liabilities                |    | 219          |    | 122          |
| <b>Total current liabilities</b>         |    | <b>1,041</b> |    | <b>1,790</b> |

|                              |  |               |  |               |
|------------------------------|--|---------------|--|---------------|
| Long-term debt               |  | 7,208         |  | 4,879         |
| Regulatory liabilities       |  | 1,406         |  | 1,620         |
| Deferred income taxes        |  | 2,626         |  | 2,322         |
| Asset retirement obligations |  | 704           |  | 552           |
| Other long-term liabilities  |  | 339           |  | 311           |
| <b>Total liabilities</b>     |  | <b>13,324</b> |  | <b>11,474</b> |

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  |  | 6,679        |  | 5,885        |
| <b>Total shareholder's equity</b>  |  | <b>7,240</b> |  | <b>6,446</b> |

|   |  |                  |  |                  |
|---|--|------------------|--|------------------|
| <b>Total liabilities and shareholder's equity</b> |  | <b>\$ 20,564</b> |  | <b>\$ 17,920</b> |
|---|--|------------------|--|------------------|

**MIDAMERICAN ENERGY COMPANY**  
**STATEMENTS OF OPERATIONS**  
(Amounts in millions)

|  | <b>Years Ended December 31,</b> |               |               |
|--|---------------------------------|---------------|---------------|
|  | <b>2019</b>                     | <b>2018</b>   | <b>2017</b>   |
| <b>Operating revenue:</b>                          |                                 |               |               |
| Regulated electric                                 | \$ 2,237                        | \$ 2,283      | \$ 2,108      |
| Regulated natural gas and other                    | 688                             | 766           | 729           |
| Total operating revenue                            | <u>2,925</u>                    | <u>3,049</u>  | <u>2,837</u>  |
| <b>Operating expenses:</b>                         |                                 |               |               |
| Cost of fuel and energy                            | 399                             | 487           | 434           |
| Cost of natural gas purchased for resale and other | 413                             | 466           | 442           |
| Operations and maintenance                         | 800                             | 811           | 799           |
| Depreciation and amortization                      | 639                             | 609           | 500           |
| Property and other taxes                           | 126                             | 125           | 119           |
| Total operating expenses                           | <u>2,377</u>                    | <u>2,498</u>  | <u>2,294</u>  |
| <b>Operating income</b>                            | <u>548</u>                      | <u>551</u>    | <u>543</u>    |
| <b>Other income (expense):</b>                     |                                 |               |               |
| Interest expense                                   | (281)                           | (227)         | (214)         |
| Allowance for borrowed funds                       | 27                              | 20            | 15            |
| Allowance for equity funds                         | 78                              | 53            | 41            |
| Other, net   | 50                              | 30            | 37            |
| Total other income (expense)                       | <u>(126)</u>                    | <u>(124)</u>  | <u>(121)</u>  |
| <b>Income before income tax benefit</b>            | 422                             | 427           | 422           |
| Income tax benefit                                 | <u>(371)</u>                    | <u>(255)</u>  | <u>(183)</u>  |
| <b>Net income</b>                                  | <u>\$ 793</u>                   | <u>\$ 682</u> | <u>\$ 605</u> |

**Midwest Capital Group, Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 203                                  |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 203</b>                           |
| 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, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 4,175                                |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 4,175</b>                         |
| 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, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 86,745                               |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 86,745</b>                        |
| 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.

For further information on the following financial statements, refer to the Northern Natural Gas Company Financial Statements for the year ended December 31, 2019, at [www.brkenergy.com](http://www.brkenergy.com).

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

|  | As of December 31,  |                     |
|--|---------------------|---------------------|
|  | 2019                | 2018                |
| <b>ASSETS</b>  |                     |                     |
| Current assets:  |                     |                     |
| Cash and cash equivalents  | \$ 38,792           | \$ 14,749           |
| Accounts receivable, net   | 94,427              | 107,776             |
| Accounts receivable from affiliates  | 8,278               | 9,246               |
| Notes receivable from BHE  | 240,000             | 305,000             |
| Transportation and exchange gas receivables  | 5,365               | 16,231              |
| Inventories  | 41,951              | 35,657              |
| Income tax receivable  | 9,519               | 466                 |
| Other current assets   | 31,886              | 27,571              |
| Total current assets   | 470,218             | 516,696             |
| Property, plant and equipment, net   | 3,970,699           | 3,359,034           |
| Regulatory assets  | 100,340             | 116,848             |
| Other assets   | 61,538              | 49,424              |
| <b>Total assets</b>  | <b>\$ 4,602,795</b> | <b>\$ 4,042,002</b> |
| <b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>  |                     |                     |
| Current liabilities:   |                     |                     |
| Accounts payable   | \$ 101,077          | \$ 71,735           |
| Accounts payable to affiliates   | 1,199               | 1,191               |
| Accrued interest   | 19,877              | 15,804              |
| Accrued property, income and other taxes   | 54,246              | 56,395              |
| Transportation and exchange gas payables   | 3,309               | 14,740              |
| Other current liabilities  | 52,530              | 34,176              |
| Total current liabilities  | 232,238             | 194,041             |
| Long-term debt   | 1,247,108           | 1,041,512           |
| Regulatory liabilities   | 426,624             | 434,362             |
| Deferred income taxes  | 583,407             | 523,715             |
| Asset retirement obligations   | 15,290              | 33,290              |
| Other long-term liabilities  | 45,834              | 38,921              |
| Total liabilities  | 2,550,501           | 2,265,841           |
| Commitments and contingencies (Note 12)  |                     |                     |
| Shareholder's equity:  |                     |                     |
| Series A preferred stock - 1,000 shares authorized, \$0.01 par value, no shares issued and outstanding | —                   | —                   |
| Common stock - 10,000 shares authorized, \$1.00 par value, 1,002 shares issued and outstanding         | 1                   | 1                   |
| Additional paid-in capital   | 981,868             | 981,868             |
| Retained earnings  | 1,068,149           | 794,292             |
| Accumulated other comprehensive income, net  | 2,276               | —                   |
| Total shareholder's equity   | 2,052,294           | 1,776,161           |
| <b>Total liabilities and shareholder's equity</b>  | <b>\$ 4,602,795</b> | <b>\$ 4,042,002</b> |

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

|   | <b>Years Ended December 31,</b> |             |
|---|---------------------------------|-------------|
|   | <b>2019</b>                     | <b>2018</b> |
| <b>Operating revenue:</b>               |                                 |             |
| Transportation                          | \$ 745,358                      | \$ 691,550  |
| Storage                                 | 65,008                          | 67,545      |
| Gas, liquids and other sales            | 41,882                          | 130,526     |
| Total operating revenue                 | 852,248                         | 889,621     |
| <b>Operating expenses:</b>              |                                 |             |
| Operations and maintenance              | 297,135                         | 299,116     |
| Cost of gas and liquids sales           | 39,262                          | 137,987     |
| Depreciation and amortization           | 89,209                          | 81,763      |
| Taxes, other than income taxes          | 45,675                          | 53,424      |
| Total operating expenses                | 471,281                         | 572,290     |
| <b>Operating income</b>                 | 380,967                         | 317,331     |
| <b>Other income (expense):</b>          |                                 |             |
| Interest expense, net                   | (49,548)                        | (41,513)    |
| Interest income                         | 13,991                          | 8,455       |
| Other, net                              | 21,169                          | 12,402      |
| Total other income (expense)            | (14,388)                        | (20,656)    |
| <b>Income before income tax expense</b> | 366,579                         | 296,675     |
| Income tax expense                      | 92,722                          | 70,552      |
| <b>Net income</b>                       | \$ 273,857                      | \$ 226,123  |

**Northern Powergrid Holdings Company**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 71,566                               |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 71,566</b>                        |

|                                      |     |      |
|--------------------------------------|-----|------|
| 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.

For further information on the following financial statements, refer to the Northern Powergrid Holdings Company Financial Statements for the year ended December 31, 2019, at [www.brkenenergy.com](http://www.brkenenergy.com).



**Northern Powergrid Holdings Company**  
**(Registration number: 03476201)**  
**Consolidated Statement of Financial Position as at 31 December 2019**

|  |       |                              | Restated<br>(Note 3)         | Restated<br>(Note 3)         |
|--|-------|------------------------------|------------------------------|------------------------------|
|  |       | 31 December<br>2019<br>£ 000 | 31 December<br>2018<br>£ 000 | 31 December<br>2017<br>£ 000 |
|  | Note  |                              |                              |                              |
| <b>Assets</b>                                |       |                              |                              |                              |
| <b>Non-current assets</b>                    |       |                              |                              |                              |
| Property, plant and equipment                | 3, 12 | 6,374,612                    | 6,096,063                    | 5,860,568                    |
| Right of use assets                          | 13    | 18,048                       | -                            | -                            |
| Intangible assets                            | 3, 15 | 306,356                      | 307,203                      | 305,399                      |
| Equity accounted investments                 | 16    | 29,253                       | 24,379                       | 22,671                       |
| Retirement benefit obligations               | 29    | 93,400                       | 84,600                       | 116,900                      |
| Deferred tax asset                           | 11    | 577                          | 615                          | 617                          |
| Trade and other receivables                  | 18    | 7,730                        | 6,877                        | 8,979                        |
| Other non-current financial assets           |       | -                            | 837                          | -                            |
|  |       | <u>6,829,976</u>             | <u>6,520,574</u>             | <u>6,315,134</u>             |
| <b>Current assets</b>                        |       |                              |                              |                              |
| Inventories                                  | 17    | 20,692                       | 14,359                       | 14,128                       |
| Trade and other receivables                  | 18    | 154,174                      | 147,394                      | 149,088                      |
| Tax receivable                               |       | 101                          | 62                           | 94                           |
| Cash and cash equivalents                    | 19    | 245,122                      | 30,445                       | 40,435                       |
| Restricted cash                              | 20    | 13,873                       | 13,809                       | 2,182                        |
| Contract assets                              | 4     | 8,132                        | 6,005                        | 9,721                        |
| Other current financial assets               |       | -                            | 114                          | -                            |
|  |       | <u>442,094</u>               | <u>212,188</u>               | <u>215,648</u>               |
| Total assets                                 |       | <u>7,272,070</u>             | <u>6,732,762</u>             | <u>6,530,782</u>             |
| <b>Equity and liabilities</b>                |       |                              |                              |                              |
| <b>Equity</b>                                |       |                              |                              |                              |
| Share capital                                | 21    | (354,550)                    | (354,550)                    | (354,550)                    |
| Share premium                                |       | 810                          | 810                          | 810                          |
| Foreign currency translation reserve         | 22    | 1,549                        | 2,353                        | 2,153                        |
| Cash flow hedging reserve                    | 22    | 1,091                        | (789)                        | 287                          |
| Retained earnings                            |       | <u>(2,361,515)</u>           | <u>(2,167,775)</u>           | <u>(2,019,414)</u>           |
| Equity attributable to owners of the Company |       | (2,712,615)                  | (2,519,951)                  | (2,370,714)                  |
| Non-controlling interests                    |       | <u>(36,466)</u>              | <u>(34,828)</u>              | <u>(32,846)</u>              |
| Total equity                                 |       | <u>(2,749,081)</u>           | <u>(2,554,779)</u>           | <u>(2,403,560)</u>           |

**Northern Powergrid Holdings Company**

**(Registration number: 03476201)**

**Consolidated Statement of Financial Position as at 31 December 2019 (continued)**

|  |                              | Restated<br>(Note 3)         | Restated<br>(Note 3)         |
|--|------------------------------|------------------------------|------------------------------|
|  | 31 December<br>2019<br>£ 000 | 31 December<br>2018<br>£ 000 | 31 December<br>2017<br>£ 000 |
|  | Note                         |                              |                              |
| <b>Non-current liabilities</b>                 |                              |                              |                              |
| Long term lease liabilities                    |                              | (13,731)                     | -                            |
| Loans and borrowings                           | 24                           | (2,089,401)                  | (2,016,492)                  |
| Provisions                                     | 26                           | (6,232)                      | (3,202)                      |
| Deferred revenue                               | 28                           | (1,462,863)                  | (1,443,736)                  |
| Deferred tax liabilities                       | 11                           | (225,537)                    | (239,025)                    |
| Other non-current financial liabilities        | 33                           | (1,131)                      | -                            |
| Trade and other payables                       | 27                           | (2,693)                      | -                            |
|  |                              | <u>(3,801,588)</u>           | <u>(3,702,455)</u>           |
|  |                              |                              | <u>(3,717,267)</u>           |
| <b>Current liabilities</b>                     |                              |                              |                              |
| Current portion of long term lease liabilities |                              | (4,508)                      | -                            |
| Trade and other payables                       | 27                           | (210,418)                    | (218,098)                    |
| Loans and borrowings                           | 24                           | (417,164)                    | (172,921)                    |
| Income tax liability                           |                              | (23,701)                     | (21,093)                     |
| Deferred revenue                               | 28                           | (61,273)                     | (59,342)                     |
| Provisions                                     | 26                           | (4,153)                      | (4,074)                      |
| Other current financial liabilities            | 33                           | (184)                        | -                            |
|  |                              | <u>(721,401)</u>             | <u>(475,528)</u>             |
|  |                              |                              | <u>(409,955)</u>             |
| Total liabilities                              |                              | <u>(4,522,989)</u>           | <u>(4,177,983)</u>           |
| Total equity and liabilities                   |                              | <u>(7,272,070)</u>           | <u>(6,530,782)</u>           |

**Northern Powergrid Holdings Company**  
**Consolidated Income Statement for the Year Ended 31 December 2019**

|                                |             | <b>2019</b>      | <b>Restated</b>  |
|--------------------------------|-------------|------------------|------------------|
|                                | <b>Note</b> | <b>£ 000</b>     | <b>(Note 3)</b>  |
|                                |             |                  | <b>2018</b>      |
|                                |             |                  | <b>£ 000</b>     |
| Revenue                        | 3, 4        | 849,695          | 815,307          |
| Cost of sales                  |             | <u>(50,779)</u>  | <u>(46,315)</u>  |
| Gross profit                   |             | 798,916          | 768,992          |
| Distribution costs             | 3           | (285,321)        | (272,238)        |
| Administrative expenses        |             | <u>(146,524)</u> | <u>(143,141)</u> |
| Operating profit               | 6           | 367,071          | 353,613          |
| Other gains                    | 5           | 2,711            | 971              |
| Finance income                 | 7           | 1,363            | 888              |
| Finance costs                  | 7           | <u>(108,918)</u> | <u>(105,363)</u> |
| Profit before tax              |             | 262,227          | 250,109          |
| Income tax expense             | 11          | <u>(46,469)</u>  | <u>(50,200)</u>  |
| Profit for the year            |             | <u>215,758</u>   | <u>199,909</u>   |
| <b>Profit attributable to:</b> |             |                  |                  |
| Owners of the Company          |             | 213,535          | 197,927          |
| Non-controlling interests      | 23          | <u>2,223</u>     | <u>1,982</u>     |
|                                |             | <u>215,758</u>   | <u>199,909</u>   |

The above results were derived from continuing operations.

**NV Energy, Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>   | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) | \$ -                                    | \$ 60,015                               |
| <b>Total</b>   | <b>\$ -</b>                             | <b>\$ 60,015</b>                        |
| 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.

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, 2019 (File No. 001-14881) at [www.sec.gov](http://www.sec.gov).

# Nevada Power Company

## Affiliated Transactions

### For the Year Ended December 31, 2019

| <u>Account Description</u>  | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|---|---|---|
| Electricity transmission services   | \$ 452,906                              | \$ 200,787                              |
| Transmission ancillary services   | 214,607                                 | 8,410                                   |
| Wholesale energy purchases  | 1,132,876                               | -                                       |
| Wholesale energy sales  | -                                       | 258,607                                 |
| Settlement adjustment   | (40,124)                                | -                                       |
| Administrative services under the Intercompany<br>Administrative Services Agreement (“IASA”) <sup>(b)</sup> | 127,670                                 | 88,400                                  |
| <b>Total</b>  | <b>\$ 1,887,935</b>                     | <b>\$ 556,204</b>                       |

|                                      |     |      |     |      |
|--------------------------------------|-----|------|-----|------|
| 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 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.

(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.

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 \$18,193,656 (\$11,801,021 net of accumulated depreciation) as of December 31, 2019. PacifiCorp pays Nevada Power for its share of the costs to operate and maintain these assets; for the year ended December 31, 2019 there were no operations and maintenance billings.

For further information on the following financial statements, refer to Nevada Power Company’s Form 10-K for the year ended December 31, 2019 (File No. 000-52378) at [www.sec.gov](http://www.sec.gov).

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

| ASSETS  | As of December 31, |          |
|---|--------------------|----------|
|   | 2019               | 2018     |
| <b>Current assets:</b>  |                    |          |
| Cash and cash equivalents   | \$ 15              | \$ 111   |
| Trade receivables, net  | 215                | 233      |
| Inventories   | 62                 | 61       |
| Regulatory assets   | 1                  | 39       |
| Prepayments   | 42                 | 51       |
| Other current assets  | 29                 | 24       |
| Total current assets  | 364                | 519      |
| Property, plant and equipment, net  | 6,538              | 6,418    |
| Finance lease right of use assets, net  | 441                | 450      |
| Regulatory assets   | 800                | 878      |
| Other assets  | 59                 | 37       |
| Total assets  | \$ 8,202           | \$ 8,302 |
| <b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>   |                    |          |
| <b>Current liabilities:</b>   |                    |          |
| Accounts payable  | \$ 194             | \$ 187   |
| Accrued interest  | 30                 | 38       |
| Accrued property, income and other taxes  | 25                 | 30       |
| Current portion of long-term debt   | 575                | 500      |
| Current portion of finance lease obligations  | 24                 | 20       |
| Regulatory liabilities  | 93                 | 49       |
| Customer deposits   | 62                 | 67       |
| Other current liabilities   | 34                 | 29       |
| Total current liabilities   | 1,037              | 920      |
| Long-term debt  | 1,776              | 1,853    |
| Finance lease obligations   | 430                | 443      |
| Regulatory liabilities  | 1,163              | 1,137    |
| Deferred income taxes   | 714                | 749      |
| Other long-term liabilities   | 285                | 296      |
| Total liabilities   | 5,405              | 5,398    |
| Commitments and contingencies (Note 13)   |                    |          |
| <b>Shareholder's equity:</b>  |                    |          |
| Common stock - \$1.00 stated value, 1,000 shares authorized, issued and outstanding | —                  | —        |
| Additional paid-in capital  | 2,308              | 2,308    |
| Retained earnings   | 493                | 600      |
| Accumulated other comprehensive loss, net   | (4)                | (4)      |
| Total shareholder's equity  | 2,797              | 2,904    |
| Total liabilities and shareholder's equity  | \$ 8,202           | \$ 8,302 |

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

|   | <b>Years Ended December 31,</b> |             |             |
|---|---------------------------------|-------------|-------------|
|   | <b>2019</b>                     | <b>2018</b> | <b>2017</b> |
| <b>Operating revenue</b>                | \$ 2,148                        | \$ 2,184    | \$ 2,206    |
| <b>Operating expenses:</b>              |                                 |             |             |
| Cost of fuel and energy                 | 943                             | 917         | 902         |
| Operations and maintenance              | 324                             | 443         | 391         |
| Depreciation and amortization           | 357                             | 337         | 308         |
| Property and other taxes                | 45                              | 41          | 40          |
| Total operating expenses                | 1,669                           | 1,738       | 1,641       |
| <b>Operating income</b>                 | 479                             | 446         | 565         |
| <b>Other income (expense):</b>          |                                 |             |             |
| Interest expense                        | (171)                           | (170)       | (179)       |
| Allowance for borrowed funds            | 3                               | 2           | 1           |
| Allowance for equity funds              | 5                               | 3           | 1           |
| Other, net                              | 21                              | 17          | 23          |
| Total other income (expense)            | (142)                           | (148)       | (154)       |
| <b>Income before income tax expense</b> | 337                             | 298         | 411         |
| Income tax expense                      | 73                              | 72          | 156         |
| <b>Net income</b>                       | \$ 264                          | \$ 226      | \$ 255      |

**Sierra Pacific Power Company**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>                                   | <u>PacifiCorp</u><br><u>Received Services</u> | <u>PacifiCorp</u><br><u>Provided Services</u> |
|--|---|---|
| Electricity transmission services                            | \$ 281,114                                    | \$ -  |
| Transmission ancillary services                              | 39,838  | -   |
| Electricity transmission service over agreed-upon facilities | -   | 36,160  |
| Wholesale energy purchases                                   | 42,051  | -   |
| Reserve share  | 4,807   | 3,327   |
| Operations and maintenance                                   | -   | 8,002   |
| Administrative services under the Intercompany               |   |   |
| Administrative Services Agreement (“IASA”) <sup>(b)</sup>    | -   | 50,512  |
| <b>Total</b>   | <b>\$ 367,810</b>                             | <b>\$ 98,001</b>                              |

|                                      |     |     |     |      |
|--------------------------------------|-----|-----|-----|------|
| Basis of pricing                     | (a) | N/A | (a) | (b)  |
| Cost of service                      | (a) | N/A | (a) | (b)  |
| The margin of charges over costs     | (a) | N/A | (a) | None |
| Assets allocable to the services     | (a) | N/A | (a) | None |
| The overall rate of return on assets | (a) | N/A | (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. 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 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, 2019 (File No. 000-00508) at [www.sec.gov](http://www.sec.gov).



**SIERRA PACIFIC POWER COMPANY  
BALANCE SHEETS**

(Amounts in millions, except share data)

| ASSETS  | As of December 31, |                 |
|---|--------------------|-----------------|
|   | 2019               | 2018            |
| <b>Current assets:</b>  |                    |                 |
| Cash and cash equivalents   | \$ 27              | \$ 71           |
| Trade receivables, net  | 109                | 100             |
| Income taxes receivable   | 14                 | —               |
| Inventories   | 57                 | 52              |
| Regulatory assets   | 12                 | 7               |
| Other current assets  | 20                 | 33              |
| Total current assets  | 239                | 263             |
| Property, plant and equipment, net  | 3,075              | 2,947           |
| Regulatory assets   | 283                | 314             |
| Other assets  | 74                 | 45              |
| <b>Total assets</b>   | <b>\$ 3,671</b>    | <b>\$ 3,569</b> |
| <b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>   |                    |                 |
| <b>Current liabilities:</b>   |                    |                 |
| Accounts payable  | \$ 103             | \$ 116          |
| Accrued interest  | 14                 | 13              |
| Accrued property, income and other taxes  | 12                 | 14              |
| Regulatory liabilities  | 49                 | 18              |
| Customer deposits   | 21                 | 18              |
| Other current liabilities   | 21                 | 18              |
| Total current liabilities   | 220                | 197             |
| Long-term debt  | 1,135              | 1,120           |
| Regulatory liabilities  | 489                | 491             |
| Deferred income taxes   | 347                | 331             |
| Other long-term liabilities   | 160                | 166             |
| Total liabilities   | 2,351              | 2,305           |
| Commitments and contingencies (Note 13)   |                    |                 |
| <b>Shareholder's equity:</b>  |                    |                 |
| Common stock - \$3.75 stated value, 20,000,000 shares authorized and 1,000 issued and outstanding | —                  | —               |
| Additional paid-in capital  | 1,111              | 1,111           |
| Retained earnings   | 210                | 153             |
| Accumulated other comprehensive loss, net   | (1)                | —               |
| Total shareholder's equity  | 1,320              | 1,264           |
| <b>Total liabilities and shareholder's equity</b>   | <b>\$ 3,671</b>    | <b>\$ 3,569</b> |

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

|  | <b>Years Ended December 31,</b> |             |             |
|--|---------------------------------|-------------|-------------|
|  | <b>2019</b>                     | <b>2018</b> | <b>2017</b> |
| <b>Operating revenue:</b>                |                                 |             |             |
| Regulated electric                       | \$ 770                          | \$ 752      | \$ 713      |
| Regulated natural gas                    | 119                             | 103         | 99          |
| Total operating revenue                  | 889                             | 855         | 812         |
| <b>Operating expenses:</b>               |                                 |             |             |
| Cost of fuel and energy                  | 337                             | 322         | 268         |
| Cost of natural gas purchased for resale | 62                              | 49          | 42          |
| Operations and maintenance               | 172                             | 190         | 167         |
| Depreciation and amortization            | 125                             | 119         | 114         |
| Property and other taxes                 | 22                              | 23          | 24          |
| Total operating expenses                 | 718                             | 703         | 615         |
| <b>Operating income</b>                  | 171                             | 152         | 197         |
| <b>Other income (expense):</b>           |                                 |             |             |
| Interest expense                         | (48)                            | (44)        | (43)        |
| Allowance for borrowed funds             | 1                               | 1           | 2           |
| Allowance for equity funds               | 3                               | 4           | 3           |
| Other, net                               | 4                               | 9           | 5           |
| Total other income (expense)             | (40)                            | (30)        | (33)        |
| <b>Income before income tax expense</b>  | 131                             | 122         | 164         |
| Income tax expense                       | 28                              | 30          | 55          |
| <b>Net income</b>                        | \$ 103                          | \$ 92       | \$ 109      |

**PPW Holdings LLC**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp</u><br><u>Received Services</u> | <u>PacifiCorp</u><br><u>Provided Services</u> |
|----------------------------|---|---|
| N/A                        | \$ -  | \$ -  |
| <b>Total</b>               | <b>\$ -</b>                                   | <b>\$ -</b>                                   |

|                                      |     |     |
|--------------------------------------|-----|-----|
| 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, 2019, PacifiCorp paid dividends of \$175,000,000 to PPW Holdings LLC.

PacifiCorp is party to an income tax-sharing arrangement and is part of the Berkshire Hathaway Inc. consolidated 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, 2019, PacifiCorp and Pacific Minerals, Inc. owed PPW Holdings LLC \$28,342,099 and \$2,804,117, respectively.

## PPW HOLDINGS LLC

### BALANCE SHEET

December 31, 2019

(Amounts in thousands)

#### ASSETS

|                             |           |                                |
|-----------------------------|-----------|--------------------------------|
| Current assets:             |           |                                |
| Accounts receivable, net    | \$        | 3,479                          |
| Amounts due from affiliates |           | -                              |
| Total current assets        |           | <u>3,479</u>                   |
| Investment in subsidiaries  |           | 8,451,308                      |
| Goodwill                    |           | 1,126,642                      |
| Other assets                |           | <u>31,148</u>                  |
| <b>Total assets</b>         | <b>\$</b> | <b><u><u>9,612,577</u></u></b> |

#### LIABILITIES AND EQUITY

|   |           |                                |
|---|-----------|--------------------------------|
| Current liabilities:                        |           |                                |
| Accounts payable                            | \$        | 25                             |
| Income taxes payable                        |           | <u>(91)</u>                    |
| Total current liabilities                   |           | (66)                           |
| Equity:                                     |           |                                |
| Common stock                                |           | -                              |
| Additional paid-in capital                  |           | 6,217,086                      |
| Retained earnings                           |           | 3,392,396                      |
| Accumulated other comprehensive income, net |           | <u>3,161</u>                   |
| Total equity                                |           | <u>9,612,643</u>               |
| <b>Total liabilities and equity</b>         | <b>\$</b> | <b><u><u>9,612,577</u></u></b> |

**PPW HOLDINGS LLC**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2019**  
*(Amounts in thousands)*

|   |    |         |
|---|----|---------|
| Operating revenue                                   | \$ | -       |
| <b>Operating costs and expenses:</b>                |    |         |
| Operations and maintenance                          |    | 25      |
| Total operating costs and expenses                  |    | 25      |
| <b>Operating income</b>                             |    | (25)    |
| <b>Other income (expense):</b>                      |    |         |
| Interest income                                     |    | 2,091   |
| Other   |    | 771,492 |
| Total other income (expense)                        |    | 773,583 |
| <b>Income before income tax benefit</b>             |    | 773,558 |
| Income tax benefit                                  |    | 586     |
| <b>Net income</b>                                   |    | 772,972 |
| Net income attributable to noncontrolling interests |    | 162     |
| <b>Net income attributable to PPW Holdings LLC</b>  | \$ | 772,810 |

**Fossil Rock Fuels, LLC**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|----------------------------|---|---|
| N/A                        | \$ -                                    | \$ -                                    |
| <b>Total</b>               | <b>\$ -</b>                             | <b>\$ -</b>                             |

|                                      |     |     |
|--------------------------------------|-----|-----|
| 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, 2019, Fossil Rock Fuels, LLC paid dividends of \$2,397,000, and returned \$2,665,000 of capital to PacifiCorp.

**FOSSIL ROCK FUELS, LLC**  
**BALANCE SHEET**  
**December 31, 2019**  
*(Amounts in thousands)*

**ASSETS**

|                           |                  |
|---------------------------|------------------|
| Current assets:           |                  |
| Cash and cash equivalents | \$ 4             |
| Accounts receivable, net  | 22,333           |
| Total current assets      | 22,337           |
| <br>                      |                  |
| <b>Total assets</b>       | <b>\$ 22,337</b> |

**LIABILITIES AND EQUITY**

|                                     |                  |
|-------------------------------------|------------------|
| Equity:                             |                  |
| Common stock                        | \$ -             |
| Additional paid-in capital          | 22,336           |
| Retained earnings                   | 1                |
| Total equity                        | 22,337           |
| <br>                                |                  |
| <b>Total liabilities and equity</b> | <b>\$ 22,337</b> |

**FOSSIL ROCK FUELS, LLC**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2019**  
*(Amounts in thousands)*

|                                       |  |    |              |
|---------------------------------------|--|----|--------------|
| Operating revenue                     |  | \$ | -            |
|                                       |  |    | 4            |
| Operations and maintenance            |  |    | 4            |
| <b>Notes receivable-noncurrent</b>    |  |    | <b>(4)</b>   |
| <b>Other income (expense):</b>        |  |    |              |
| Interest income                       |  |    | 2,400        |
| Total other income (expense)          |  |    | 2,400        |
| <b>Loss before income tax benefit</b> |  |    | 2,396        |
| Income tax benefit                    |  |    | -            |
| <b>Net loss</b>                       |  | \$ | <b>2,396</b> |



**Pacific Minerals, Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|----------------------------|---|---|
| (a)                        | \$ -                                    | \$ -                                    |
| <b>Total</b>               | <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.

During the year ended December 31, 2019, Bridger Coal made equity distributions to PMI and PMI made equity contributions to Bridger Coal for a net distribution of \$38,900,000.

PacifiCorp is party to an income tax-sharing arrangement and is part of the Berkshire Hathaway Inc. consolidated 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, 2019, PacifiCorp and Pacific Minerals, Inc. owed PPW Holdings LLC \$28,342,099 and \$2,804,117, respectively.

**PACIFIC MINERALS, INC.**

**BALANCE SHEET**

**December 31, 2019**

*(Amounts in thousands)*

**ASSETS**

|   |                          |
|---|--------------------------|
| Current assets:                           |                          |
| Cash and cash equivalents                 | \$ 7,511                 |
| Amounts due from affiliates               | 69,329                   |
| Other current assets                      | -                        |
| Total current assets                      | <u>76,840</u>            |
| Investment in unconsolidated subsidiaries | <u>81,426</u>            |
| <b>Total assets</b>                       | <u><u>\$ 158,266</u></u> |

**LIABILITIES AND EQUITY**

|                                     |                          |
|-------------------------------------|--------------------------|
| Current liabilities:                |                          |
| Accounts payable                    | \$ 58                    |
| Amounts due to affiliates           | 2,804                    |
| Accrued employee expenses           | 3,157                    |
| Accrued property and other taxes    | 96                       |
| Total current liabilities           | <u>6,115</u>             |
| Deferred income taxes               | <u>(11,602)</u>          |
| Total liabilities                   | <u>(5,487)</u>           |
| Equity:                             |                          |
| Common stock                        | -                        |
| Additional paid-in capital          | 47,960                   |
| Retained earnings                   | 115,793                  |
| Total equity                        | <u>163,753</u>           |
| <b>Total liabilities and equity</b> | <u><u>\$ 158,266</u></u> |

**PACIFIC MINERALS, INC.**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2019**  
*(Amounts in thousands)*

|   |           |                             |
|---|-----------|-----------------------------|
| Operating revenue                       | \$        | <u>-</u>                    |
| <b>Operating costs and expenses:</b>    |           |                             |
| Taxes other than income taxes           |           | <u>30</u>                   |
| <b>Operating loss</b>                   |           | <u>(30)</u>                 |
| <b>Other income (expense):</b>          |           |                             |
| Interest expense                        |           | 10                          |
| Interest income                         |           | 1,142                       |
| Other                                   |           | <u>20,569</u>               |
| Total other income (expense)            |           | <u>21,721</u>               |
| <b>Income before income tax expense</b> |           | 21,691                      |
| Income tax expense                      |           | <u>2,279</u>                |
| <b>Net income</b>                       | <b>\$</b> | <b><u><u>19,412</u></u></b> |

# Bridger Coal Company

## Affiliated Transactions

### For the Year Ended December 31, 2019

| <u>Account Description</u>                         | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Coal purchases <sup>(a)</sup>                      | \$ 142,144,831                          | \$ -                                    |
| Information technology and administrative services | -                                       | 1,341,044                               |
| <b>Total</b>                                       | <b>\$ 142,144,831</b>                   | <b>\$ 1,341,044</b>                     |

|                                      |           |      |
|--------------------------------------|-----------|------|
| 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, 2019, 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 \$74,482.
- Services provided by HomeServices of America, Inc. to Bridger Coal in the amount of \$51,156.
- Services provided by MidAmerican Energy Company to Bridger Coal in the amount of \$10,168.
- 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.

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 \$38,900,000.

| December 31, 2019                                | Bridger Coal<br>Company<br>Current Balance | Current Balance |
|--|--|-----------------|
| <b>ASSETS</b>                                    |  |                 |
| <b>Cash &amp; Temporary Investments</b>          |  |                 |
| Cash JP Morgan Chase                             | 4,217,411.62                               |                 |
| Temporary Investments                            | 0.00                                       |                 |
| <b>Total Cash and Temporary Investments</b>      | <b>4,217,411.62</b>                        |                 |
| <b>Accounts Receivable Trade</b>                 |  |                 |
| AR Trade Idaho Power                             | 3,929,153.00                               |                 |
| AR Trade Return to Vendors                       | 0.00                                       |                 |
| AR Employee Travel Advan                         | 0.00                                       |                 |
| AR Trade Other                                   | 0.00                                       |                 |
| <b>Total Accounts Receivable Trade</b>           | <b>3,929,153.00</b>                        |                 |
| <b>Accounts Receivable Interco</b>               |  |                 |
| AR Inco PMI                                      | 0.00                                       |                 |
| AR Inco PP&L                                     | 11,736,601.00                              |                 |
| <b>Total Accounts Receivable Interco</b>         | <b>11,736,601.00</b>                       |                 |
| <b>Coal Inventory</b>                            |  |                 |
| Surface Coal                                     | 1,608,002.18                               |                 |
| Commingled Coal                                  | 0.00                                       |                 |
| UG CM/LW Coal                                    | 22,936,942.07                              |                 |
| Inventoried Coal Production Tax/Royalties        | 2,650,676.59                               |                 |
| <b>Total Coal Inventory</b>                      | <b>27,195,620.84</b>                       |                 |
| <b>Material and Supplies Inventory</b>           |  |                 |
| Materials and Supplies Inventory- Surface        | 10,034,397.96                              |                 |
| Materials and Supplies Inventory- Underground    | 6,269,418.63                               |                 |
| Materials and Supplies on Consignment            | 0.00                                       |                 |
| Materials and Supplies Return Exchange Loaner    | 0.00                                       |                 |
| Materials and Supplies Inactive Obsolete Reserve | -1,155,323.54                              |                 |
| Materials and Supplies Inventory Clearing        | 0.00                                       |                 |
| <b>Total Material and Supplies Inventory</b>     | <b>15,148,493.05</b>                       |                 |
| <b>Prepayments and Other Current Assets</b>      |  |                 |
| 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                             | 62.75                                      |                 |
| <b>Total Prepays &amp; Other Current Assets</b>  | <b>62.75</b>                               |                 |
| <b>Property Plant &amp; Equipment</b>            |  |                 |
| Land   | 6,211.00                                   |                 |
| Land Improvements                                | 12,207,676.14                              |                 |
| Mine Development                                 | 20,896,437.83                              |                 |
| Buildings & Improvements                         | 46,030,846.90                              |                 |
| Capitalized Interest                             | 410,399.65                                 |                 |
| Haul Roads                                       | 15,370,873.97                              |                 |
| Mining Equipment                                 | 167,800,581.14                             |                 |
| Vehicles   | 148,884,790.67                             |                 |
| Office Furniture & Equipment                     | 160,487.65                                 |                 |
| Computer Hardware & Software                     | 4,130,192.85                               |                 |
| Other Equipment                                  | 11,869,607.55                              |                 |
| Mineral Rights                                   | 15,520,571.88                              |                 |
| <b>Sub-Total Property Plant and Equipment</b>    | <b>443,288,677.23</b>                      |                 |
| <b>Accumulated Depreciation</b>                  |  |                 |
| AD Land Improvements                             | -10,060,604.59                             |                 |
| AD Mine Development                              | -14,784,926.97                             |                 |
| AD Buildings & Improvements                      | -34,788,155.49                             |                 |
| AD Capitalized Interest                          | -322,797.44                                |                 |
| AD Haul Roads                                    | -12,809,736.87                             |                 |
| AD Mining Equipment                              | -143,222,435.43                            |                 |
| AD Vehicles                                      | -110,802,269.34                            |                 |
| AD Office Furniture & Equipment                  | -144,794.67                                |                 |
| AD Computer Hardware & Software                  | -3,838,209.52                              |                 |
| AD Other Equipment                               | -9,593,656.10                              |                 |
| AD Mineral Rights                                | -10,410,742.04                             |                 |
| <b>Sub-Total Accumulated Depreciation</b>        | <b>-350,778,328.46</b>                     |                 |
| <b>Total Property, Plant &amp; Equipment</b>     | <b>92,510,348.77</b>                       |                 |
| <b>Construction Work In Process</b>              |  |                 |
| CWIP Additions                                   | 3,662,765.78                               |                 |
| CWIP Capitalizations                             | -3,635,007.78                              |                 |
| <b>Total Construction Work in Progress</b>       | <b>27,758.00</b>                           |                 |
| <b>Other Non-Current Assets</b>                  |  |                 |
| Deferred Longwall                                | 5,705,399.98                               |                 |
| Reclamation Trust Fund                           | 38,520,236.92                              |                 |
| Reclamation Trust Earnings                       | 120,586,572.97                             |                 |
| Reclamation Trust Tax Withheld                   | -5,757,510.90                              |                 |
| Reclamation Trust Market Value                   | 20,968,629.34                              |                 |
| Reclamation Trust Drawdown                       | -126,285,805.92                            |                 |
| Reclamation Trust Adtl Contributions 2010        | 90,490,378.34                              |                 |
| Asset Retirement Obligation                      | 163,734,253.00                             |                 |
| ARO - Accumulated Depreciation                   | -74,944,808.00                             |                 |
| Employee Housing Project                         | 177,436.66                                 |                 |
| <b>Total Other Non-Current Assets</b>            | <b>233,194,782.39</b>                      |                 |
| <b>Total - Assets</b>                            | <b>387,960,231.42</b>                      |                 |
| <b>LIABILITIES</b>                               |  |                 |
| <b>Accounts Payable - Trade</b>                  |  |                 |
| AP Goods Received Not Invoiced                   | -1,558,848.57                              |                 |
| AP Unpaid Invoices                               | -1,023,588.62                              |                 |
| AP Manual Accruals                               | -2,875,555.11                              |                 |
| Accrued Settlement Provisions                    | -5,543.00                                  |                 |
| <b>Total Accounts Payable Trade</b>              | <b>-5,463,535.30</b>                       |                 |
| <b>Accounts Payable Intercompany</b>             |  |                 |
| AP Inco Pacific Electric Operations              | 0.00                                       |                 |
| AP Inco PMI                                      | -4,270,362.76                              |                 |
| AP Inco PacifiCorp                               | -152,646.77                                |                 |
| <b>Total Accounts Payable Intercompany</b>       | <b>-4,423,009.53</b>                       |                 |
| <b>Payroll Liabilities</b>                       |  |                 |
| Accrued Bonus - AIP Corporate                    | 0.00                                       |                 |
| Accrued Bonus - Other                            | -185,565.70                                |                 |
| Accrued Retention Bonus                          | 0.00                                       |                 |
| Accrued Severance                                | -2,753,330.00                              |                 |
| <b>Total Payroll Liabilities</b>                 | <b>-2,938,895.70</b>                       |                 |
| <b>Royalties and Taxes Payable</b>               |  |                 |
| Accrued Royalties - BLM                          | -1,430,366.76                              |                 |
| Accrued Royalties - ALC                          | -690,093.21                                |                 |
| Accrued Royalties - State of Wyoming             | 71,179.58                                  |                 |
| Production Tax Payable - Severance               | -1,521,581.73                              |                 |
| Production Tax Payable - Wyoming Extraction      | -10,948,407.07                             |                 |
| Production Tax Payable - Federal Reclamation     | -277,838.24                                |                 |
| Production Tax Payable - Black Lung              | -53,906.50                                 |                 |
| Taxes Payable - Property                         | -734,719.90                                |                 |
| Taxes Payable - Sales & Use                      | -217,080.15                                |                 |
| <b>Total Taxes Payable</b>                       | <b>-15,802,813.98</b>                      |                 |
| <b>Other Non-Current Liabilities</b>             |  |                 |
| Production Tax Long Term                         | -5,012,113.88                              |                 |
| ARO Reg. Liab. Unrealized Earnings               | -20,968,629.34                             |                 |
| ARO Regulatory Liability                         | -62,489,189.62                             |                 |
| ARO Liability                                    | -148,722,300.86                            |                 |
| Minority Interest                                | 0.00                                       |                 |
| <b>Total Other Non-Current Liabilities</b>       | <b>-237,192,233.70</b>                     |                 |
| <b>Total-Liabilities</b>                         | <b>-265,820,488.21</b>                     |                 |
| <b>Equity</b>                                    |  |                 |
| <b>Owner's Equity - Common Stock</b>             |  |                 |
| Paid in Capital                                  | 0.00                                       |                 |
| <b>Total Paid in Capital</b>                     | <b>0.00</b>                                |                 |
| <b>Contributions</b>                             |  |                 |
| Contributions - Pacific Minerals Inc.            | -60,200,000.00                             |                 |
| Contributions - Idaho Energy Resources           | -30,100,000.00                             |                 |
| <b>Total Contributions</b>                       | <b>-90,300,000.00</b>                      |                 |
| <b>Distributions</b>                             |  |                 |
| Distributions - Pacific Minerals Inc.            | 99,100,000.00                              |                 |
| Distributions - Idaho Energy Resources           | 49,550,000.00                              |                 |
| <b>Total Distributions</b>                       | <b>148,650,000.00</b>                      |                 |
| <b>Retained Earnings</b>                         |  |                 |
| Retained Earnings                                | -30,854,436.16                             |                 |
| Current Year Income                              | -99,756,871.40                             |                 |
| Retained Earnings Pacific Minerals Inc.          | -49,878,435.65                             |                 |
| Retained Earnings Idaho Energy Resources         | -180,489,743.21                            |                 |
| <b>Total Retained Earnings</b>                   | <b>-122,139,743.21</b>                     |                 |
| <b>Total Equity</b>                              | <b>-122,139,743.21</b>                     |                 |
| <b>Total Liabilities and Equity</b>              | <b>-387,960,231.42</b>                     |                 |

December 31, 2019

**Bridger Coal  
Company  
Current Balance**

**Current Year Income**

**Coal Sales Revenue**

|                                 |                        |
|---------------------------------|------------------------|
| Revenue Coal PP& L              | -162,711,321.00        |
| Revenue Coal Idaho Power        | -73,550,617.00         |
| <b>Total Coal Sales Revenue</b> | <b>-236,261,938.00</b> |

**Other Operating Revenue**

|                                      |                    |
|--------------------------------------|--------------------|
| Miscellaneous Other                  | 0.00               |
| Gain Loss on Sale of Assets          | -790,400.96        |
| Third Party Interest                 | -84,019.84         |
| <b>Total Other Operating Revenue</b> | <b>-874,420.80</b> |

|                      |                        |
|----------------------|------------------------|
| <b>Total Revenue</b> | <b>-237,136,358.80</b> |
|----------------------|------------------------|

**Operating Expense**

|                                |                       |
|--------------------------------|-----------------------|
| Labor                          | 36,931,216.87         |
| AIP Bonus                      | 806,085.00            |
| Retention Bonus                | 0.00                  |
| Severance                      | 2,753,330.00          |
| Payroll Overhead               | 10,922,802.64         |
| Employee Related               | 1,437,415.15          |
| Materials & Supplies           | 47,122,653.94         |
| Equipment                      | 0.00                  |
| Outside Services               | 13,483,768.63         |
| Administrative Other           | 654,928.99            |
| Charge Outs                    | 18,755,804.54         |
| <b>Total Operating Expense</b> | <b>132,868,005.76</b> |

**Non-Operating Expense**

|                               |               |
|-------------------------------|---------------|
| Depreciation and Amortization | 30,235,592.27 |
| Royalties                     | 21,401,677.65 |
| Taxes Other Than Income       | 20,813,276.86 |
| Management Fee                | 834,000.00    |
| Asset Abandonment             | 0.00          |

|                                    |                      |
|------------------------------------|----------------------|
| <b>Total Non-Operating Expense</b> | <b>73,284,546.78</b> |
|------------------------------------|----------------------|

|                      |                       |
|----------------------|-----------------------|
| <b>Total Expense</b> | <b>206,152,552.54</b> |
|----------------------|-----------------------|

|  |                       |
|--|-----------------------|
| <b>Profit Before Minority Interest and Taxes</b> | <b>-30,983,806.26</b> |
|--|-----------------------|

**Interest Expense**

|                       |            |
|-----------------------|------------|
| Other Interest Income | 129,370.10 |
| Minority Interest     |            |

|                                 |                   |
|---------------------------------|-------------------|
| <b>Total Interest and Other</b> | <b>129,370.10</b> |
|---------------------------------|-------------------|

|   |                       |
|---|-----------------------|
| <b>Income Before Federal Income Taxes</b> | <b>-30,854,436.16</b> |
|---|-----------------------|

**Federal Income Taxes**

|                                   |             |
|-----------------------------------|-------------|
| Current Federal Income Tax        |             |
| Deferred Federal Income Tax       |             |
| <b>Total Federal Income Taxes</b> | <b>0.00</b> |

|                   |                       |
|-------------------|-----------------------|
| <b>Net Income</b> | <b>-30,854,436.16</b> |
|-------------------|-----------------------|

**Trapper Mining Inc.**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>                                 | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|--|---|---|
| Coal purchases <sup>(a)</sup>                              | \$ 13,332,176                           | \$ -                                    |
| Board of directors fees and associated board meeting costs | -                                       | 7,028                                   |
| <b>Total</b>   | <b>\$ 13,332,176</b>                    | <b>\$ 7,028</b>                         |

|                                      |           |     |
|--------------------------------------|-----------|-----|
| 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, 2019. 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, 2019, Trapper Mining Inc. paid a dividend of \$327 to PacifiCorp.

**Trapper Mining Inc.**  
**Consolidated Balance Sheet**  
**December 31, 2019**  
**(Unaudited)**

**Assets:**

Current Assets:

|   |                       |
|---|-----------------------|
| Cash & Cash Equivalents                                     | \$ 33,786,791         |
| Accounts Receivable   | 1,940,059             |
| Inventories   | 6,099,869             |
| Prepaid and Other Current Assets                            | 145,799               |
| Current Reclamation Receivable from Buyers                  | 220,873               |
| <u>Total Current Assets</u>                                 | <u>\$ 42,193,391</u>  |
| Property, Equipment and Facilities before FAS 143:          |                       |
| Lands and Leases  | \$ 17,748,984         |
| Development Costs   | 2,834,815             |
| Equipment and Facilities                                    | 129,555,788           |
| <u>Total Property, Equipment and Facilities (Cost)</u>      | <u>\$ 150,139,587</u> |
| Less Accumulated Depreciation and Amortization              | (125,230,662)         |
| <u>Total Property, Equipment and Facilities (Net)</u>       | <u>\$ 24,908,925</u>  |
| FAS 143 Property, Equipment and Facilities (Net)            | 1,255,455             |
| <u>Grand Total Property, Equipment and Facilities (Net)</u> | <u>\$ 26,164,380</u>  |
| Reclamation Receivable from Buyers                          | 14,478,015            |
| Restricted Funds - Black Lung                               | 500,000               |
| Deferred Income Tax Asset                                   | 86,237                |

**Total Assets** ..... **\$ 83,422,023**

**Liabilities and Members' Equity:**

Current Liabilities:

|  |                      |
|--|----------------------|
| Accounts Payable                           | \$ 2,442,103         |
| Accrued Payroll Expenses                   | 3,259,450            |
| Accrued Production Taxes                   | 1,111,761            |
| Accrued Royalties                          | 183,464              |
| Current Portion Asset Retirement Liability | 220,873              |
| <u>Total Current Liabilities</u>           | <u>\$ 7,217,651</u>  |
| Asset Retirement Liability                 | 15,733,470           |
| Black Lung Liability                       | 656,227              |
| <u>Total Liabilities</u>                   | <u>\$ 23,607,348</u> |

Members' Equity

|                                     |                      |
|-------------------------------------|----------------------|
| Paid in Capital @ 1/1/98            | \$ 20,324,925        |
| Patronage Equity - Prior Year       | 34,704,241           |
| Non-Patronage Equity - Prior Year   | 3,085,283            |
| Patronage Equity - Current Year     | 2,055,008            |
| Non-Patronage Equity - Current Year | (354,782)            |
| <u>Total Members' Equity</u>        | <u>\$ 59,814,675</u> |

**Total Liabilities and Members' Equity** ..... **\$ 83,422,023**



**Trapper Mining Inc.**  
**Consolidated Net Income**  
**As of: December 31, 2019**

|                                  |        | NET INCOME<br>YEAR TO DATE |
|----------------------------------|--------|----------------------------|
|                                  |        |                            |
| TRAPPER MINING                   |        | 2,084,850.89               |
| WILLIAMS FORK MINING             |        | (354,788.79)               |
| WILLIAMS FORK LAND               |        | <u>(29,836.66)</u>         |
| NET INCOME (LOSS) BEFORE TAX     |        | <u>\$ 1,700,225.44</u>     |
| CURRENT TAX PROVISION            |        | <u>0.00</u>                |
| TOTAL TAX PROVISION              |        | <u>0.00</u>                |
| NET INCOME (LOSS) AFTER TAX      |        | <u><u>1,700,225.44</u></u> |
|                                  |        |                            |
| SALT RIVER                       | 32.10% | (113,885.24)               |
| TRI-STATE                        | 26.57% | (94,265.76)                |
| PACIFICORP                       | 21.40% | (75,923.50)                |
| PLATTE RIVER                     | 19.93% | <u>(70,708.19)</u>         |
| TOTAL NONPATRONAGE INCOME (LOSS) |        | <u>(354,782.69)</u>        |
| SALT RIVER                       | 32.10% | 659,657.61                 |
| TRI-STATE                        | 26.57% | 546,015.66                 |
| PACIFICORP                       | 21.40% | 439,771.74                 |
| PLATTE RIVER                     | 19.93% | <u>409,563.12</u>          |
| TOTAL PATRONAGE INCOME (LOSS)    |        | <u>2,055,008.13</u>        |
| TOTAL INCOME (LOSS)              |        | <u><u>1,700,225.44</u></u> |

**PacifiCorp Foundation**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>      | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|---------------------------------|---|---|
| Administrative support services | \$ -                                    | \$ 185,616                              |
| <b>Total</b>                    | <b>\$ -</b>                             | <b>\$ 185,616</b>                       |

|                                      |     |      |
|--------------------------------------|-----|------|
| 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>12/31/2019</u>           |
|--------------------------------|-----------------------------|
| Assets:                        |                             |
| Cash                           | \$ 38,159                   |
| Restricted investments:        |                             |
| Cash and cash equivalents      | -                           |
| Interest receivable            | 5,014                       |
| Receivable for investment sold | -                           |
| State Street investments       | <u>52,254,893</u>           |
| Total restricted investments   | <u>52,259,907</u>           |
| Total assets                   | <u><u>52,298,067</u></u>    |
| Liabilities:                   |                             |
| Accounts payable               | 13,896                      |
| Grants payable                 | <u>20,000</u>               |
| Total liabilities              | <u>33,896</u>               |
| Net assets                     | <u><u>\$ 52,264,171</u></u> |

**PacifiCorp Foundation**  
**Statement of Income and Changes in Net Assets**  
**For the Year Ended December 31, 2019**

(in dollars)

(Unaudited - Internal Use Only)

|  | Year-to-Date  |
|--|---------------|
| Revenue and contributions:                       |               |
| Stock Contribution made by PacifiCorp            | -             |
| Interest income                                  | \$ 6,436      |
| Dividends  | 1,269,510     |
| Realized gain/(loss) on sale of investment       | 3,572,922     |
| Unrealized gain/(loss) on investment             | 4,839,549     |
| Miscellaneous income: security litigation income | 1,589         |
| Total revenues/(losses) and contributions        | 9,690,006     |
| Expenses:  |               |
| Grants:  |               |
| Health, welfare and social services              | 527,839       |
| Education  | 552,480       |
| Culture and arts                                 | 248,030       |
| Civic and community betterment                   | 261,735       |
| Giving campaign match                            | 275,709       |
| Matching gift program                            | 63,470        |
| Small community capital projects                 | 282,390       |
| Rocky Mountain Power Foundation special grants   | 30,000        |
| Pacific Power Foundation special grants          | 30,000        |
| Global Days of Service                           | 56,850        |
| Other Community Pledge                           | 12,000        |
| Grants expensed in prior periods                 | (20,000)      |
| Total grants                                     | 2,320,503     |
| Administrative expenses                          | 204,699       |
| Investment management fees                       | 6,958         |
| Taxes  | 24,400        |
| Bank fees  | 3,053         |
| Total expenses                                   | 2,559,614     |
| Net assets increase (decrease)                   | 7,130,392     |
| Net assets beginning of period                   | 45,133,779    |
| Net assets end of period                         | \$ 52,264,172 |

**Cottonwood Creek Consolidated Irrigation Company**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|----------------------------|---|---|
| Annual assessment fees     | \$ 325,321                              | \$ -                                    |
| <b>Total</b>               | <b>\$ 325,321</b>                       | <b>\$ -</b>                             |

|                                      |      |     |
|--------------------------------------|------|-----|
| 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, 2019, PacifiCorp's plant-in-service included the following assets related to Cottonwood Creek Consolidated Irrigation Company: \$6,052,845 (\$4,619,276 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, 2019

| Account Name                 | Beginning<br>Balance | Receipts            | Disbursements       | Ending<br>Balance    |
|------------------------------|----------------------|---------------------|---------------------|----------------------|
| EUCCU Savings                | \$ -                 | \$ 25               | \$ -                | \$ 25                |
| Zions Bank - Payroll         | 1,500                | 42,458              | 41,811              | 2,147                |
| Zions Bank - Construction    | 20,063               | 94,518              | 99,825              | 14,756               |
| Zions Bank - Operating       | 446,792              | 358,398             | 361,696             | 443,494              |
| WF Checking Construction     | 1,500                | -                   | 1,500               | -                    |
| MM Zions Bank - Construction | 917,073              | 2,575               | 919,648             | -                    |
| MM Zions General Fund        | 355,269              | 1,015               | 356,284             | -                    |
| EUCCU Money Market           | -                    | 410,830             | -                   | 410,830              |
| Accounts Receivable          | 35,646               | 527,754             | 537,893             | 25,506               |
| Wells Fargo CD               | 10,165               | 15                  | 10,181              | -                    |
| Zions CD 12 Month            | -                    | 250,000             | -                   | 250,000              |
| EUCCU CD 24 Month            | -                    | 315,383             | -                   | 315,383              |
| EUCCU CD 60 Month            | -                    | 421,603             | -                   | 421,603              |
| Wells Fargo Short Term CD    | 1,212                | 0.14                | 1,212               | -                    |
| Property & Equipment         | 29,735,444           | -                   | -                   | 29,735,444           |
| Inventory                    | 13,875               | -                   | -                   | 13,875               |
| Accounts Payable             | (264)                | 264                 | -                   | -                    |
| Loan UT Water Resources      | (5,376,933)          | 258,831             | -                   | (5,118,102)          |
| Totals                       | <u>\$ 26,161,342</u> | <u>\$ 2,683,668</u> | <u>\$ 2,330,050</u> | <u>\$ 26,514,960</u> |

Cottonwood Creek Consolidated Irrigation Company  
Income Statement  
For the Year Ended December 31, 2019

| Account Name              | Beginning<br>Balance | Receipts          | Disbursements     | Ending<br>Balance    |
|---------------------------|----------------------|-------------------|-------------------|----------------------|
| General Fund              | \$ 371,830           | \$ 63,335         | \$ 45,457         | \$ 389,708           |
| Loan Payment              | -                    | 276,000           | 276,000           | -                    |
| Interest Earnings         | 17,378               | 13,770            | -                 | 31,148               |
| Stock Water Pipeline      | 47,399               | 10,400            | 5,148             | 52,651               |
| Project Water Fund        | -                    | 22,424            | 22,424            | -                    |
| River Commissioner        | 14,895               | -                 | 4,746             | 10,149               |
| Swasey Ditch              | 4,131                | 884               | -                 | 5,015                |
| Peacock Ditch             | 8,643                | 2,443             | -                 | 11,086               |
| Joe's Valley/Black Caynon | (11,135)             | 7,760             | -                 | (3,375)              |
| Fund Adjustment           | 25,672,098           | 260,431           | -                 | 25,932,529           |
|                           | <u>26,125,238</u>    | <u>657,447</u>    | <u>353,775</u>    | <u>26,428,911</u>    |
| <b>O&amp;M</b>            |                      |                   |                   |                      |
| O&M Irrigation            | 36,104               | 51,024            | 51,024            | 36,104               |
| Mammoth Canal             | -                    | 6,443             | 5,170             | 1,273                |
| Clipper/Western Canal     | -                    | -                 | -                 | -                    |
| Blue Cut Canal            | -                    | 1,044             | 1,044             | -                    |
|                           | <u>36,104</u>        | <u>58,511</u>     | <u>57,238</u>     | <u>37,376</u>        |
| O&M Reservoir             | -                    | 9,220             | 9,220             | -                    |
| Total O&M                 | <u>36,104</u>        | <u>67,731</u>     | <u>66,458</u>     | <u>37,376</u>        |
| <b>Construction</b>       |                      |                   |                   |                      |
| Project Capitalization    | -                    | 95,148            | 50,615            | 44,532               |
| C&W                       | -                    | -                 | 20,516            | (20,516)             |
| Blue Cut                  | -                    | 2,656             | 8,968             | (6,312)              |
| Upper Mammoth             | -                    | 4,506             | 300               | 4,206                |
| Lower Mammoth             | -                    | 29,462            | 2,700             | 26,762               |
| Total Construction        | <u>-</u>             | <u>131,772</u>    | <u>83,099</u>     | <u>48,673</u>        |
| Grand Total               | <u>\$ 26,161,342</u> | <u>\$ 856,950</u> | <u>\$ 503,332</u> | <u>\$ 26,514,960</u> |

**Ferron Canal & Reservoir Company**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u>              | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|---|---|---|
| Annual assessment fees                  | \$ 669,113                              | \$ -                                    |
| Payment for water rights <sup>(a)</sup> | 602,133                                 | -                                       |
| Credit received <sup>(a)</sup>          | (221,880)                               | -                                       |
| <b>Total</b>                            | <u>\$ 1,049,366</u>                     | <u>\$ -</u>                             |

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

(a) During the year ended December 31, 2019, 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, 2019

|   | Dec 31, 19                 |
|---|----------------------------|
| <b>ASSETS</b>                               |                            |
| <b>Current Assets</b>                       |                            |
| <b>Checking/Savings</b>                     |                            |
| DESERVIEW CHECKING                          | 128,702.59                 |
| DESERVIEW FEDERAL CREDIT UNION              |                            |
| MASTER SHARES                               | 2,173,061.51               |
| SHARE ACCOUNT                               | 28.21                      |
| <b>Total DESERVIEW FEDERAL CREDIT UNION</b> | <u>2,173,089.72</u>        |
| MILLSITE REHABILITATION ACCOUNT             | 307,427.23                 |
| SEDIMENT MITIGATION ACCT                    | 18,109.95                  |
| SOLAR PROJECT/SWINERTON                     | 35,801.38                  |
| ZION'S BANK                                 | 370,819.07                 |
| <b>Total Checking/Savings</b>               | <u>3,033,949.94</u>        |
| <b>Accounts Receivable</b>                  |                            |
| Accounts Receivable                         | -1.76                      |
| <b>Total Accounts Receivable</b>            | <u>-1.76</u>               |
| <b>Total Current Assets</b>                 | <u>3,033,948.18</u>        |
| <b>TOTAL ASSETS</b>                         | <u><b>3,033,948.18</b></u> |
| <b>LIABILITIES &amp; EQUITY</b>             |                            |
| <b>Liabilities</b>                          |                            |
| <b>Current Liabilities</b>                  |                            |
| Accounts Payable                            |                            |
| Accounts Payable                            | -130,679.13                |
| <b>Total Accounts Payable</b>               | <u>-130,679.13</u>         |
| <b>Other Current Liabilities</b>            |                            |
| Payroll Liabilities                         | 1,072.97                   |
| <b>Total Other Current Liabilities</b>      | <u>1,072.97</u>            |
| <b>Total Current Liabilities</b>            | <u>-129,606.16</u>         |
| <b>Total Liabilities</b>                    | -129,606.16                |
| <b>Equity</b>                               |                            |
| Retained Earnings                           | 2,959,205.01               |
| Net Income                                  | 204,349.33                 |
| <b>Total Equity</b>                         | <u>3,163,554.34</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>       | <u><b>3,033,948.18</b></u> |

**FERRON CANAL & RESERVOIR CO.**

**Profit & Loss**

January through December 2019

|                                      | <u>Jan - Dec 19</u>      |
|--------------------------------------|--------------------------|
| <b>Income</b>                        |                          |
| <b>INCOME</b>                        |                          |
| CERTIFICATE TRANSFERS                | 115.00                   |
| MILLSITE REHAB STATE FUNDS           | 1,645,908.57             |
| INCOME - Other                       | <u>128,052.62</u>        |
| <b>Total INCOME</b>                  | 1,774,076.19             |
| <b>REVENUE</b>                       | <u>1,505,031.48</u>      |
| <b>Total Income</b>                  | <u>3,279,107.67</u>      |
| <b>Gross Profit</b>                  | 3,279,107.67             |
| <b>Expense</b>                       |                          |
| <b>GENERAL</b>                       |                          |
| BOARDMEMBER                          | 930.00                   |
| DREDGE                               | 10,500.00                |
| HEALTH INSURANCE ALLOWANCE           | 27,000.00                |
| INSURANCE                            | 26,697.00                |
| LOAN PAYMENTS                        | 163,100.00               |
| OFFICE SUPPLIES                      | 2,143.43                 |
| PAYROLL EXPENSES                     | 130,315.16               |
| PERMITS                              | 179.17                   |
| POWER                                | 4,382.47                 |
| REGISTRATIONS                        | 445.00                   |
| TELEPHONE                            | 4,248.13                 |
| TRAVEL EXPENSE                       | 1,784.30                 |
| WATER/POP/GROCERIES                  | 1,819.42                 |
| GENERAL - Other                      | <u>6,120.00</u>          |
| <b>Total GENERAL</b>                 | 379,664.08               |
| <b>IRRIGATION</b>                    |                          |
| REPAIRS                              | 1,884.50                 |
| SUPPLIES                             | <u>43,677.02</u>         |
| <b>Total IRRIGATION</b>              | 45,561.52                |
| <b>MAINTENANCE</b>                   |                          |
| BUILDING                             | 33,502.97                |
| EQUIPMENT REPAIRS                    | 21,682.77                |
| FUEL                                 | 13,025.07                |
| STOCKWATER LINE                      | 1,361.11                 |
| SUPPLIES                             | <u>6,872.00</u>          |
| <b>Total MAINTENANCE</b>             | 76,443.92                |
| <b>MILLSITE REHABILITATION</b>       |                          |
| EMERY COUNTY                         | 1,936,778.12             |
| IN-KIND MATCH EXPENSES               | 63,808.43                |
| MILLSITE REHABILITATION - Other      | <u>460.00</u>            |
| <b>Total MILLSITE REHABILITATION</b> | 2,001,046.55             |
| Reconciliation Discrepancies         | 490.00                   |
| <b>SOLAR PROJECT</b>                 | -29,084.73               |
| <b>TRANSFER TO CHECKING</b>          | 600,000.00               |
| <b>VEHICLES</b>                      |                          |
| REGISTRATION                         | <u>637.00</u>            |
| <b>Total VEHICLES</b>                | 637.00                   |
| <b>Total Expense</b>                 | <u>3,074,758.34</u>      |
| <b>Net Income</b>                    | <u><u>204,349.33</u></u> |

**Huntington Cleveland Irrigation Company**  
**Affiliated Transactions**  
**For the Year Ended December 31, 2019**

| <u>Account Description</u> | <u>PacifiCorp<br/>Received Services</u> | <u>PacifiCorp<br/>Provided Services</u> |
|----------------------------|---|---|
| Annual assessment fees     | \$ 528,309                              | \$ -                                    |
| <b>Total</b>               | <b>\$ 528,309</b>                       | <b>\$ -</b>                             |

|                                      |      |     |
|--------------------------------------|------|-----|
| 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: \$22,292,513 (\$13,698,765 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**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2018 AND 2019**

|                                 | TOTAL ALL FUNDS |               |
|---------------------------------|-----------------|---------------|
|                                 | 2018            | 2019          |
| <u>ASSETS</u>                   |                 |               |
| CURRENT ASSETS:                 |                 |               |
| Cash and cash equivalents       | \$ 489,807      | \$ 368,242    |
| Accounts receivable:            |                 |               |
| Shareholder assessments         | 20,628          | 22,686        |
| Prepaid Insurance               | 7,729           | 6,934         |
|                                 | \$ 518,164      | \$ 397,862    |
| Total current assets            |                 |               |
| NONCURRENT ASSETS:              |                 |               |
| Fixed Assets:                   |                 |               |
| Land                            | \$ 41,722       | \$ 41,722     |
| Buildings                       |                 | 81,320        |
| Easements                       | 116,718         | 116,718       |
| Water rights                    | 3,096,469       | 3,096,469     |
| Vehicles                        | 12,237          | 16,487        |
| Office equipment                | 5,840           | 5,840         |
| Other equipment                 | 14,189          | 62,496        |
| Diversion structures            | 72,143          | 72,143        |
| Storage facilities improvements | 4,797,808       | 4,797,808     |
| Irrigation System               | 56,925,942      | 56,925,942    |
| Accumulated depreciation        | (7,947,278)     | (9,159,570)   |
|                                 | \$ 57,135,790   | \$ 56,057,375 |
| Total noncurrent assets         |                 |               |
|                                 | \$ 57,653,954   | \$ 56,455,237 |
| Total assets                    |                 |               |

(Continued)

HUNTINGTON-CLEVELAND IRRIGATION COMPANY  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2018 AND 2019

|  | TOTAL ALL FUNDS      |                      |
|--|----------------------|----------------------|
|  | 2018                 | 2019                 |
| <u>LIABILITIES AND NET ASSETS</u>        |                      |                      |
| CURRENT LIABILITIES:                     |                      |                      |
| Accounts payable                         | \$ 9,187             | \$ 2,283             |
| Wages payable                            | 3,398                | 4,772                |
| Payroll taxes payable                    | 5,077                | 5,098                |
| Accrued interest payable                 | 3,210                | 3,110                |
| Deferred Revenue                         | 5,975                |                      |
| Current portion of long-term liabilities | 141,301              | 139,690              |
| Total current liabilities                | <u>\$ 168,148</u>    | <u>\$ 154,953</u>    |
| LONG-TERM LIABILITIES:                   |                      |                      |
| Notes payable (Note 6)                   | <u>\$ 2,813,836</u>  | <u>\$ 2,674,146</u>  |
| Total long-term liabilities              | <u>\$ 2,813,836</u>  | <u>\$ 2,674,146</u>  |
| Total liabilities                        | <u>\$ 2,981,984</u>  | <u>\$ 2,829,099</u>  |
| NET ASSETS:                              |                      |                      |
| Unrestricted:                            | <u>\$ 54,671,970</u> | <u>\$ 53,626,138</u> |
| Total net assets                         | <u>\$ 54,671,970</u> | <u>\$ 53,626,138</u> |
| Total liabilities and net assets         | <u>\$ 57,653,954</u> | <u>\$ 56,455,237</u> |

**HUNTINGTON-CLEVELAND IRRIGATION COMPANY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2019**

|  | <u>2018</u>  | <u>2019</u>  |
|--|--|--|
|  | <u>UNRESTRICTED<br/>OPERATIONS &amp;<br/>MAINTENANCE</u> | <u>UNRESTRICTED<br/>OPERATIONS &amp;<br/>MAINTENANCE</u> |
| Charges for Services:                  |  |  |
| A Water Assessment                     | \$ 81,834  | \$ 175,893   |
| B Water Assessment                     | 88,350   | 90,884   |
| Municipal and Industry Assessment      | 577,864  | 577,927  |
| Dam Repayment Assessment               | 28,990   |  |
| Project Repayment/O & M Assessment     | 2,534  |  |
| Upper Pond Assessment                  | 65,076   |  |
| Lawrence Project                       |  | 7,444  |
| Meter Assessment                       | 31,950   | 31,875   |
| Minimal Assessment Adjustments         | 2,526  | 2,549  |
|  | <u>\$ 879,124</u>  | <u>\$ 886,572</u>  |
| Net charges for services               |  |  |
|  | <u>\$ 879,124</u>  | <u>\$ 886,572</u>  |
| Governmental grants (restated)         | \$ 5,631   | \$ 5,975   |
|  | <u>\$ 5,631</u>  | <u>\$ 5,975</u>  |
| Other Revenue:                         |  |  |
| Certificate Transfers                  | \$ 1,890   | \$ 2,613   |
| Late Fees                              | 1,498  | 6,052  |
| Interest                               | 2,941  | 3,609  |
| Reimbursements                         | 12,454   | 8,776  |
| Miscellaneous                          | 1,450  | 1,828  |
|  | <u>\$ 20,233</u>   | <u>\$ 22,878</u>   |
| Total other revenue                    |  |  |
|  | <u>\$ 20,233</u>   | <u>\$ 22,878</u>   |
| Total revenues                         | <u>\$ 904,988</u>  | <u>\$ 915,425</u>  |
| Expenses:                              |  |  |
| Program services:                      |  |  |
| Water Master Wage                      | \$ 98,972  | \$ 66,680  |
| Reservoir Manager Wage                 | 18,379   | 18,378   |
| Other Labor Wage                       | 1,026  |  |
| Payroll Benefits                       | 18,846   | 15,495   |
| Non project water O & M                | 15,444   | 2,776  |
| Charge for water through the reservoir | 12,872   | 500  |
| 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               | 252,605  | 420,694  |
| Water Rights Assessments               | 26,177   | 20,728   |
| Beaver & Muskrat Control               | 160  |  |
| Vehicle and Equipment Expense          | 11,647   | 15,031   |
| Material and Supplies                  | 6,704  | 11,818   |
| Insurance                              | 11,353   | 13,954   |
| Depreciation                           | 1,205,311  | 1,212,292  |
| Interest expense                       | 38,857   | 37,698   |
| Miscellaneous                          | 9,640  | 2,414  |
|  | <u>\$ 1,796,166</u>                                      | <u>\$ 1,906,631</u>                                      |
| Total program expenses                 |  |  |
|  | <u>\$ 1,796,166</u>                                      | <u>\$ 1,906,631</u>                                      |

(Continued)

HUNTINGTON-CLEVELAND IRRIGATION COMPANY  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2019

|                               | <u>2018</u>                                 | <u>2019</u>                                 |
|-------------------------------|---|---|
|                               | UNRESTRICTED<br>OPERATIONS &<br>MAINTENANCE | UNRESTRICTED<br>OPERATIONS &<br>MAINTENANCE |
| Support Services:             |   |   |
| Secretary Wage                | \$ 27,420                                   | \$ 28,258                                   |
| Payroll Benefits              | 1,559                                       | 2,235                                       |
| Office Rent                   | 3,600                                       | 3,300                                       |
| Accounting and Auditing       | 6,470                                       | 6,850                                       |
| Legal Fees                    | 11,631                                      | 3,428                                       |
| Telephone and Internet        | 5,345                                       | 6,006                                       |
| Office Supplies               | 2,850                                       | 1,606                                       |
| Postage                       | 1,349                                       | 693   |
| Meetings                      | 50  | 50  |
| Bank Charges and Fees         | 673   | 493   |
| Travel                        | 4,463                                       | 1,707                                       |
| Miscellaneous                 | 5,303                                       |   |
| Total support services        | <u>\$ 70,713</u>                            | <u>\$ 54,626</u>                            |
| Total expenses                | <u>\$ 1,866,879</u>                         | <u>\$ 1,961,257</u>                         |
| Change in net assets          | \$ (961,891)                                | \$ (1,045,832)                              |
| Net assets, beginning of year | 55,654,611                                  | 54,671,970                                  |
| Prior period adjustment       | <u>(20,750)</u>                             |   |
| Net assets, end of year       | <u>\$ 54,671,970</u>                        | <u>\$ 53,626,138</u>                        |

### **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, 2019**

| <b>Pacific Minerals, Inc.</b>   |  |
|---|--|
| <p><b>A.</b> The month-end amounts outstanding, separately for short-term and long-term loans.</p> <p><b>Short-term loans:</b><br/>January - December</p> <p><b>Long-term loans:</b></p>  | <p>(a)</p> <p>N/A</p>  |
| <p><b>B.</b> The highest amount outstanding during the year, separately for short-term and long-term loans.</p> <p><b>Maximum short-term loan to affiliate:</b></p> <p><b>Maximum short-term loan from affiliate:</b><br/>Amount<br/>Date</p> <p><b>Long-term loans to or from affiliate:</b></p>                       | <p>N/A</p> <p>\$ 60,000,000<br/>December 19, 2019</p> <p>N/A</p>           |
| <p><b>C.</b> A description of the terms and conditions for loans, including the basis for interest rates.</p>   | <p>Pursuant to the terms and conditions of the Umbrella Loan Agreement</p> |
| <p><b>D.</b> The total amount of interest charged or credited and the weighted average rate of interest, separately for short-term and long-term loans.</p> <p><b>Short-term loans:</b><br/>Interest expense charged<br/>Interest income credited<br/>Weighted average interest rate</p> <p><b>Long-term loans:</b></p> | <p>\$ 177,870</p> <p>-</p> <p>(a)</p> <p>N/A</p>                           |
| <p><b>E.</b> Specify the commission order(s) approving the transaction, where such approval is required by law.</p>   | <p>Refer to Appendix A</p>   |

- (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<br>Advanced<br>to PacifiCorp | Net Principal<br>Repaid<br>by PacifiCorp | Principal<br>Advanced<br>to PMI | Principal<br>Repaid<br>by PMI | Outstanding<br>Month-end<br>Balance | Interest<br>Rate<br>Range | Interest Expense<br>Incurred<br>by PacifiCorp | Interest Income<br>Earned<br>by PacifiCorp |
|--------------|--|--|---------------------------------|-------------------------------|-------------------------------------|---------------------------|---|--|
| Dec '18      |  |  |                                 |                               | \$ 31,000,000                       |                           |   |  |
| Jan '19      | \$ -                                       | \$ -                                     | \$ -                            | \$ -                          | 31,000,000                          | 2.6300% - 2.8500%         | \$ 71,171                                     | \$ -                                       |
| Feb '19      | -  | -  | -                               | -                             | 31,000,000                          | 2.6007% - 2.6954%         | 64,210  | -  |
| Mar '19      | -  | (31,000,000)                             | -                               | -                             | -                                   |                           | -   | -  |
| Apr '19      | -  | -  | -                               | -                             | -                                   |                           | -   | -  |
| May '19      | -  | -  | -                               | -                             | -                                   |                           | -   | -  |
| June '19     | -  | -  | -                               | -                             | -                                   |                           | -   | -  |
| July '19     | -  | -  | -                               | -                             | -                                   |                           | -   | -  |
| Aug '19      | -  | -  | -                               | -                             | -                                   |                           | -   | -  |
| Sep '19      | -  | -  | -                               | -                             | -                                   |                           | -   | -  |
| Oct '19      | -  | -  | -                               | -                             | -                                   |                           | -   | -  |
| Nov '19      | -  | -  | -                               | -                             | -                                   |                           | -   | -  |
| Dec '19      | (60,000,000)                               | -  | -                               | -                             | \$ (60,000,000)                     | 1.7800% - 2.0500%         | 42,489  | -  |
| <b>Total</b> | \$ (60,000,000)                            | \$ (31,000,000)                          | \$ -                            | \$ -                          |                                     |                           | \$ 177,870                                    | \$ -                                       |

## **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, 2019, and the balance as of December 31, 2019.**

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, 2019**

| <b>Transfer of Employee to PacifiCorp</b> |   |              |
|---|---|--------------|
| <b>from Affiliate</b>                     | <b>Job Title</b>                              | <b>Count</b> |
| BHE US Transmission, LLC                  | Engineering Projects Director                 | 1            |
| BHE US Transmission, LLC                  | Principal Engineer                            | 3            |
| BHE US Transmission, LLC                  | Principal Engineer/Operations Project Manager | 1            |
| BHE US Transmission, LLC                  | Project Manager                               | 1            |
| BHE US Transmission, LLC                  | Vice President, Project Delivery              | 1            |
| Kern River Gas Transmission Company       | Senior Attorney                               | 1            |
| Northern Natural Gas Company              | Engineer                                      | 1            |
| NV Energy, Inc.                           | Labor Relations Specialist                    | 1            |
| NV Energy, Inc.                           | Maintenance Manager, Hydroelectric Plant      | 1            |
| NV Energy, Inc.                           | Principal System Specialist                   | 1            |
| NV Energy, Inc.                           | Transmission Policy Specialist                | 1            |
| Pacific Minerals, Inc.                    | Manager, Mine Purchase/Wholesale              | 1            |
|   | <b>Total transfers from Affiliates</b>        | <b>14</b>    |

| <b>Transfer of Employee from PacifiCorp</b> |                                      |              |
|---|--------------------------------------|--------------|
| <b>to Affiliate</b>                         | <b>Job Title</b>                     | <b>Count</b> |
| NV Energy, Inc.                             | Manager, Distribution                | 1            |
| NV Energy, Inc.                             | Senior Business Analyst              | 1            |
| NV Energy, Inc.                             | Senior Business Specialist           | 1            |
|   | <b>Total transfers to Affiliates</b> | <b>3</b>     |

## **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, 2019

## 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, 2019, 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:

| <u>Affiliate</u>                   | <b>Total services provided<br/>as reported in<br/>II. Transactions</b> | <b>Amount of services<br/>based on allocations</b> |
|------------------------------------|--|--|
| Berkshire Hathaway Energy Company  | \$ 4,963,789   | \$ 3,661,679                                       |
| BHE Renewables, LLC                | 2,927  | 2,927  |
| BHE US Transmission, LLC           | 12,407   | -  |
| Kem River Gas Transmission Company | 93   | 93   |
| MHC, Inc.                          | 494,378  | 110,291  |
| MidAmerican Energy Company         | 4,401,310  | 3,290,795  |
| Nevada Power Company               | 127,670  | -  |
|                                    | <u>\$ 10,002,574</u>   | <u>\$ 7,065,785</u>                                |

The amounts were allocated by BHE and its subsidiaries to PacifiCorp using eight different formulae during the year ended December 31, 2019. 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, 2019 was 25.51%.
- 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, 2019 was 29.62%.
- 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, 2019 was 35.31%.
- 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, 2019 was 36.11%.



- 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, 2019 was 30.40%.
- 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, 2019 was 38.46%.
- 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, 2019 was 30.71%.
- 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, 2019 was 2.00%.

PacifiCorp to BHE and subsidiaries

During the year ended December 31, 2019, 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:

| <u>Affiliate</u>                       | <b>Total services provided<br/>as reported in<br/>II. Transactions</b> | <b>Amount of services<br/>based on allocations</b> |
|--|--|--|
| Berkshire Hathaway Energy Company      | \$ 118,335   | \$ 11,961  |
| BHE AltaLink Ltd.                      | 55,068   | 50,868   |
| BHE Renewables, LLC                    | 70,506   | 58,552   |
| CalEnergy Generation Operating Company | 762  | 30   |
| BHE US Transmission, LLC               | 184,527  | 3,804  |
| Grid Assurance, LLC                    | 2,072  | -  |
| Electric Transmission Texas, LLC       | 4,508  | -  |
| MTL Canyon Holdings, LLC               | 74,023   | -  |
| CalEnergy Philippines                  | 1,737  | 1,684  |
| Home Services of America, Inc.         | 141,320  | 132,791  |
| Kern River Gas Transmission Company    | 28,845   | 14,398   |
| MidAmerican Energy Company             | 428,101  | 179,866  |
| Midwest Capital Group, Inc.            | 203  | 197  |
| MidAmerican Energy Services, LLC       | 4,175  | 4,068  |
| Northern Natural Gas Company           | 86,745   | 44,107   |
| Northern Powergrid Holdings Company    | 71,566   | 68,503   |
| NV Energy, Inc.                        | 60,015   | 1,387  |
| Nevada Power Company                   | 88,400   | 85,720   |
| Sierra Pacific Power Company           | 50,512   | 49,017   |
|  | <u>\$ 1,471,420</u>  | <u>\$ 706,953</u>                                  |

The amounts were allocated by PacifiCorp to BHE and its subsidiaries using three different formulae during the year ended December 31, 2019. 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, 2019 was 74.49%.
- 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, 2019 was 70.38%.
- c) 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, 2019 was 63.89%.

**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**

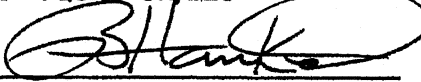
This Agreement does not address or govern the Parties' relationship involving: (a) the tax allocation agreement nor (b) any other relationships not specifically identified herein. All such relationships not addressed or governed by this Agreement will be governed and controlled by a separate agreement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

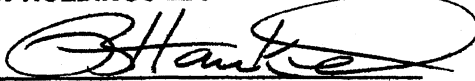
**MIDAMERICAN ENERGY HOLDINGS COMPANY**

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

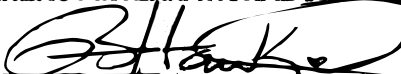
**KR HOLDING, LLC**

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

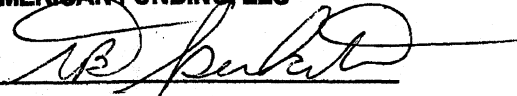
**HOME SERVICES OF AMERICA, INC.**

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: \_\_\_\_\_ 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      MIDAMERICAN ENERGY COMPANY

By: \_\_\_\_\_ Title: \_\_\_\_\_ Name: \_\_\_\_\_ Date: \_\_\_\_\_

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     |
| Apple, Inc.  | 19-121     | UI 413      | April 11, 2019     |
| 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 |
| Electric Transmission Texas, LLC                             | (a) 06-305 | UI 249      | June 19, 2006      |
| Energy West Mining Company                                   | 91-513     | UI 105      | April 12, 1991     |
| Environment One Corporation                                  | 17-169     | UI 381      | May 16, 2017       |
| Ferron Canal & Reservoir Company                             | 10-345     | 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     |
| Grid Assurance, LLC  | (a) 06-305 | UI 249      | June 19, 2006      |
| 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 |

*continued on next page*

| <b>Affiliate</b>  | <b>Order No.</b> | <b>Docket No.</b> | <b>Date Approved</b> |
|---|------------------|-------------------|----------------------|
| Interwest Mining Company                                    | 09-261           | UI 286            | July 7, 2009         |
| 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        |
|   | 19-443           | UI 428            | December 20, 2019    |
| 19-445  | UI 430           | December 20, 2019 |                      |
| 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       |
| 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        |
| MTL Canyon Holdings, LLC                                    | (a) 06-305       | UI 249            | June 19, 2006        |
| National Indemnity Company                                  | 13-322           | UI 339            | September 3, 2013    |
| NetJets, Inc.   | 08-166           | UI 279            | March 13, 2008       |
| Nevada Power Company  | (a) 06-305       | UI 249            | June 19, 2006        |
|   | 15-134           | UI 316 (1)        | April 28, 2015       |
| Northern Natural Gas Company                                | (a) 06-305       | UI 249            | June 19, 2006        |
|   | 11-400           | UI 316            | October 6, 2011      |
|   | 15-134           | UI 316 (1)        | April 28, 2015       |
| Northern Powergrid Holdings Company                         | (a) 06-305       | UI 249            | June 19, 2006        |
| NV Energy, Inc.   | (a) 06-305       | UI 249            | June 19, 2006        |
|   | 15-134           | UI 316 (1)        | April 28, 2015       |
| Pacific Minerals, Inc. (Umbrella Loan Agreement)            | 06-353           | UI 1 (11)         | July 7, 2006         |
| PacifiCorp Foundation                                       | 04-028           | UI 223            | January 15, 2004     |
| Penn Machine Company LLC                                    | 19-444           | UI 429            | December 20, 2019    |
| 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   |

*continued on next page*

| <b>Affiliate</b>            | <b>Order No.</b> | <b>Docket No.</b> | <b>Date Approved</b> |
|-----------------------------|------------------|-------------------|----------------------|
| 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   |