



Pacific Power |  
Rocky Mountain Power  
825 NE Multnomah, Suite 1900  
Portland, Oregon 97232

October 20, 2020

Public Service Commission of Utah  
Heber M. Wells Building, 4th Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Administrator

Re: Change in Method of Accounting for Income Tax Purposes

Dear Mr. Widerburg,

PacifiCorp, ("PacifiCorp or Company"), submits this letter to notify the Public Service Commission of Utah ("Commission") of its application for an automatic accounting method change (Form 3115, enclosed) filed with the Internal Revenue Service (IRS) on September 22, 2020, as required by IRS Revenue Procedure 2019-43, Section 6.01(3)(b)(v)(C).

Neither the IRS nor the Company require that the Commission take any action. The automatic accounting change was made with the filing of Form 3115 with the Berkshire Hathaway Inc. 2019 federal consolidated tax return (which includes PacifiCorp's federal tax return) on September 22, 2020. 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 automatic accounting method change was to change the Company's method of income tax accounting for costs capitalized and subject to the Modified Accelerated Cost Recovery System under Internal Revenue Code section 168(k) for additional first year depreciation for qualifying property, the construction of which began before September 28, 2017, and was placed in service during the tax year ended December 31, 2018, resulting in an income tax deduction of \$12,213,096 taken in the Company's 2019 federal tax return for additional first year bonus depreciation.

As noted above, in making the automatic accounting method change, the Company is required to submit, within 30 calendar days of filing the federal income tax return, a copy of the completed application to any regulatory body having jurisdiction over the public utility property subject to the application. In compliance with this requirement, a copy of the Form 3115 is enclosed. No further action is requested or required on your part.

Sincerely,

A handwritten signature in blue ink that reads "Ryan Fuller".

Ryan Fuller  
Senior Tax Director

Enclosure

# Application for Change in Accounting Method

OMB No. 1545-2070

► Go to [www.irs.gov/Form3115](http://www.irs.gov/Form3115) for instructions and the latest information.

Name of filer (name of parent corporation if a consolidated group) (see instructions)  <u>Berkshire Hathaway Inc.</u> Number, street, and room or suite no. If a P.O. box, see the instructions. <u>3555 Farnam Street, Suite 1440</u> City or town, state, and ZIP code <u>Omaha, NE 68131</u>	<b>Identification number</b> (see instructions) <u>47-0813844</u> <b>Principal business activity code number</b> (see instructions) <u>551112</u> <b>Tax year of change begins</b> (MM/DD/YYYY) <u>01/01/2019</u> <b>Tax year of change ends</b> (MM/DD/YYYY) <u>12/31/2019</u> <b>Name of contact person</b> (see instructions) <u>Alisa Krueger</u>
---	--

Name of applicant(s) (if different than filer) and identification number(s) (see instructions) <u>PacifiCorp 93-0246090</u>	<b>Contact person's telephone number</b> [REDACTED]
--	--

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 checked="" type="checkbox"/> Depreciation or Amortization
<input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions
<input type="checkbox"/> Other (specify) ►

**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 (1) all relevant information requested on this Form 3115 (including its instructions), and (2) any other relevant information, even if not specifically requested on Form 3115.

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

## Part I Information for Automatic Change Request


		Yes	No
<b>1</b> Enter the applicable designated automatic accounting method change number ("DCN") for the requested automatic change. Enter only one DCN, except as provided for in guidance published by the IRS. If the requested change has no DCN, check "Other," and provide both a description of the change and a citation of the IRS guidance providing the automatic change. See instructions.  <b>a</b> (1) DCN: <u>7</u> (2) DCN: _____ (3) DCN: _____ (4) DCN: _____ (5) DCN: _____ (6) DCN: _____ (7) DCN: _____ (8) DCN: _____ (9) DCN: _____ (10) DCN: _____ (11) DCN: _____ (12) DCN: _____ <b>b</b> Other <input type="checkbox"/> Description ► _____			
<b>2</b> Do any of the eligibility rules restrict the applicant from filing the requested change using the automatic change procedures (see instructions)? If "Yes," attach an explanation.			✓
<b>3</b> Has the filer provided all the information and statements required (a) on this form and (b) by the List of Automatic Changes under which the applicant is requesting a change? See instructions. <b>Note:</b> Complete Part II and Part IV of this form, and, Schedules A through E, if applicable.	✓		

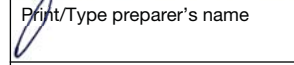
## Part II Information for All Requests

		Yes	No
<b>4</b> During the tax year of change, did or will the applicant (a) cease to engage in the trade or business to which the requested change relates, or (b) terminate its existence? See instructions.			✓
<b>5</b> Is the applicant requesting to change to the principal method in the tax year of change under Regulations section 1.381(c)(4)-1(d)(1) or 1.381(c)(5)-1(d)(1)? If "No," go to line 6a. If "Yes," the applicant cannot file a Form 3115 for this change. See instructions.			✓

**Sign Here**

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.

Signature of filer (and spouse, if joint return) 	Date <u>9/8/2020</u>	Name and title (print or type) <u>Jo Ellen Rieck, VP - TAXES</u>
---	-------------------------	---

<b>Preparer (other than filer/applicant)</b> Print/Type preparer's name <u>[Signature]</u> Firm's name ►	Preparer's signature 	Date <u>9/8/2020</u>
---	---	-------------------------

<b>Part II Information for All Requests</b> <i>(continued)</i>		<b>Yes</b>	<b>No</b>
<b>6a</b>	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 7a.	✓	
<b>b</b>	Is the method of accounting the applicant is requesting to change an issue under consideration (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))? See instructions.	✓	
<b>c</b>	Enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ▶ <u>Tina Martin-Short</u> Telephone number ▶ <u>[REDACTED]</u> Tax year(s) ▶ <u>2012-2016</u>		
<b>d</b>	Has a copy of this Form 3115 been provided to the examining agent identified on line 6c?	✓	
<b>7a</b>	Does audit protection apply to the applicant's requested change in method of accounting? See instructions. If "No," attach an explanation.	✓	
<b>b</b>	If "Yes," check the applicable box and attach the required statement. <input type="checkbox"/> Not under exam <input checked="" type="checkbox"/> 3-month window <input type="checkbox"/> 120 day: Date examination ended ▶ _____ <input type="checkbox"/> Method not before director <input type="checkbox"/> Negative adjustment <input type="checkbox"/> CAP: Date member joined group ▶ _____ <input type="checkbox"/> Audit protection at end of exam <input type="checkbox"/> Other		
<b>8a</b>	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) before Appeals and/or a federal court? If "No," go to line 9.		✓
<b>b</b>	Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member)? See instructions. If "Yes," attach an explanation.		
<b>c</b>	If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, telephone number, and the tax year(s) before Appeals and/or a federal court. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		
<b>d</b>	Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 8c?		
<b>9</b>	If the applicant answered "Yes" to line 6a and/or 8a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a federal court.		
<b>10</b>	If for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a federal court, with respect to a federal income tax return of a partner, member, or shareholder of that entity?		
<b>11a</b>	Has the applicant, its predecessor, or a related party requested or made (under either an automatic or non-automatic change procedure) a change in method of accounting within any of the five tax years ending with the tax year of change? If "No," go to line 12.	✓	
<b>b</b>	If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.		
<b>c</b>	If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.		
<b>12</b>	Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice? If "Yes," for each request attach a statement providing (a) the name(s) of the taxpayer, (b) identification number(s), (c) the type of request (private letter ruling, change in method of accounting, or technical advice), and (d) the specific issue(s) in the request(s).		✓
<b>13</b>	Is the applicant requesting to change its <b>overall</b> method of accounting? If "Yes," complete Schedule A on page 4 of the form.		✓

<b>Part II Information for All Requests</b> <i>(continued)</i>	<b>Yes</b>	<b>No</b>						
<p><b>14</b> If the applicant is either <b>(i) not</b> changing its overall method of accounting, or <b>(ii)</b> changing its overall method of accounting <b>and</b> changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following (see instructions):</p> <p><b>a</b> The item(s) being changed.</p> <p><b>b</b> The applicant's present method for the item(s) being changed.</p> <p><b>c</b> The applicant's proposed method for the item(s) being changed.</p> <p><b>d</b> The applicant's present overall method of accounting (cash, accrual, or hybrid).</p> <p><b>15a</b> Attach a detailed and complete description of the applicant's trade(s) or business(es). See section 446(d).</p> <p><b>b</b> If the applicant has more than one trade or business, as defined in Regulations section 1.446-1(d), describe <b>(i)</b> whether each trade or business is accounted for separately; <b>(ii)</b> the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; <b>(iii)</b> the overall method of accounting for each trade or business; and <b>(iv)</b> which trade or business is requesting to change its accounting method as part of this application or a separate application.</p> <p><b>Note:</b> If you are requesting an automatic method change, see the instructions to see if you are required to complete lines 16a–16c.</p> <p><b>16a</b> 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.</p> <p><b>b</b> Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method.</p> <p><b>c</b> Include either a discussion of the contrary authorities or a statement that no contrary authority exists.</p> <p><b>17</b> Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions. . . . .</p> <p>If "No," attach an explanation.</p> <p><b>18</b> Does the applicant request a conference with the IRS National Office if the IRS National Office proposes an adverse response?</p> <p><b>19a</b> 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 (see 19b), or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change.</p> <table style="width:100%; border-collapse: collapse; margin-bottom: 5px;"> <tr> <td style="width:33%; border-right: 1px solid black; padding: 2px;">1st preceding year ended: mo. yr.</td> <td style="width:33%; border-right: 1px solid black; padding: 2px;">2nd preceding year ended: mo. yr.</td> <td style="width:33%; padding: 2px;">3rd preceding year ended: mo. yr.</td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;">\$ _____</td> <td style="border-right: 1px solid black; padding: 2px;">\$ _____</td> <td style="padding: 2px;">\$ _____</td> </tr> </table> <p><b>b</b> If the applicant is changing its method of accounting for any long-term contract subject to section 460, in addition to completing 19a, enter the applicant's gross receipts for the 4th tax year preceding the tax year of change: 4th preceding year ended: mo. yr. \$ _____</p>	1st preceding year ended: mo. yr.	2nd preceding year ended: mo. yr.	3rd preceding year ended: mo. yr.	\$ _____	\$ _____	\$ _____		
1st preceding year ended: mo. yr.	2nd preceding year ended: mo. yr.	3rd preceding year ended: mo. yr.						
\$ _____	\$ _____	\$ _____						
<b>Part III Information for Non-Automatic Change Request</b>	<b>Yes</b>	<b>No</b>						
<p><b>20</b> Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . .</p> <p>If "Yes," attach an explanation describing why the applicant is submitting its request under the non-automatic change procedures.</p> <p><b>21</b> Attach a copy of all documents related to the proposed change (see instructions).</p> <p><b>22</b> Attach a statement of the applicant's reasons for the proposed change.</p> <p><b>23</b> 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? . . . . .</p> <p>If "No," attach an explanation.</p> <p><b>24a</b> Enter the amount of <b>user fee</b> attached to this application (see instructions). ► \$ _____</p> <p><b>b</b> If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).</p>								

<b>Part IV Section 481(a) Adjustment</b>		<b>Yes</b>	<b>No</b>
<b>25</b>	Does published guidance require the applicant (or permit the applicant and the applicant is electing) to implement the requested change in method of accounting on a cut-off basis? . . . . . If "Yes," attach an explanation and do not complete lines 26, 27, and 28 below.		✓
<b>26</b>	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ <u>-12,213,096</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 application, attach a list of the <b>(a)</b> name, <b>(b)</b> identification number, and <b>(c)</b> the amount of the section 481(a) adjustment attributable to each applicant.		
<b>27</b>	Is the applicant making an election to take the entire amount of the adjustment into account in the tax year of change? If "Yes," check the box for the applicable elective provision used to make the election (see instructions). <input type="checkbox"/> \$50,000 de minimis election <input type="checkbox"/> Eligible acquisition transaction election		
<b>28</b>	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.		✓

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

<b>Part I Change in Overall Method</b> (see instructions)																			
<b>1</b>	Check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. <b>Present method:</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description) <b>Proposed method:</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)																		
<b>2</b>	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 2a through 2g.																		
	<table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td><b>a</b> Income accrued but not received (such as accounts receivable) . . . . .</td> <td style="text-align: right;">\$</td> </tr> <tr> <td><b>b</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. . . . .</td> <td></td> </tr> <tr> <td><b>c</b> Expenses accrued but not paid (such as accounts payable). . . . .</td> <td></td> </tr> <tr> <td><b>d</b> Prepaid expenses previously deducted . . . . .</td> <td></td> </tr> <tr> <td><b>e</b> Supplies on hand previously deducted and/or not previously reported . . . . .</td> <td></td> </tr> <tr> <td><b>f</b> Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II. . . . .</td> <td></td> </tr> <tr> <td><b>g</b> 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. ▶ _____</td> <td></td> </tr> <tr> <td><b>h Net section 481(a) adjustment</b> (Combine lines 2a–2g.) 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 26. . . . .</td> <td style="text-align: right;">\$</td> </tr> </tbody> </table>		Amount	<b>a</b> Income accrued but not received (such as accounts receivable) . . . . .	\$	<b>b</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. . . . .		<b>c</b> Expenses accrued but not paid (such as accounts payable). . . . .		<b>d</b> Prepaid expenses previously deducted . . . . .		<b>e</b> Supplies on hand previously deducted and/or not previously reported . . . . .		<b>f</b> Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II. . . . .		<b>g</b> 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. ▶ _____		<b>h Net section 481(a) adjustment</b> (Combine lines 2a–2g.) 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 26. . . . .	\$
	Amount																		
<b>a</b> Income accrued but not received (such as accounts receivable) . . . . .	\$																		
<b>b</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. . . . .																			
<b>c</b> Expenses accrued but not paid (such as accounts payable). . . . .																			
<b>d</b> Prepaid expenses previously deducted . . . . .																			
<b>e</b> Supplies on hand previously deducted and/or not previously reported . . . . .																			
<b>f</b> Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II. . . . .																			
<b>g</b> 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. ▶ _____																			
<b>h Net section 481(a) adjustment</b> (Combine lines 2a–2g.) 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 26. . . . .	\$																		
<b>3</b>	Is the applicant also requesting the recurring item exception under section 461(h)(3)? . . . . . <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>																		
<b>4</b>	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 (such as, tax-exempt organization returns) for that period. If the amounts in Part I, lines 2a through 2g, do not agree with the amounts shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.																		
<b>5</b>	Is the applicant making a change to the overall cash method as a small business taxpayer (see instructions)? <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>																		

<b>Part II Change to the Cash Method for Non-Automatic Change Request</b> (see instructions)	
Applicants requesting a change to the cash method must attach the following information:	
<b>1</b>	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.
<b>2</b>	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)

- 1** If the applicant is requesting to change to the deferral method for advance payments, as described in the instructions, attach the following information:
  - a** Explain how the advance payments meet the definition of advance payment, as described in the instructions.
  - b** Does the taxpayer use an applicable financial statement as described in the instructions and, if so, identify it.
  - c** Describe the taxpayer's allocation method, if there is more than one performance obligation, as defined in the instructions.
  - d** Describe the taxpayer's legal basis for deferral. See instructions.
  - e** If the applicant is filing under the non-automatic change procedures, see the instructions for the information required.

**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 (for example, unit method or dollar-value method).
  - b** Pooling (for example, 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 (for example, double-extension, index, link-chain, link-chain index, IPIC method, etc.).
  - d** Determining the current-year cost of goods in the ending inventory (such as, most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, rolling-average cost, 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 sections 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. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
- 2a** Are the applicant’s contracts long-term contracts as defined in section 460(f)(1) (see instructions)? . . .  **Yes**  **No**
- b** If “Yes,” do all the contracts qualify for the exception under section 460(e) (see instructions)? . . .  **Yes**  **No**  
If line 2b is “No,” attach an explanation.
- c** Is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? . . .  **Yes**  **No**
- d** If line 2c is “Yes,” in computing the completion factor of a contract, will the applicant use the simplified cost-to-cost method described in Regulations section 1.460-5(c)? . . .  **Yes**  **No**
- e** 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)? . . .  **Yes**  **No**  
If line 2e is “Yes,” attach an explanation of what method the applicant will use to determine a contract’s completion factor.  
If line 2e is “No,” attach an explanation of what method the applicant is using and the authority for its use.
- 3a** Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? . . .  **Yes**  **No**
- b** If “Yes,” attach a description of the applicant’s manufacturing activities, including any required installation of manufactured goods.
- 4a** Does the applicant enter into cost-plus long-term contracts? . . .  **Yes**  **No**
- b** Does the applicant enter into federal long-term contracts? . . .  **Yes**  **No**

**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. . . .  **Yes**  **No**
  - b** Is the applicant’s present inventory valuation method in compliance with section 263A (see instructions)? If “No,” attach a detailed explanation. . . .  **Yes**  **No**
  - 4a** Check the appropriate boxes in the chart.  
 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) . . . . .
- |   | Inventory Method Being Changed |                 | Inventory Method Not Being Changed |
|---|--------------------------------|-----------------|------------------------------------|
|   | Present method                 | Proposed method | Present method                     |
|   |                                |                 |                                    |
|   |                                |                 |                                    |
|   |                                |                 |                                    |
|   |                                |                 |                                    |
|   |                                |                 |                                    |
|   |                                |                 |                                    |
|   |                                |                 |                                    |
|   |                                |                 |                                    |
| <b>b</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 a non-automatic change.** 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 23.01(5) of Rev. Proc. 2018-31 (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 direct and indirect costs required to be allocated 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 (for example, specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (for example, 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 Except for long-term contract accounting methods, the method of capitalizing additional section 263A costs (for example, 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** *(continued)* See instructions.

**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
<b>1</b> Marketing, selling, advertising, and distribution expenses . . . . .		
<b>2</b> Research and experimental expenses not included in Section B, line 26 . . . . .		
<b>3</b> Bidding expenses not included in Section B, line 22 . . . . .		
<b>4</b> General and administrative costs not included in Section B . . . . .		
<b>5</b> Income taxes . . . . .		
<b>6</b> Cost of strikes . . . . .		
<b>7</b> Warranty and product liability costs . . . . .		
<b>8</b> Section 179 costs . . . . .		
<b>9</b> On-site storage . . . . .		
<b>10</b> Depreciation, amortization, and cost recovery allowance not included in Section B, line 11 . . . . .		
<b>11</b> 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 **Summary of 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, such as section 263A? . . . . .  **Yes**  **No**  
If “Yes,” enter the applicable section ▶ \_\_\_\_\_
- 3** Has a depreciation, amortization, expense, or disposition election been made for the property, such as the election under sections 168(f)(1), 168(i)(4), 179, 179C, or Regulations section 1.168(i)-8(d)? . . . . .  **Yes**  **No**  
If “Yes,” state the election made ▶ \_\_\_\_\_
- 4a** To the extent not already provided, attach a statement describing the property subject to the change. 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 (for example, 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 (for example, 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 (for example, 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** Whether 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.
  - h** Whether the property was or will be in a single asset account, a multiple asset account, or a general asset account.

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change #: 7**  
**Tax Year Ending December 31, 2019**

**Name of Applicant**

Berkshire Hathaway Inc., (EIN 47-0813844), the parent of the consolidated group, is requesting to make a change in accounting method on behalf of the following Applicant(s):

<b>Name</b>	<b>EIN</b>	<b>Business Activity Code</b>
PacifiCorp	93-0246090	221000

**Request for Faxed Documents**

In accordance with the procedures set forth in section 9.04(3) of Rev. Proc. 2020-1, Filer requests that a copy of any documents related to this request (e.g., a request for additional information and IRS ruling letter) be provided to Filer via fax at the numbers below.

Filer's Fax Number: Alisa Krueger [REDACTED]

**Page 2, Part II, Question 6c**

Name of Agent: Tina Martin-Short  
Telephone Number: [REDACTED]  
Tax years under audit: 2012-2013, 2014-2016

**Page 2, Part II, Question 8b, Is Change an Issue at Appeals**

The requested concurrent automatic change in accounting methods is not an issue at Appeals.

**Page 2, Part II, Question 8c**

Name of Appeals Officer: N/A  
Telephone Number: N/A  
Years at appeals: None

**Page 2, Part II, Question 9**

Parent Corporation: Berkshire Hathaway Inc.  
EIN: 47-0813844  
Address: 3555 Farnam Street, Suite1440, Omaha, NE 68131  
Tax years under examination: 2012-2013, 2014-2016  
Tax years before Appeals: None

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change #: 7**  
**Tax Year Ending December 31, 2019**

Tax years before Court: None

**Page 2, Part II, Questions 11b and 11c: Recent Accounting Method Changes**

Applicant is a member of the Berkshire Hathaway Inc. consolidated group. Each member of the group operates autonomously. Pursuant to our traditional practice, 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.

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

**Page 2, Part II, Question 12: Pending Accounting Method Change Requests**

The Applicant does not have any pending requests for an accounting method change, private letter ruling, or technical advice. The Applicant is a member of the Berkshire Hathaway consolidated group. Each member of the group operates autonomously. Pursuant to our traditional practice, information related to pending requests for private letter rulings, changes in accounting method, or technical advice by other member of the group will be provided upon request.

**2018 BONUS DEPRECIATION: AUTOMATIC CHANGE #7**

**Page 3, Part II, Question 14**

a) *The item(s) being changed:*

Applicant is requesting permission to change its method of accounting for costs capitalized and subject to the Modified Accelerated Cost Recovery System (MACRS) under section 168 for qualifying property, the construction of which began before September 28, 2017, or was subject to a binding contract before September 28, 2017, and placed in service during the tax year ended December 31, 2018.

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

Under its present method of accounting, Applicant applied MACRS depreciation and did not take a deduction for additional first year depreciation on its 2018 tax return for qualifying property, the construction of which began before September 28, 2017, or was subject to a binding contract before September 28, 2017, and placed in service during the tax year ended December 31, 2018.

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change #: 7**  
**Tax Year Ending December 31, 2019**

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

Under its proposed method of accounting, Applicant will take a deduction for additional first year depreciation of 50 percent for qualifying property if it is qualifying long-production period property and 40-percent additional first year depreciation if it is not qualifying long production period property, the construction of which began before September 28, 2017, or was subject to a binding contract before September 28, 2017, and placed in service during the tax year ended December 31, 2018.

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

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

**Page 3, Part II, Question 15a**

Applicant is a regulated public utility principally engaged in the business of generating, transmitting, distributing, and selling electricity to retail customers in six western states. Applicant also sells electricity in the wholesale market. Its principal business activity code is 221100.

**2018 BONUS DEPRECIATION: AUTOMATIC CHANGE #7**

**Page 3, Part II, Question 16**

Section 168(k) relating to additional first year depreciation was amended by the Tax Cuts and Jobs Act, Public Law 115-97 (131 Stat. 2054) (the "Act"). Section 168(k)(9)(A) excludes "any property which is primarily used in a trade or business described in clause (iv) of section 163(j)(7)(A)" from the definition of "qualified property" for additional first year depreciation. Clause (iv) of section 163(j)(7)(A), as amended by the Act, includes the trade or business of Applicant, which is a regulated electric and gas utility. On September 13, 2019, the Internal Revenue Service issued Prop. Reg. section 1.168(k)-2 (REG-106808-19). The Preamble to the proposed regulations states that property acquired before September 28, 2017, is eligible for the additional first year depreciation deduction provided by section 168(k) as in effect before the Act provided such property is qualified property under section 168(k) as in effect before enactment of the Act. See Prop. Reg. section 1.168(k)(2)(c)(7) Example 1. For purposes of applying section 168(k), as in effect before enactment of the Act, for property acquired before September 28, 2017 and placed in service in tax year 2018, the bonus depreciation rate was 50 percent if it is qualifying long-production period property if construction started before September 28, 2017, and 40-percent additional first year depreciation if it is not qualifying long production period property.

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change #: 7**  
**Tax Year Ending December 31, 2019**

See Former Code Sec. 168(k)(1)(A), Former Code Sec. 168(k)(3), and Former Code Sec. 168(k)(6). Under these provisions, Applicant's property for which construction started or was acquired by under a binding contract before September 28, 2017 and placed in service during tax year 2018 is eligible for the 50 percent additional first year depreciation deduction if it is qualifying long-production period property if construction started before September 28, 2017, and 40 percent additional first year depreciation if it is not qualifying long production period property.

Based on the statute and legislative history available at the time, Applicant did not include property for which construction started before September 28, 2017, or was acquired under a binding contract before September 28, 2017, and placed in service during the tax year ended December 31, 2018, in Applicant's calculation of additional first year depreciation and did not elect out of the additional first year depreciation. Subsequent guidance issued in Prop. Reg. section 1.168(k)-2 has identified that property as eligible for additional first year depreciation for the tax year ended December 31, 2018.

No contrary authority exists.

This is an automatic change of accounting method under Revenue Procedure 2019-43 Section 6.01(1)(b) Change #7.

No contrary authority exists.

**Page 3, Part II, Question 17**

The proposed tax method of accounting for the change in this application 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 4, Part IV, Question 26 – Bonus Depreciation 2018 Change #7**

The section 481(a) adjustment of \$-12,213,096 is equal to the difference between the Applicant's present and proposed method as of January 1, 2019. See Exhibit 2 for the applicable section 481(a) adjustment.

**Page 8, Schedule E, Question 4c:**

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change #: 7**  
**Tax Year Ending December 31, 2019**

The property subject to change is public utility property within the meaning of § 168(i)(10). Accordingly, Applicant agrees to the following terms and conditions:

- (A) a normalization method of accounting (within the meaning of former § 167(I)(3)(G), former § 168(e)(3)(B), or § 168(i)(9), as applicable) will be used for the public utility property subject to the Form 3115;
- (B) as of the beginning of the year of change, Applicant will adjust its deferred tax reserve account or similar reserve account in the taxpayer's regulatory books of account by the amount of the deferral of federal income tax liability associated with the § 481(a) adjustment applicable to the public utility property subject to the Form 3115; and
- (C) within 30 calendar days of filing the federal income tax return for the year of change, Applicant will provide a copy of the completed Form 3115 to any regulatory body having jurisdiction over the public utility property subject to the Form 3115;

**Page 8, Schedule E, Question 7**

- a) Property is being depreciated under section 168(a). Where eligible, Applicant will be claiming additional first year depreciation on the property subject to change in accordance with section 168(k).
- b) – d)

<b>Asset Class</b>	<b>Property Description</b>	<b>Method</b>	<b>Life</b>	<b>Section</b>
49.11	Electric utility hydraulic production plant	200 % DB	20 Year	168(b)(1)
49.13	Electric utility steam production plant	200 % DB	20 Year	168(b)(1)
49.14	Electric utility transmission and distribution plant	200 % DB	15/ 20 Year	168(b)(1)
49.15	Electric utility combustion turbine plant	200 % DB	20 Year	168(b)(1)
	Electric wind and solar	200 % DB	5 Year	168(b)(1)
	Qualified improvement property	SL	15 Year	168(b)(3)

- f) The mid-quarter convention applies to the taxable year December 31, 2018.
- g) The additional first year depreciation under section 168(k) will be claimed on all qualifying property.
- h) The property will be in a general asset account.

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change #: 7**  
**Tax Year Ending December 31, 2019**

**Exhibit 1**

**Berkshire Hathaway Energy Company Subgroup Accounting Method Changes and  
Private Letter Ruling Requests**

<u>Corporation</u>	<u>EIN</u>	<u>Year of Change</u>	<u>Status</u>	<u>Issue</u>
MidAmerican Energy Company	42-1425214	2019	Automatic Concurrent	Claim bonus depreciation on eligible property Change #7, Claim 15-year MACRS depreciation on Qualified Improvement Property Change #244
KR Holdings, LLC	75-3045251	2019	Automatic Concurrent	Claim bonus depreciation on eligible property Change #7, Claim 15-year MACRS depreciation on Qualified Improvement Property Change #244
Northern Natural Gas Company	93-0932349	2019	Automatic Concurrent	Claim bonus depreciation on eligible property Change #7, Claim 15-year MACRS depreciation on Qualified Improvement Property Change #244
PacifiCorp	93-0246090	2019	Automatic Concurrent	Claim bonus depreciation on eligible property Change #7
Nevada Power Company Sierra Pacific Power Company	88-0420104 88-0044418	2019	Automatic Concurrent	Claim bonus depreciation on eligible property Change #7, Claim 15-year MACRS depreciation on Qualified Improvement Property Change #244
Nevada Power Company Sierra Pacific Power Company	88-0420104 88-0044418	2015	Non-Automatic (Consent Granted)	Change to permissible method of capitalizing interest under § 263A
HomeServices of America, Inc. HS Franchise Holding, LLC Iowa Realty Co., Inc. Edina Realty, Inc. Edina Realty Title, Inc. Reece & Nichols Realtors, Inc. Kansas City Title, Inc. CBSHome Real Estate of Iowa, Inc. HomeServices of Kentucky, Inc. Roy H. Long Realty Company, Inc. HN Real Estate Group, LLC Pickford Escrow Company, Inc. The Escrow Firm JRHBW Realty, Inc. Roberts Brothers, Inc. HomeServices of Nebraska, Inc. HomeServices of Florida, Inc. Preferred Carolinas Realty, Inc. Jim Huff Realty, Inc. Huff-Drees Realty, Inc. HomeServices of Illinois, LLC PCRE, L.L.C. Guarantee Real Estate	41-1945806 46-1860109 42-0791647 41-0809124 41-1556741 48-1031064 43-1887243 20-1616046 31-1655556 86-0165003 58-1982676 33-0479882 01-0710909 63-0833102 63-1035638 71-0932808 20-0133249 56-2042696 61-0906148 31-1423685 27-0707250 22-3552432 77-0267513	2019	Automatic Concurrent	Claim 15-year MACRS depreciation on Qualified Improvement Property Change #244

**Berkshire Hathaway Inc.**

**EIN: 47-0813844**

**Attachment to Form 3115, Application for Change in Accounting Method**

**Automatic Change #: 7**

**Tax Year Ending December 31, 2019**

HomeServices of Washington, LLC Pru-One, Inc. Intero Real Estate Services, Inc. First Weber, Inc. HomeServices of Colorado, LLC HomeServices of New York, LLC Houlihan/Lawrence, Inc. The Long & Foster Companies, Inc. Long & Foster Real Estate, Inc. Prosperity Home Mortgage, LLC Long & Foster Insurance Agency, Inc. Ebby Halliday Real Estate, Inc.	45-4824233 93-1013911 75-3075968 39-1669005 81-2769461 81-4616152 13-3217965 54-1081379 54-0840457 20-5216358 54-1058190 75-1610390			
Esslinger-Wooten-Maxwell, Inc. Mid-States Title Insurance Agency, Inc.	59-1220247 54-1274932	2019	Automatic Concurrent	Claim bonus depreciation on eligible property Change #7, Claim 15-year MACRS depreciation on Qualified Improvement Property Change #244



**PacifiCorp**  
**Automatic Change #7**  
**2018 Bonus Depreciation 481(a) Adjustment**  
**Part IV Question 26**  
**Exhibit 2**

<b>2018</b>		<b>Tax Basis (MACRS 15 Q4)</b>		<b>Tax Basis MACRS 20 Q2</b>	<b>Total Adjustment</b>
<hr/>					
Qualifying for First Year Additional Depreciation - Tax Basis		9,902,223.34		15,368,209	25,270,432
Gross Bonus Depreciation @ 50%		(4,951,112)		(7,684,105)	(12,635,216)
Depreciation on Remaining 50% (2018)	1.250%	(61,889)	4.688%	(360,231)	(422,120)
Prior Claimed Depreciation (2018)	1.250%	123,778	4.688%	720,462	844,239
<hr/>					
Section 481(a) Adjustment		(4,889,223)		(7,323,874)	<b>(12,213,096)</b>

**CERTIFICATE OF SERVICE**

Docket No. 20-999-01

I hereby certify that on October 20, 2020, a true and correct copy of the foregoing was served by electronic mail to the following:

**Utah Office of Consumer Services**

Michele Beck [mbeck@utah.gov](mailto:mbeck@utah.gov)  
[ocs@utah.gov](mailto:ocs@utah.gov)

**Division of Public Utilities**

[dpudatarequest@utah.gov](mailto:dpudatarequest@utah.gov)

**Assistant Attorney General**

Patricia Schmid [pschmid@agutah.gov](mailto:pschmid@agutah.gov)  
Justin Jetter [jjetter@agutah.gov](mailto:jjetter@agutah.gov)  
Robert Moore [rmoore@agutah.gov](mailto:rmoore@agutah.gov)  
Victor Copeland [vcopeland@agutah.gov](mailto:vcopeland@agutah.gov)

**Rocky Mountain Power**

Data Request Response Center [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
Jana Saba [jana.saba@pacificorp.com](mailto:jana.saba@pacificorp.com)  
[utahdockets@pacificorp.com](mailto:utahdockets@pacificorp.com)



Katie Savarin  
Coordinator, Regulatory Operations