

October 8, 2014

***VIA ELECTRONIC MAIL
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon
3930 Fairview Industrial Dr. S.E.
Salem, OR 97302-1166

Attn: Filing Center

Re: Notice of IRS Application for Automatic Accounting Change

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits this letter to notify the Public Utility Commission of Oregon (Commission) of its application for an automatic accounting method change (Form 3115) with the Internal Revenue Service (IRS) on December 19, 2013. Neither the IRS nor PacifiCorp require that the Commission take any action. The automatic accounting change was made final with the filing of Form 3115 with the Berkshire Hathaway Inc. 2013 federal consolidated tax return (which includes the PacifiCorp federal tax return) on September 12, 2014. This change is applicable for income tax purposes only and does not impact the methods of accounting used for FERC or U.S. GAAP financial reporting purposes.

The application for accounting method change was to make a general asset account election for MACRS property used in the PacifiCorp's Electric Generation, Transmission and Distribution trade or business which was placed in service in taxable years beginning before January 1, 2012, with a net tax basis as of December 31, 2012. The request gives PacifiCorp permission to group certain generation, transmission and distribution assets into various general asset accounts by vintage (placed in service date) and tax class. PacifiCorp's tax class is a methodology of classifying assets into the appropriate (1) applicable depreciation method, (2) the applicable recovery period, and (3) the applicable convention per Internal Revenue Code Sections 168 and 167(a).

The IRS requires PacifiCorp to submit a copy of the completed application to any regulatory body having jurisdiction over the public utility property subject to the application within 30 calendar days of filing the federal income tax return. In compliance with this term, a copy of the Form 3115 is enclosed. **No further action is requested or required.**

PacifiCorp respectfully requests that all data requests in this docket be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

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

Public Utility Commission of Oregon

October 8, 2014

Page 2

Informal questions concerning this notice may be directed to Natasha Siores, Director,
Regulatory Affairs & Revenue Requirement, at (503) 813-6583.

Sincerely,

A handwritten signature in cursive script that reads "R Bryce Dalley".

R. Bryce Dalley
Vice President, Regulation

Enclosures

Application for Change in Accounting Method

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions) Berkshire Hathaway Inc.	Identification number (see instructions) 47-0813844
Number, street, and room or suite no. If a P.O. box, see the instructions. 1440 Kiewit Plaza	Principal business activity code number (see instructions) 55112
City or town, state, and ZIP code Omaha, NE 68131	Tax year of change begins (MM/DD/YYYY) 01/01/2013 Tax year of change ends (MM/DD/YYYY) 12/31/2013
Name of applicant(s) (if different than filer) and identification number(s) (see instructions) PacifiCorp 93-0246090	Name of contact person (see instructions) Jonathan D. Hale
Contact person's telephone number (503) 813-5901	

If the applicant is a member of a consolidated group, check this box

If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box

Check the box to indicate the type of applicant.

<input type="checkbox"/> Individual	<input type="checkbox"/> Cooperative (Sec. 1381)
<input checked="" type="checkbox"/> Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> Controlled foreign corporation (Sec. 957)	<input type="checkbox"/> S corporation
<input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E))	<input type="checkbox"/> Insurance co. (Sec. 816(a))
<input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2))	<input type="checkbox"/> Insurance co. (Sec. 831)
<input type="checkbox"/> Exempt organization. Enter Code section ▶	<input type="checkbox"/> Other (specify) ▶

Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)

<input type="checkbox"/> Depreciation or Amortization
<input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions
<input checked="" type="checkbox"/> Other (specify) ▶ Late General Asset Account Election

Caution. To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

Part I Information For Automatic Change Request

		Yes	No
1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions. ▶ (a) Change No. <u>180</u> (b) Other <input type="checkbox"/> Description ▶ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Note. Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

Part II Information For All Requests

		Yes	No
3 Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If "No," go to line 5.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer <u>VICE PRESIDENT, CONTROLLER</u> Signature and date 12/19/2013 Name and title (print or type)	Preparer (other than filer/applicant) Signature of individual preparing the application and date Name of individual preparing the application (print or type) Name of firm preparing the application
-----------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Part II Information For All Requests (continued)				Yes	No	
12	If the applicant is either (i) not changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following:					
a	The item(s) being changed.		See Attached Statement			
b	The applicant's present method for the item(s) being changed.		See Attached Statement			
c	The applicant's proposed method for the item(s) being changed.		See Attached Statement			
d	The applicant's present overall method of accounting (cash, accrual, or hybrid).		See Attached Statement			
13	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.					
	See Attached Statement					
14	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions If "No," attach an explanation.					
	See Attached Statement					
15a	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)?					
b	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.					
16	Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?					
17	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change. N/A					
	1st preceding year ended: mo.	yr.	2nd preceding year ended: mo.	yr.	3rd preceding year ended: mo.	yr.
	\$		\$		\$	

Part III Information For Advance Consent Request				Yes	No
18	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.				
19	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.				
20	Attach a copy of all documents related to the proposed change (see instructions).				
21	Attach a statement of the applicant's reasons for the proposed change.				
22	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? If "No," attach an explanation.				
23a	Enter the amount of user fee attached to this application (see instructions). ▶ \$ _____				
b	If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).				

Part IV Section 481(a) Adjustment				Yes	No
24	Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? If "Yes," do not complete lines 25, 26, and 27 below.				
25	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ <u>0</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.				

Part IV Section 481(a) Adjustment (continued)		Yes	No
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?		
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? If "Yes," attach an explanation.	N/A	

Schedule A—Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.)

Part I Change in Overall Method (see instructions)

- Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

	Amount
a Income accrued but not received (such as accounts receivable)	\$
b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method	
c Expenses accrued but not paid (such as accounts payable)	
d Prepaid expenses previously deducted	
e Supplies on hand previously deducted and/or not previously reported	
f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II	
g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ▶	
h Net section 481(a) adjustment (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.	\$
- Is the applicant also requesting the recurring item exception under section 461(h)(3)? Yes No
- Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

Part II Change to the Cash Method For Advance Consent Request (see instructions)

- Applicants requesting a change to the cash method must attach the following information:
- A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
 - An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

Schedule B—Change to the Deferral Method for Advance Payments (see instructions)

- If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev. Proc. 2004-34, 2004-1 C.B. 991, attach the following information:
 - A statement explaining how the advance payments meet the definition in section 4.01 of Rev. Proc. 2004-34.
 - If the applicant is filing under the automatic change procedures of Rev. Proc. 2008-52, the information required by section 8.02(3)(a)-(c) of Rev. Proc. 2004-34.
 - If the applicant is filing under the advance consent provisions of Rev. Proc. 97-27, the information required by section 8.03(2)(a)-(f) of Rev. Proc. 2004-34.
- If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following.
 - A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
 - A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
 - A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
 - A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

Schedule C—Changes Within the LIFO Inventory Method (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970, Application To Use LIFO Inventory Method**, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
 - a Valuing inventory (e.g., unit method or dollar-value method).
 - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, vehicle-pool method, etc.).
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
 - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970.

Part II Change in Pooling Inventories

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
 - a A description of the types of products produced by the applicant. If possible, attach a brochure.
 - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
 - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
 - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
 - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
 - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
 - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

Schedule D—Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other
Section 263A Assets (see instructions)

Part I Change in Reporting Income From Long-Term Contracts (Also complete Part III on pages 7 and 8.)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts.
2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)?
b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)?
c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)?
d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)?
3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)?
b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
4 To determine a contract's completion factor using the percentage-of-completion method:
a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)?
b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))?
5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

Part II Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
2 Attach a description of the inventory goods (if any) NOT being changed.
3a Is the applicant subject to section 263A? If "No," go to line 4a
b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)? If "No," attach a detailed explanation.

4a Check the appropriate boxes below.

Identification methods:

- Specific identification
FIFO
LIFO
Other (attach explanation)

Valuation methods:

- Cost
Cost or market, whichever is lower
Retail cost
Retail, lower of cost or market
Other (attach explanation)

Table with 3 columns: Inventory Being Changed (Present method, Proposed method), Inventory Not Being Changed (Present method). Rows correspond to identification and valuation methods.

- b Enter the value at the end of the tax year preceding the year of change
5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
a Copies of Form(s) 970 filed to adopt or expand the use of the method.
b Only for applicants requesting advance consent. A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
c Only for applicants requesting an automatic change. The statement required by section 22.01(5) of the Appendix of Rev. Proc. 2008-52 (or its successor).

Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions)).

Section A—Allocation and Capitalization Methods

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

Section B—Direct and Indirect Costs Required To Be Allocated

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs.)		

Part III Method of Cost Allocation (see instructions) (continued)

Section C—Other Costs Not Required To Be Allocated (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses		
2 Research and experimental expenses not included in Section B, line 26		
3 Bidding expenses not included in Section B, line 22		
4 General and administrative costs not included in Section B		
5 Income taxes		
6 Cost of strikes		
7 Warranty and product liability costs		
8 Section 179 costs		
9 On-site storage		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11		
11 Other costs (Attach a list of these costs.)		

Schedule E—Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants **must** provide this information for each item or class of property for which a change is requested.

Note. See the **List of Automatic Accounting Method Changes** in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. **Do not** file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? **Yes** **No**
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? **Yes** **No**
If "Yes," enter the applicable section ► _____
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under sections 168(f)(1), 179, or 179C)? **Yes** **No**
If "Yes," state the election made ► _____
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
- b If the property is residential rental property, did the applicant live in the property before renting it? . . . **Yes** **No**
- c Is the property public utility property? **Yes** **No**
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
 - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
 - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
 - c The facts to support the asset class for the proposed method.
 - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
 - e The useful life, recovery period, or amortization period of the property.
 - f The applicable convention of the property.
 - g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.

Berkshire Hathaway Inc.
EIN: 47-0813844
Attachment to Form 3115, Application for Change in Accounting Method
General Asset Account Election (Automatic Change #180
Tax Year Ending December 31, 2013

Name of Applicant

The parent of the consolidated group, Berkshire Hathaway Inc., (EIN 47-0813844), is filing the accounting method change on behalf of the following subsidiary (hereinafter collectively referred to as the "Taxpayer").

Name	EIN
PacifiCorp	93-0246090

Page 2, Part II, Questions 4(c) – 6, Examination, Appeals and US Tax Court Status

Taxpayer is applying for an automatic change to make a late general asset election under Revenue Procedure 2011-14 and Revenue Procedure 2012-20. Section 6 of Revenue Procedure 2012-20 modifies Revenue Procedure 2011-14 and provides for a waiver of the Section 4.02 scope limitations for this automatic change in accounting method. Accordingly, no consent of the district director is required or notification of exam or appeals.

Page 2, Part II, Question 5(a) Appeals Contact

Taxpayer (part of Berkshire Hathaway return) is currently before Appeals for the tax years ended December 31, 2006 – December 31, 2009. The appeals officer is Paul Vanchena, telephone number (414) 231-2704.

Page 2, Part II, Question 6, Parent Corporation's Information

For Question 4a and 5a

Parent Corporation's Name	Berkshire Hathaway Inc.
Parent Corporation's EIN	47-0813844
Parent Corporation's Address	3555 Farnam Street, Suite 1440, Omaha, NE 68131
Parent Corporation's Tax Years At Appeals	December 31, 2006 – December 31, 2009

Parent Corporation's Name	Berkshire Hathaway Inc.
Parent Corporation's EIN	47-0813844
Parent Corporation's Address	3555 Farnam Street, Suite 1440, Omaha, NE 68131
Parent Corporation's Tax Years Under Exam	December 31, 2010 and December 31, 2011

Berkshire Hathaway Inc.
EIN: 47-0813844
Attachment to Form 3115, Application for Change in Accounting Method
General Asset Account Election (Automatic Change #180
Tax Year Ending December 31, 2013

Page 2, Part II, Questions 9b, 9c & 10b, prior, pending and concurrent accounting method change requests and private letter rulings

Taxpayer is a member of the Berkshire Hathaway consolidated group. Each member of the group operates autonomously. Information related to pending requests for private letter rulings, changes in accounting method, or technical advice by other members of the group will be provided upon request.

Taxpayer and its immediate affiliates within the MidAmerican Energy Holdings Company subgroup and PacifiCorp subgroup within the Berkshire Hathaway consolidated group have filed for a change in accounting method (or private letter rulings) as set out in the attached Exhibit 1.

Page 3, Part II, Question 12a, 12b, 12c, 12d

a) The item being changed:

The Taxpayer is requesting permission to make a general asset account election under sections 168(i)(4), 1.168(i)-1, and 1.168(i)-1T for Taxpayer's MACRS property placed in service by the Applicant in taxable years beginning before January 1, 2012, as specified in Section 6.32 of the Appendix of Rev. Proc. 2011-14. This election is for Taxpayer's MACRS property used in the Taxpayer's Electric Generation, Transmission and Distribution trade or business, placed in service by Taxpayer in taxable years beginning before January 1, 2012, with a net tax basis as of December 31, 2012.

The Taxpayer's proposed change in method of accounting for federal income tax purposes is not related to the adoption of the International Financial Reporting Standards (IFRS) for financial statement purposes.

b) The applicant's present method for the item being changed:

The Taxpayer has not made a general asset account election for MACRS property placed in service prior to January 1, 2012.

c) The applicant's proposed method for the item being changed:

Under the Taxpayer's proposed method of accounting, Taxpayer will make a general asset account election under section 168(i)(4), 1.168(i)-1, and 1.168(i)-1T for Taxpayer's MACRS property used in the Taxpayers' Electric Generation, Transmission and Distribution trade or business, placed in service by Taxpayer in taxable years beginning before January 1, 2012, with a net tax basis as of December 31, 2012.

Berkshire Hathaway Inc.
EIN: 47-0813844
Attachment to Form 3115, Application for Change in Accounting Method
General Asset Account Election (Automatic Change #180
Tax Year Ending December 31, 2013

The Taxpayer requests permission to elect under Reg. 1.168(i)-1 to group certain generation, transmission and distribution assets into various general asset accounts by vintage (placed in service date) and by tax class. Taxpayer's tax class is an internally developed methodology of classifying assets into the appropriate (1) applicable depreciation method, (2) the applicable recovery period, and (3) the applicable convention per IRC Section 168 and 167(a).

d) The applicant's present overall method of accounting:

The Taxpayer's overall method of accounting is the accrual method.

Page 3, Part II, Question 13, Description of Applicant's Trades and Businesses

PacifiCorp is a public utility engaged in generation and transmission of electricity to retail customers in six western states. Its principal business activity code is 221100.

Page 3, Part II, Question 14, Proposed Method and Use in Financial Statements

The proposed tax method of accounting for a late general asset account election does not meet generally accepted accounting principles as defined by the Financial Accounting Standards Board, the Securities and Exchange Commission and the Federal Energy Regulatory Commission. Therefore, the proposed method of accounting will not be used for applicant's books and records and financial statements.

Page 3, Part IV, Question 25, Section 481(a) Adjustment

Taxpayer has not made a general asset account election for its MACRS property placed in service prior to January 1, 2012. Under the Taxpayer's proposed method of accounting, the Taxpayer will make a late general asset account election under section 168(i)(4), 1.168(i)-1, and 1.168(i)-1T for the Taxpayer's MACRS property used in the Taxpayers' Electric Generation, Transmission and Distribution trade or business, placed in service by the Taxpayer in taxable years beginning before January 1, 2012 with a net tax basis as of December 31, 2012.

The Section 481(a) adjustment for tax year 2013 under the proposed method will be zero because the Taxpayer is only electing GAA for assets with a net tax basis as of December 31, 2012, i.e., assets that are on hand that have not been disposed. Assets disposed in prior years were not under a GAA election, and consequently are allowed loss treatment. Thus, no gain or loss recapture is required.

Berkshire Hathaway Inc.
EIN: 47-0813844
Attachment to Form 3115, Application for Change in Accounting Method
General Asset Account Election (Automatic Change #180
Tax Year Ending December 31, 2013

Statement Required Under Rev. Proc. 2011-14, as modified by Rev. Proc. 2012-20,
Section 6.32(4)(c)

The Taxpayer is making the change specified in section 6.32(1)(a)(i) of this APPENDIX. Consequently, the Taxpayer must attach to its Form 3115 a statement with a description of the asset(s) to which this change applies.

The Taxpayer is only electing GAA for MACRS assets used in the Taxpayers' Electric Generation, Transmission and Distribution trade or business, with a net tax basis as of December 31, 2012, i.e., assets that are on hand that have not been disposed.

Statement Required Under Rev. Proc. 2011-14, as modified by Rev. Proc. 2012-20,
Section 6.32(4)(e).

Taxpayer is making the changed specified in section 6.32(1)(a)(i) of this APPENDIX. Consequently, Taxpayer:

(i) Consents to and agrees to apply, all of the provisions of § 1.168(i)-1, and § 1.168(i)-1T to the assets that are subject to the election specified in section 6.32(1)(a)(i) of this APPENDIX; and

(ii) Except as provided in § 1.168(i)-1T(c)(1)(ii)(A), (e)(3), (g), or (h), the election made by Taxpayer under section 6.32(1)(a)(i) of this APPENDIX is irrevocable and will be binding on the Taxpayer for computing taxable income for the year of change and for all subsequent taxable years with respect to the assets that are subject to the election.

Statement Required Under Rev. Proc. 2011-14, as modified by Rev. Proc. 2012-20,
Section 6.32(4)(f).

Taxpayer is making the changed specified in section 6.32(1)(a)(i) of this APPENDIX. Consequently, Taxpayer agrees to the following additional terms and conditions:

(i) a normalization method of accounting (within the meaning of § 168(i)(9)) will be used for the public utility property subject to the application;

(ii) within 30 calendar days of filing the federal income tax return for the year of change, Taxpayer will provide a copy of the completed application to any regulatory body having jurisdiction over the public utility property subject to the application; and

(iii) as of the beginning of the year of change, Taxpayer will adjust its deferred tax reserve account or similar account in Taxpayer's regulatory books of account by the

Berkshire Hathaway Inc.
EIN: 47-0813844
Attachment to Form 3115, Application for Change in Accounting Method
General Asset Account Election (Automatic Change #180
Tax Year Ending December 31, 2013

amount of the deferral of federal income tax liability associated with the § 481(a) adjustment applicable to the public utility property subject to the application.

Berkshire Hathaway Inc.
EIN: 47-0813844
Attachment to Form 3115, Application for Change in Accounting Method
General Asset Account Election (Automatic Change #180
Tax Year Ending December 31, 2013

Exhibit 1

MidAmerican Energy Holdings Company Subgroup Accounting Method Changes

<u>Corporation</u>	<u>EIN</u>	<u>Year of Change</u>	<u>Status</u>	<u>Issue</u>
MidAmerican Energy Company	42-1425214	2009	Consent Received	Change in method of accounting for mixed service costs under Section 263A
MidAmerican Energy Company	42-1425214	2009	Automatic	Routine repairs and maintenance costs on gas network assets and associated retirements (2 method changes)
MidAmerican Energy Company	42-1425214	2011	Automatic Concurrent	Routine repairs and maintenance costs on network assets and associated retirements – Adoption of Rev. Proc. 2011-43 safe harbor units of property
MidAmerican Energy Company	42-1425214	2013	Automatic Concurrent	Late General Asset Account Election pursuant to Rev. Proc. 2011-14 and Rev Proc 2012-20
Kern River Gas Transmission Company	76-0185455	2009	Automatic	Routine repairs and maintenance costs on network assets and associated retirements (2 method changes)
PacifiCorp	93-0246090	2009	Withdrawn by Taxpayer – Requested Method Change Did Not Clearly Reflect Income	Change in method of accounting for mixed service costs under Section 263A
PacifiCorp	93-0246090	2011	Automatic Concurrent	Routine repairs and maintenance costs on network assets and associated retirements – Adoption of Rev. Proc. 2011-43 safe harbor units of property
PacifiCorp	93-0246090	2013	Automatic Concurrent	Late General Asset Account Election pursuant to Rev. Proc. 2011-14 and Rev Proc 2012-20