BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

In the Matter of the Application of PacifiCorp (U 901 E) for Approval of its 2021 Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue	Application No. 20-08-___ (Filed August 3, 2020)

APPLICATION OF PACIFICORP (U 901 E) FOR APPROVAL OF ITS 2021 ENERGY COST ADJUSTMENT CLAUSE AND GREENHOUSE GAS-RELATED FORECAST AND RECONCILIATION OF COSTS AND REVENUE

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Date: August 3, 2020

Attorneys for PacifiCorp

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I. INTRODUCTION

In accordance with Rules 2.1 and 3.2,[1] PacifiCorp d/b/a Pacific Power (PacifiCorp or company) respectfully submits this application requesting approval to decrease both the Balancing Rate and the Offset Rate under its Energy Cost Adjustment Clause (ECAC) authorized as part of PacifiCorp's 2005 general rate case.[2] Consistent with Decisions (D.) 12-12-033, D.13-12-041, and D.14-10-033 issued by the California Public Utilities Commission (Commission), PacifiCorp also requests to update both the surcharge that recovers the costs for the procurement of greenhouse gas (GHG) allowances for its retail compliance obligation under California's Cap and Trade Program, and the California Climate Credit that returns revenue from the sale of GHG allowances to eligible customer classes.

As described in more detail below, PacifiCorp requests an overall rate decrease of $5.9 million or 5.9 percent for the combined effect of the proposed changes in its ECAC rates and GHG cost recovery rates. This decrease is comprised of a decrease in the ECAC Balancing Rate of approximately $1.9 million compared to current rates a decrease in the ECAC Offset

[1] Unless otherwise specified, all citations to a rule are to the Commission's Rules of Practice and Procedure.
[2] *See* D.06-12-011.

Rate of approximately $4.8 million from the amount currently in rates, and an increase of approximately $0.8 million in the GHG allowance costs to be recovered in rates.

The estimated combined effect of the proposed ECAC and GHG cost recovery rates is summarized by customer class in the following table:

Customer Class	**Proposed Price Change**	
	Dollars	**Percent (%)**
Residential	-$2,858,000	-5.5%
Commercial/Industrial	-$2,255,00	-6.5%
Irrigation	-$753,000	-6.1%
Lighting	-$25,000	-3.9%
Overall	-$5,891,000	-5.9%

The industry and small business assistance factors provided in D.13-12-002 do not extend past the year 2020. Therefore, for this filing, the company used the small business assistance factor for 2020 provided in Appendix 2 of D.13-12-002. Thus, the Small Business customers will receive a California Climate Credit in 2021, which offsets 50 percent of the surcharge they will pay in 2021 for GHG cost recovery. The company also requests from the Commission further guidance as to the proper assistance factor to be used to calculate the GHG revenue allocation for small business customers going forward.[3] The proposed semi-annual residential California Climate Credit for 2021 is $97.23.

The changes to the ECAC Balancing Rate, ECAC Offset Rate and GHG cost recovery is discussed in Section III below.

II. BACKGROUND

A. ECAC

On November 29, 2005, PacifiCorp filed a general rate case application,

[3] See PAC/500, the direct testimony of Judith M. Ridenour.

Application (A.) 05-11-022, with the Commission. As part of its application, PacifiCorp requested authority to implement an ECAC to allow for timely and efficient recovery of its net power costs (NPC). In D.06-12-011, the Commission approved A.05-11-022 and adopted the terms of two settlements, including PacifiCorp's proposed ECAC. As directed by the Commission, PacifiCorp filed revised tariff sheets implementing the ECAC by advice letter on December 21, 2006, which became effective January 1, 2007. The use of the ECAC mechanism was continued in D.20-02-025, which also PacifiCorp's 2019 general rate case application. The Commission has approved PacifiCorp's annual applications under the ECAC. The ECAC Application is filed annually on August 1.

B. GHG Allowance Costs and Revenues

In 2006, the California Legislature passed Assembly Bill (AB) 32, the Global Warming Solutions Act, which required California to develop regulations that will reduce GHG emissions to 1990 levels by 2020 (Cap and Trade Program). The Cap and Trade Program, administered by the California Air Resources Board (ARB), is one element of achieving this goal. ARB encourages the reduction of GHG emissions by placing a cap on the amount of GHG emissions a facility can emit. This is regulated through the implementation of GHG emissions allowances, or permits. Under California's Cap and Trade Program, starting in 2013, ARB allocated PacifiCorp and other California electric utilities GHG emissions allowances. PacifiCorp is required to sell all of its allocated GHG emissions allowances at auction and return the revenue from the sale to its eligible customers, less some revenue to cover administrative and outreach costs and fund energy efficiency programs.[4] The revenue is returned to residential customers through the California Climate Credit paid twice a year in April and October. PacifiCorp and other California electric utilities must also buy a sufficient number of GHG emissions allowances to cover their annual compliance obligation under the program. The costs for buying GHG emissions allowances to meet its retail compliance obligations are collected from all California customers and are not included in PacifiCorp's ECAC rates.

On December 20, 2012, the Commission issued D.12-12-033, which, among other things, adopted a methodology for allocating GHG allowance revenues to eligible customers and directed utilities to record GHG allowance costs and estimated GHG allowance revenues to certain balancing accounts. On October 16, 2014, the Commission issued D.14-10-033, directing all utilities, beginning in 2015, to file their annual GHG applications as part of their Energy Resource Recovery Account or ECAC application.[5]

III. DESCRIPTION OF REQUEST

As explained in more detail below, in this application PacifiCorp is requesting authorization to update the following rates for 2021:

- ECAC Balancing Rate;
- ECAC Offset Rate;

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[4] *See* Administrative Law Judge Ruling issued March 18, 2016 in R.14-07-002, directing utilities to set aside five percent of 2016 GHG Allowance proceeds and ten percent of 2017 GHG Allowance proceeds for clean energy programs associated with the implementation of AB 693. The Ruling at page 5 further stated "The directions for ERRA and ECAC filings given in this ruling will continue to apply unless they are explicitly changed by a subsequent ruling or Commission decision." Accordingly, PacifiCorp set aside these amounts for 2016, 2017, and 2018, in its 2018 ECAC Application (A.17-08-005). D.17-12-022, issued on December 14, 2017 PacifiCorp was directed to set aside ten percent of the proceeds from the sale of greenhouse gas allowances starting with the 2018 ECAC for use in the Solar on Multifamily Affordable Housing Program. In compliance with D.17-12-022, in its 2019 (A.18-08-001), 2020 ECAC (A.19-08-002), and 2021 ECAC, PacifiCorp set aside ten percent of the forecast GHG allowance proceeds. See Confidential Exhibit PAC/505.

[5] *See* D.14-10-033, page 30.

- Carbon Pollution Permit Cost Surcharge that recovers the costs for the procurement of GHG allowances; and
- California Climate Credit that returns the revenue from the sale of GHG allowances.

A. ECAC

PacifiCorp respectfully requests that the Commission authorize PacifiCorp to update its ECAC rates effective January 1, 2021. In preparing the 2021 ECAC Offset and Balancing Rates, PacifiCorp has assumed that the Offset and Balancing Rates proposed in the 2020 ECAC, A.19-08-002 will be approved by the Commission. PacifiCorp requests a Balancing Rate of $1.05 per megawatt-hour (MWh) and an Offset Rate of $23.88 per MWh, effective January 1, 2021. As proposed in the company's 2020 ECAC in A.19-08-002, the pending Balancing Rate is $7.50 per MWh while the pending Offset Rate is $29.21 per MWh. As previously discussed, the 2021 ECAC proposed change to the Balancing Rate results in a rate decrease of $1.9 million and the proposed change to the Offset Rate results in a rate decrease of $4.8 million for an overall decrease in the ECAC rates of approximately $6.7 million.

The following components are included in the ECAC:

(1) Net power costs;

(2) Fuel stock carrying charge;

(3) ARB implementation fees[6] and mandatory reporting verification costs[7] (collectively referred to in this application as ARB Administrative Costs);

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[6] ARB estimates the costs for administering the AB 32 emissions reduction program annually. GHG emitters subject to the AB 32 GHG program are required to cover these costs. Consistent with the treatment in the ECAC for years 2013 through 2020 ECAC, PacifiCorp has included these costs in its ECAC.

[7] ARB requires a certified third-party independent auditor to verify and attest to the annual greenhouse gas emission report(s) submitted to ARB. Consistent with the treatment in the ECAC for the years 2013 through 2020, PacifiCorp has included these costs in its ECAC.

(4) Net metering surplus compensation;

(5) Purchase of renewable energy credits (RECs) for renewables portfolio standard (RPS) compliance;

(6) A credit for renewable energy production tax credits (PTCs); and

(7) Start-up fuels costs.

Under its decision in PacifiCorp's 2019 general rate case (GRC), D.20-02-025, the Commission approved PacifiCorp's proposal to include PTCs and start-up fuel costs as part of the ECAC because they are closely related to NPC.

The benefits realized through PacifiCorp's participation in the California Independent System Operator Energy Imbalance Market are embedded in actual NPC.

The overall decrease proposed in the ECAC was impacted by an increase in NPC during 2019, which is attributable to purchase power costs being two percent higher than projected in the 2019 ECAC primarily due to higher market prices. Higher purchased power costs were partially offset by lower coal costs. The components of the ECAC and the factors affecting PacifiCorp's NPC are described in the direct testimony of Mr. David G. Webb (Exhibit PAC/100).

1) ECAC Balancing Rate for 2021

NPC are defined as the sum of fuel expenses, wholesale purchase power expenses and wheeling expenses, less wholesale sales revenue. The ECAC provides PacifiCorp the opportunity to recover NPC in a timely and efficient manner, which allows PacifiCorp to continue to provide adequate, safe, and reliable service to its California customers.[8]

[8] Joint Motion by PacifiCorp and Division of Ratepayer Advocates for Adoption of Settlement Agreement on Revenue Requirement Issues in A.05-11-022, at p. 10.

Rates for NPC are unbundled from other rates and are collected through the Energy Cost Adjustment Clause Tariff Rate Rider, Schedule ECAC-94. As authorized by the Commission in D.06-12-011, energy costs and revenues subject to the ECAC are accounted for in the ECAC balancing account. The ECAC balancing account is intended to be recovered through the Balancing Rate, which is presented for approval through the annual ECAC filing.

The ECAC includes two rate components: the Balancing Rate and the Offset Rate. The Balancing Rate is the rate that either returns to or recovers from customers the total accumulated deferral in the ECAC balancing account. The ECAC allows dollar-for-dollar recovery of actual NPC and fuel stock carrying charge. There is a monthly true-up of the forecasted NPC currently in rates with actual NPC. The Balancing Rate is updated each year if the new rate varies from the current rate by five percent or more. In this case, the Balancing Rate also includes a dollar-for-dollar recovery of costs associated with ARB Administrative Costs, net metering surplus compensation, and purchases of RECs for RPS compliance.[9]

PacifiCorp proposes a Balancing Rate effective January 1, 2021, of $1.05 per MWh, including PacifiCorp's billing factor.[10] A Balancing Rate of $7.50 per MWh is pending, including PacifiCorp's billing factor.[11] When compared to the Balancing Rate currently in effect, the proposed change exceeds the five percent threshold.

2) ECAC Offset Rate for 2021

The second component of the ECAC, the Offset Rate, allows PacifiCorp to reset rates to reflect the forecast of NPC and fuel stock carrying charge for the upcoming year. To determine updated NPC, PacifiCorp incorporates updates to its:

(1) forward price curve;

[9] Exhibit PAC/101 and Confidential Exhibit PAC/106.
[10] Exhibit PAC/100 at page 6.
[11] *See* Exhibit PAC/101.

(2) forecast loads;

(3) normalized hydro generation;

(4) forecast coal costs;

(5) wholesale sales and purchases of electricity and natural gas;

(6) thermal plant capabilities; and

(7) wheeling expenses.

The Offset Rate also includes costs projected in 2021 associated with ARB Administrative Costs and RECs purchased for RPS compliance.[12] A change in the Offset Rate can be made if the change in NPC for the upcoming twelve months exceeds five percent.[13]

PacifiCorp's 2020 ECAC Offset Rate in effect is $30.28 per MWh which is pending before the Commission in PacifiCorp's A.19-08-002. California's allocated share of forecast NPC in the 2021 ECAC is approximately $21.4 million. The change in NPC compared to forecast NPC in the 2020 ECAC is 6.7 percent. The change in the Offset Rate for 2021 results in a rate decrease of approximately $4.8 million from the amount in 2020 ECAC rates.

B. Costs and Revenues Associated with the Purchase and Sale of GHG Allowances

Consistent with D.14-10-033, PacifiCorp has included in this application its forecast GHG allowance costs to be recovered from customers in 2021 and the California Climate Credit to be distributed to eligible customers in 2021.

GHG allowance costs associated with PacifiCorp's retail compliance obligation under California's Cap and Trade program are recovered from customers through Schedule GHG-92, Surcharge to Recover Greenhouse Gas Carbon Pollution Permit Cost (GHG Surcharge). As part

[12] *See* Exhibit PAC/101 and Confidential Exhibit PAC/106.

[13] *See* D.06-12-011, 2.3.1 Energy Cost Adjustment Clause at Attachment A, p. 6; *see also* A.05-11-022, Joint Motion by PacifiCorp and Division of Ratepayer Advocates for Adoption of Settlement Agreement on Revenue Requirement Issues, Division of Ratepayer Advocates, Report of the Results of Operations for PacifiCorp, General Rate Case Test Year 2007, at 4-11.

of this application, the company requests authorization to update the GHG Surcharge effective January 1, 2021, as described in the supporting testimony of Company witnesses Ms. Mary M. Wiencke (Exhibit PAC/200) and Ms. Judith M. Ridenour (Exhibit PAC/500). As described in more detail in the direct testimony of Ms. Wiencke, these costs consist of a true-up related to actual GHG allowance costs and related interest set forth in the Company's 2020 Application (A.19-08-002) and a forecast of 2021 GHG allowance costs.[14] The impact of the proposed change to the GHG Surcharge is an overall rate increase of $0.8 million.

PacifiCorp also respectfully requests authorization to distribute to eligible customers the California Climate Credit as described in the supporting testimony provided by Ms. Wiencke (Exhibit PAC/200) and Ms. Ridenour (Exhibit PAC/500).

The amount to be distributed consists of:

(1) a true-up related to actual GHG allowance revenue through May 31, 2020, and related interest;

(2) a forecast of 2021 GHG allowance revenue;

(3) a true-up related to actual customer outreach and administrative costs through May 31, 2020;

(4) a forecast of customer outreach and administrative costs for 2021; and

(5) funds set aside for energy efficiency programs developed under AB 693.

The GHG allowance revenue and reconciliation process is described in more detail in the direct testimony and supporting exhibits of Ms. Wiencke.[15] Customer outreach costs are

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[14] Even though the impacts of the COVID-19 pandemic are unknown at this time, PacifiCorp will continue to incur GHG costs and will continue to pass GHG costs through in rates. While the decline in allowance revenue will be more immediate, the effect of the pandemic on the PacifiCorp's GHG costs may not be reflected until future rate periods.

[15] Confidential Exhibits PAC/200 and PAC/205 through PAC/209.

discussed in more detail in the direct testimony and supporting exhibits of Ms. Nina Ford.[16] Administrative costs are discussed in more detail in the direct testimony and supporting exhibits of Mr. Anthony B. Worthington.[17]

As discussed in Ms. Ridenour's testimony and supporting exhibits, the GHG allowance revenue, less administrative and outreach costs and funding for energy efficiency programs, is first returned to PacifiCorp's small business customers.[18] Based on the most recently approved small business assistance factor approved by the Commission in D.13-12-002, small business customers will receive a monthly kilowatt-hour based California Climate Credit that offsets 50 percent of the GHG allowance costs they pay. The total amount of the proposed small business California Climate Credit to be distributed in 2021 is approximately $0.4 million. The remainder of the revenue is returned to residential customers through the semi-annual on-bill California Climate Credit distributed in April and October of each year. The total amount of the proposed residential California Climate Credit to be distributed in 2021 is approximately $7.0 million. The proposed residential semi-annual, per-household California Climate Credit for 2021 is $97.23.

IV. STATUTORY AND REGULATORY REQUIREMENTS

A. Applicant and Correspondence (Rules 2.1(a) and (b))

PacifiCorp is a public utility organized and existing under the laws of the state of Oregon. PacifiCorp engages in the business of generating, transmitting, and distributing electric energy in portions of northern California and in Idaho, Oregon, Utah, Washington, and Wyoming.

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[16] Exhibits PAC/300 through PAC/304.
[17] Exhibits PAC/400 through PAC/403.
[18] *See* Exhibits PAC/500 through PAC/507.

PacifiCorp's principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232.

Communications regarding this application should be addressed to:

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In addition, PacifiCorp respectfully requests that all data requests in this case be addressed to:

By e-mail (preferred):	datarequest@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232

B. Statutory and Procedural Authority (Rule 2.1)

Rule 2.1 requires that all applications state clearly and concisely the authorization or relief sought, cite by appropriate reference the statutory provision or other authority under which Commission authorization or relief is sought, and be verified by the applicant. The relief being sought is summarized in Sections I through IV and is further described in the testimony, exhibits, and appendices supporting this application. The statutory and other authority under which this relief is being sought includes Rules 2.1 and 3.2, Sections 451, 454, and 701 of the California Public Utilities Code, and this Commission's prior decisions, orders, and resolutions. An officer of PacifiCorp has verified this application as required by Rules 1.11 and 2.1.

C. Proposed Categorization, Need for Hearing, Issues to be Considered, Relevant Safety Considerations, and Proposed Schedule (Rule 2.1(c))

1. Proposed Category of Proceeding

Rule 2.1(c) requires PacifiCorp to state "[t]he proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule." PacifiCorp proposes that the Commission classify this proceeding as "ratesetting." The issues in this proceeding relate to the proposed rate decrease necessary to allow PacifiCorp to recover its NPC and GHG allowance costs in 2021. This application also includes the proposed California Climate Credit for 2021.

2. Need for Hearing

If no party objects to the proposed rates, hearings may not be necessary. PacifiCorp's application and the supporting appendices, testimony, and exhibits constitute a sufficient record for the Commission to rule on PacifiCorp's ECAC without the need for hearings.

3. Issues to be Considered and Relevant to Safety Considerations

The issues to be considered are described in this Application and the accompanying testimony, including the attached appendices.

In D.16-01-017, the Commission amended Rule 2.1(c) to require that applications clearly state the "relevant safety considerations." The company is committed to promoting the health, safety, comfort and convenience of customers and the public at large. Safety for PacifiCorp employees, customers, and stakeholders is one of PacifiCorp's six core principles. PacifiCorp has developed and implemented various programs to help customers, employees, and stakeholders understand their own personal safety. In 2012 PacifiCorp received Prestigious Member Recognition from the National Safety Council for holding safety as a core value and making safety a priority in business. In 2013, 2015, and 2016 PacifiCorp received the Occupational Excellence Achievement Award from the National Safety Council for working to reduce on the job injuries. PacifiCorp was recognized for its safety achievement by the Edison Electric Institute by being in the top 1 percent of the safest electrical utilities in America for 2015. PacifiCorp also holds its contractors to a high standard of safety by requiring its contractors to register with a third-party evaluator of the contractor's safety performance.

The company complies with all applicable safety codes, including, but not limited to, the National Electric Safety Code, the Occupational Health and Safety Act, and any applicable state health and safety act requirements, at all of its generation facilities. Certain safety codes may also be applicable to the operation of the company's transmission and distribution facilities. PacifiCorp has developed standards that meet or exceed the National Electrical Safety Code. Employees are trained in work practice regulations along with Company construction standards to the highest standards and consistency.

The company also works to develop teamwork to mitigate safety risks and has developed and implemented programs to continue improvement in safety. The company continuously communicates safety goals in order to stay consistently on message across the organization. These programs include training and communicating from the top down, consistently delivering the same safety message and programs to all locations, and auditing the communications and programs. The company sends daily emails to all of its employees noting accident reports and containing general reminders about safety. Other examples of the Company's commitment to safety include periodic emails with general safety tips for workplace and personal safety, safety committees for each floor of its corporate offices and field offices, annual safety training requirements which are linked to each employee's performance review, daily hazard assessment meetings for field offices, and annual evacuation drills.

The company prioritizes safety for all resources and to the benefit of all employees, customers, and stakeholders.

4. Proposed Schedule

PacifiCorp proposes the following schedule, which allows for expedited Commission resolution of the Application:

Application Filed	August 3, 2020
Protest/Responses to Application	30 days after notice of Application published in Daily Calendar
Prehearing Conference	September 22, 2020
Scoping Memo	October 6, 2020
Proposed Decision	November 10, 2020
Final Commission Decision	December 10, 2020
Rates Effective	January 1, 2021

D. Organization and Qualification to Transact Business (Rule 2.2)

A certified copy of PacifiCorp's Articles of Incorporation, as amended and presently in effect, was filed with the Commission in A.97-05-011, which resulted in Commission issuance of D.97-12-093, and is incorporated by reference under Rule 2.2.

E. Balance Sheet and Income Statement (Rule 3.2(a)(1))

A copy of PacifiCorp's recent financial statements, contained in the Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission (SEC), for the period ending March 31, 2020, is included as Appendix A.

F. Present and Proposed Rates (Rule 3.2(a)(2) and (3))

A statement of PacifiCorp's present and proposed rates is included as Appendix B.

G. Summary of Earnings (Rule 3.2(a)*(*5))

The statement of earnings included in this application as Appendix C is stated on a California-specific basis.

H. List of Appendices, Testimony, and Exhibits

PacifiCorp's submissions to support this application include the following:

Appendix A	PacifiCorp Form 10-Q for the period ending March 31, 2020
Appendix B	Statement of Present and Proposed Rates
Appendix C	Summary of PacifiCorp's Earnings ending December 31, 2019
Exhibits PAC/100	Direct Testimony of David G. Webb
PAC/101	California ECAC Offset/Balancing Rate Calculation
PAC/102	Net Power Cost Analysis—Adjusted Actual 2019 Net Power Costs
PAC/103	Net Power Cost Analysis—Adjusted Actual/Projected 2020 Net Power Costs
PAC/104	Net Power Cost Analysis—Projected 2020 Net Power Costs
PAC/105	2021 California-allocated Net Power Costs
PAC/106	ARB Administrative Costs (Confidential)
Exhibits PAC/200	Direct Testimony of Mary M. Wiencke
PAC/201	Commission Template C: Weighted Average Cost of Compliance Instruments (Confidential)
PAC/202	Commission Template D-2: Annual GHG Emissions and Associated Compliance Obligation (Confidential)
PAC/203	Summary of the GHG Allowance Costs Sub-Balancing Account (Confidential)
PAC/204	2021 Forecast Compliance Obligation and GHG Allowance Costs (Confidential)
PAC/205	2019 Recorded GHG Allowance Revenue (Confidential)
PAC/206	2020 Recorded/Forecast GHG Allowance Revenue (Confidential)
PAC/207	Summary of the GHG Allowance Revenue Balancing Account (Confidential)
PAC/208	2021 Forecast GHG Allowance Revenue (Confidential)
PAC/209	Commission Template D-5: History of Revenues, Costs, and Emissions Intensity (Confidential)
Exhibits PAC/300	Direct Testimony of Nina Ford
PAC/301	2013 – 202020 Recorded/Forecast Customer Outreach Costs
PAC/302	2021 Customer Outreach Activities and Estimated Costs
PAC/303	2021 Forecast Customer Outreach Costs

PAC/304	Commission Template D-3: Detail of Outreach Costs
Exhibits PAC/400	Direct Testimony of Anthony B. Worthington
PAC/401	2013 – 2020 Recorded/Forecast Administrative Costs
PAC/402	2021 Forecast Administrative Costs
PAC/403	Commission Template D-3: Detail of Administrative Costs
Exhibits PAC/500	Direct Testimony of Judith M. Ridenour
PAC/501	Calculation of Proposed ECAC Adjustment Rates
PAC/502	GHG Allowance Costs to be Recovered in Rates (Confidential)
PAC/503	GHG Allowance Revenue to be Distributed Through the California Climate Credit
PAC/504	Calculation of Proposed GHG Allowance Costs Surcharge and California Climate Credit Rates
PAC/505	Commission Template D-1: Annual Allowance Revenue Receipts and Customer Returns (Confidential)
PAC/506	Commission Template D-4: Forecast Revenue Requirement and Revenues by Rate Schedule
PAC/507	Effects of Proposed Rate Change Distributed by Rate Schedule

I. Public Notice (Rule 3.2(b), (c) and (d))

Certain cities and counties in the state of California will be affected by the rate changes resulting from this application. This includes the cities and towns of Yreka, Crescent City, Alturas, Mount Shasta, Weed, Dunsmuir, Fort Jones, Dorris, and Tulelake. Counties affected by this application are Siskiyou, Del Norte, Modoc, and Shasta. PacifiCorp will be providing notice to customers consistent with Rule 3.2(b), (c) and (d). Notice of the filing of this application will be: (1) served on the Attorney General and the Department of General Services when the state is a customer or subscriber whose rates would be affected by the proposed change; (2) served on the County Counsel (or District Attorney if the county has no County Counsel) and County Clerk, and the City Attorney and City Clerk, listed in the current roster published by the Secretary of State in each county and city in which the proposed change in rates is to be made effective; (3) published in a newspaper of general circulation in each county in PacifiCorp's service territory within which the rate changes would be effective; (4) included with regular bills mailed to all customers affected by the proposed changes or by electronically linking to notice of this application for customers that receive their bills electronically; and (5) served on any other persons whom PacifiCorp deems appropriate or as required by the Commission.

The bill inserts are required to include the application number assigned to this Application. Unless PacifiCorp receives the assigned application number for the Application within four days of filing, it may not be able to meet the deadline for completing the bill insert cycle within 45-days of filing the Application. Accordingly, PacifiCorp requests either: (a) expeditious assignment of an application number so that it can timely complete the bill inserts, or (b) a seven day extension to complete this requirement.

J. Statement under Rule 3.2(a)(10)

If the company is filing an application for authority to increase its rates, Rule 3.2(a)(10) requires PacifiCorp to state whether its request is limited to passing through to customers "only increased costs to the corporation for the services or commodities furnished by it." The company is requesting an increase in the GHG surcharge to recover GHG allowance costs. PacifiCorp requests permission to pass through to customers increased costs to the corporation for the services or commodities furnished by it in serving its California retail customers.

K. Commission Templates Included in Application

In compliance with D.14-10-033, D.14-10-055, and D.15-01-024, PacifiCorp has prepared, and is submitting, the following Commission templates for this Application:

- Commission Template C: Weighted Average Cost of Compliance Instruments is provided as Confidential Exhibit PAC/201 to the direct testimony of Mary M. Wiencke.
- Commission Template D-1: Annual Allowance Revenue Receipts and Customer Returns is provided as Confidential Exhibit PAC/505 to the direct testimony of Judith M. Ridenour

- Commission Template D-2: Annual GHG Emissions and Associated Compliance Obligation is provided as Confidential Exhibit PAC/202 to the direct testimony of Mary M. Wiencke.

- Commission Template D-3: Detail of Outreach and Administrative Expenses. The template provided by the Commission included outreach and administrative costs in the same table. The table has been split into two tables, one for outreach and one for administrative costs so that each table may be included as an exhibit for the appropriate Company witness. Refer to Exhibit PAC/304 to the direct testimony of Nina Ford for the detail of outreach costs. Refer to Exhibit PAC/403 to the direct testimony of Anthony B. Worthington for detail of administrative costs.

- Commission Template D-4: Forecast Revenue Requirement and Revenues by Rate Schedule is provided as Exhibit PAC/506 to the direct testimony of Judith M. Ridenour.

- Commission Template D-5: History of Revenues, Costs, and Emissions Intensity is provided as Exhibit PAC/209 to the direct testimony of Mary M. Wiencke.

IV. CONCLUSION

Based on the information provided in this application, as well as the accompanying appendices, testimony, and exhibits, PacifiCorp respectfully requests that the Commission issue an order approving the proposed overall rate decrease to allow PacifiCorp timely recovery of its NPC through its approved ECAC and its GHG allowance surcharge. PacifiCorp also respectfully requests approval of the California Climate Credit that returns revenue from the sale of GHG allowances to eligible customer classes.

Respectfully submitted this August 3, 2020, at San Francisco, California.

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Attorneys for PacifiCorp

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

In the Matter of the Application of PacifiCorp (U 901 E) for Approval of its 2021 Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue	Application No. 20-08- ___ (Filed August 3, 2020)

VERIFICATION

I am an officer of the applicant in the above-captioned proceeding and am authorized to make this verification on its behalf. The statements in the foregoing document are true on my own knowledge, except as to matters which are stated therein on information or belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 3, 2020, at Portland, Oregon.

Etta Lockey
Vice President, Regulation

Appendix A

PacifiCorp Form10-Q for the period ending March 31, 2020

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2020

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ______ to _______

Commission File Number	Exact name of registrant as specified in its charter State or other jurisdiction of incorporation or organization Address of principal executive offices Registrant's telephone number, including area code	IRS Employer Identification No.
001-14881	**BERKSHIRE HATHAWAY ENERGY COMPANY** **(An Iowa Corporation)** **666 Grand Avenue, Suite 500** **Des Moines, Iowa 50309-2580** **515-242-4300**	**94-2213782**
001-05152	**PACIFICORP** **(An Oregon Corporation)** **825 N.E. Multnomah Street** **Portland, Oregon 97232** **888-221-7070**	**93-0246090**
333-90553	**MIDAMERICAN FUNDING, LLC** **(An Iowa Limited Liability Company)** **666 Grand Avenue, Suite 500** **Des Moines, Iowa 50309-2580** **515-242-4300**	**47-0819200**
333-15387	**MIDAMERICAN ENERGY COMPANY** **(An Iowa Corporation)** **666 Grand Avenue, Suite 500** **Des Moines, Iowa 50309-2580** **515-242-4300**	**42-1425214**
000-52378	**NEVADA POWER COMPANY** **(A Nevada Corporation)** **6226 West Sahara Avenue** **Las Vegas, Nevada 89146** **702-402-5000**	**88-0420104**
000-00508	**SIERRA PACIFIC POWER COMPANY** **(A Nevada Corporation)** **6100 Neil Road** **Reno, Nevada 89511** **775-834-4011**	**88-0044418**

N/A

(Former name or former address, if changed from last report)

Registrant	Securities registered pursuant to Section 12(b) of the Act:
BERKSHIRE HATHAWAY ENERGY COMPANY	None
PACIFICORP	None
MIDAMERICAN FUNDING, LLC	None
MIDAMERICAN ENERGY COMPANY	None
NEVADA POWER COMPANY	None
SIERRA PACIFIC POWER COMPANY	None

Registrant	Name of exchange on which registered:
BERKSHIRE HATHAWAY ENERGY COMPANY	None
PACIFICORP	None
MIDAMERICAN FUNDING, LLC	None
MIDAMERICAN ENERGY COMPANY	None
NEVADA POWER COMPANY	None
SIERRA PACIFIC POWER COMPANY	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Registrant	Yes	No
BERKSHIRE HATHAWAY ENERGY COMPANY	X	
PACIFICORP	X	
MIDAMERICAN FUNDING, LLC		X
MIDAMERICAN ENERGY COMPANY	X	
NEVADA POWER COMPANY	X	
SIERRA PACIFIC POWER COMPANY	X	

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Registrant	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
BERKSHIRE HATHAWAY ENERGY COMPANY			X		
PACIFICORP			X		
MIDAMERICAN FUNDING, LLC			X		
MIDAMERICAN ENERGY COMPANY			X		
NEVADA POWER COMPANY			X		
SIERRA PACIFIC POWER COMPANY			X		

If an emerging growth company, indicate by check mark if the registrants have elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrants are a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

All shares of outstanding common stock of Berkshire Hathaway Energy Company are privately held by a limited group of investors. As of April 30, 2020, 76,368,874 shares of common stock, no par value, were outstanding.

All shares of outstanding common stock of PacifiCorp are indirectly owned by Berkshire Hathaway Energy Company. As of April 30, 2020, 357,060,915 shares of common stock, no par value, were outstanding.

All of the member's equity of MidAmerican Funding, LLC is held by its parent company, Berkshire Hathaway Energy Company, as of April 30, 2020.

All shares of outstanding common stock of MidAmerican Energy Company are owned by its parent company, MHC Inc., which is a direct, wholly owned subsidiary of MidAmerican Funding, LLC. As of April 30, 2020, 70,980,203 shares of common stock, no par value, were outstanding.

All shares of outstanding common stock of Nevada Power Company are owned by its parent company, NV Energy, Inc., which is an indirect, wholly owned subsidiary of Berkshire Hathaway Energy Company. As of April 30, 2020, 1,000 shares of common stock, $1.00 stated value, were outstanding.

All shares of outstanding common stock of Sierra Pacific Power Company are owned by its parent company, NV Energy, Inc. As of April 30, 2020, 1,000 shares of common stock, $3.75 par value, were outstanding.

This combined Form 10-Q is separately filed by Berkshire Hathaway Energy Company, PacifiCorp, MidAmerican Funding, LLC, MidAmerican Energy Company, Nevada Power Company and Sierra Pacific Power Company. Information contained herein relating to any individual company is filed by such company on its own behalf. Each company makes no representation as to information relating to the other companies.

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PART I

PART II

Definition of Abbreviations and Industry Terms

When used in Forward-Looking Statements, Part I - Items 2 through 3, and Part II - Items 1 through 6, the following terms have the definitions indicated.

Berkshire Hathaway Energy Company and Related Entities

BHE	Berkshire Hathaway Energy Company
Berkshire Hathaway	Berkshire Hathaway Inc.
Berkshire Hathaway Energy or the Company	Berkshire Hathaway Energy Company and its subsidiaries
PacifiCorp	PacifiCorp and its subsidiaries
MidAmerican Funding	MidAmerican Funding, LLC and its subsidiaries
MidAmerican Energy	MidAmerican Energy Company
NV Energy	NV Energy, Inc. and its subsidiaries
Nevada Power	Nevada Power Company and its subsidiaries
Sierra Pacific	Sierra Pacific Power Company
Nevada Utilities	Nevada Power Company and Sierra Pacific Power Company
Registrants	Berkshire Hathaway Energy Company, PacifiCorp, MidAmerican Funding, MidAmerican Energy, Nevada Power and Sierra Pacific
Northern Powergrid	Northern Powergrid Holdings Company
BHE Pipeline Group	Northern Natural Gas and Kern River
Northern Natural Gas	Northern Natural Gas Company
Kern River	Kern River Gas Transmission Company
BHE Transmission	BHE Canada Holdings Corporation and BHE U.S. Transmission
BHE Canada	BHE Canada Holdings Corporation
AltaLink	AltaLink, L.P.
BHE U.S. Transmission	BHE U.S. Transmission, LLC
BHE Renewables	BHE Renewables, LLC and CalEnergy Philippines
HomeServices	HomeServices of America, Inc. and its subsidiaries
Utilities	PacifiCorp, MidAmerican Energy Company, Nevada Power Company and Sierra Pacific Power Company
Domestic Regulated Businesses	PacifiCorp, MidAmerican Energy Company, Nevada Power Company, Sierra Pacific Power Company, Northern Natural Gas Company and Kern River Gas Transmission Company
Topaz	Topaz Solar Farms LLC
Agua Caliente	Agua Caliente Solar, LLC

Certain Industry Terms

2017 Tax Reform	The Tax Cuts and Jobs Act enacted on December 22, 2017, effective January 1, 2018
AB 1054	California Assembly Bill 1054
AESO	Alberta Electric System Operator
AFUDC	Allowance for Funds Used During Construction
AUC	Alberta Utilities Commission
COVID-19	Coronavirus Disease 2019
CPUC	California Public Utilities Commission
DEAA	Deferred Energy Accounting Adjustment
Dth	Decatherm
EBA	Energy Balancing Account
ECAM	Energy Cost Adjustment Mechanism
EPA	United States Environmental Protection Agency

FERC	Federal Energy Regulatory Commission
GAAP	Accounting principles generally accepted in the United States of America
GEMA	Gas and Electricity Markets Authority
GWh	Gigawatt Hour
GTA	General Tariff Application
IPUC	Idaho Public Utilities Commission
ICC	Illinois Commerce Commission
IRP	Integrated Resource Plan
kV	Kilovolt
MATS	Mercury and Air Toxics Standards
MW	Megawatt
MWh	Megawatt Hour
OATT	Open Access Transmission Tariff
Ofgem	Office of Gas and Electric Markets
OPUC	Oregon Public Utility Commission
PTC	Production Tax Credit
PUCN	Public Utilities Commission of Nevada
RAC	Renewable Adjustment Clause
REC	Renewable Energy Credit
RPS	Renewable Portfolio Standards
RRA	Renewable Energy Credit and Sulfur Dioxide Revenue Adjustment Mechanism
SEC	United States Securities and Exchange Commission
SIP	State Implementation Plan
TAM	Transition Adjustment Mechanism
UPSC	Utah Public Service Commission
WPSC	Wyoming Public Service Commission
WUTC	Washington Utilities and Transportation Commission

Forward-Looking Statements

This report contains statements that do not directly or exclusively relate to historical facts. These statements are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can typically be identified by the use of forward-looking words, such as "will," "may," "could," "project," "believe," "anticipate," "expect," "estimate," "continue," "intend," "potential," "plan," "forecast" and similar terms. These statements are based upon the relevant Registrant's current intentions, assumptions, expectations and beliefs and are subject to risks, uncertainties and other important factors. Many of these factors are outside the control of each Registrant and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include, among others:

- general economic, political and business conditions, as well as changes in, and compliance with, laws and regulations, including income tax reform, initiatives regarding deregulation and restructuring of the utility industry, and reliability and safety standards, affecting the respective Registrant's operations or related industries;
- changes in, and compliance with, environmental laws, regulations, decisions and policies that could, among other items, increase operating and capital costs, reduce facility output, accelerate facility retirements or delay facility construction or acquisition;
- the outcome of regulatory rate reviews and other proceedings conducted by regulatory agencies or other governmental and legal bodies and the respective Registrant's ability to recover costs through rates in a timely manner;
- changes in economic, industry, competition or weather conditions, as well as demographic trends, new technologies and various conservation, energy efficiency and private generation measures and programs, that could affect customer growth and usage, electricity and natural gas supply or the respective Registrant's ability to obtain long-term contracts with customers and suppliers;
- performance, availability and ongoing operation of the respective Registrant's facilities, including facilities not operated by the Registrants, due to the impacts of market conditions, outages and repairs, transmission constraints, weather, including wind, solar and hydroelectric conditions, and operating conditions;
- the effects of catastrophic and other unforeseen events, which may be caused by factors beyond the control of each respective Registrant or by a breakdown or failure of the Registrants' operating assets, including severe storms, floods, fires, earthquakes, explosions, landslides, an electromagnetic pulse, mining incidents, litigation, wars, terrorism, pandemics (including potentially in relation to COVID-19), embargoes, and cyber security attacks, data security breaches, disruptions, or other malicious acts;
- a high degree of variance between actual and forecasted load or generation that could impact a Registrant's hedging strategy and the cost of balancing its generation resources with its retail load obligations;
- changes in prices, availability and demand for wholesale electricity, coal, natural gas, other fuel sources and fuel transportation that could have a significant impact on generating capacity and energy costs;
- the financial condition, creditworthiness and operational stability of the respective Registrant's significant customers and suppliers;
- changes in business strategy or development plans;
- availability, terms and deployment of capital, including reductions in demand for investment-grade commercial paper, debt securities and other sources of debt financing and volatility in interest rates;
- changes in the respective Registrant's credit ratings;
- risks relating to nuclear generation, including unique operational, closure and decommissioning risks;
- hydroelectric conditions and the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings;
- the impact of certain contracts used to mitigate or manage volume, price and interest rate risk, including increased collateral requirements, and changes in commodity prices, interest rates and other conditions that affect the fair value of certain contracts;
- the impact of inflation on costs and the ability of the respective Registrants to recover such costs in regulated rates;
- fluctuations in foreign currency exchange rates, primarily the British pound and the Canadian dollar;
- increases in employee healthcare costs;

- the impact of investment performance and changes in interest rates, legislation, healthcare cost trends, mortality and morbidity on pension and other postretirement benefits expense and funding requirements;
- changes in the residential real estate brokerage, mortgage and franchising industries and regulations that could affect brokerage, mortgage and franchising transactions;
- the ability to successfully integrate future acquired operations into a Registrant's business;
- unanticipated construction delays, changes in costs, receipt of required permits and authorizations, ability to fund capital projects and other factors that could affect future facilities and infrastructure additions;
- the availability and price of natural gas in applicable geographic regions and demand for natural gas supply;
- the impact of new accounting guidance or changes in current accounting estimates and assumptions on the financial results of the respective Registrants; and
- other business or investment considerations that may be disclosed from time to time in the Registrants' filings with the SEC or in other publicly disseminated written documents.

Further details of the potential risks and uncertainties affecting the Registrants are described in the Registrants' filings with the SEC, including Part II, Item 1A and other discussions contained in this Form 10-Q. Each Registrant undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing factors should not be construed as exclusive.

Item 1. Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Berkshire Hathaway Energy Company and its subsidiaries
Consolidated Financial Section

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Berkshire Hathaway Energy Company

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Berkshire Hathaway Energy Company and subsidiaries (the "Company") as of March 31, 2020, the related consolidated statements of operations, comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2020 and 2019, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2019, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2020, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph regarding changes in accounting principles. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2019 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP

Des Moines, Iowa
May 1, 2020

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

	As of	
	March 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,071	$ 1,040
Restricted cash and cash equivalents	217	212
Trade receivables, net	1,772	1,910
Inventories	912	873
Mortgage loans held for sale	1,183	1,039
Other current assets	1,229	839
Total current assets	7,384	5,913
Property, plant and equipment, net	72,664	73,305
Goodwill	9,562	9,722
Regulatory assets	2,834	2,766
Investments and restricted cash and cash equivalents and investments	6,293	6,255
Other assets	2,069	2,090
Total assets	$ 100,806	$ 100,051

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

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

	As of	
	March 31, 2020	**December 31, 2019**
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 1,542	$ 1,839
Accrued interest	514	493
Accrued property, income and other taxes	417	537
Accrued employee expenses	296	285
Short-term debt	2,088	3,214
Current portion of long-term debt	1,324	2,539
Other current liabilities	1,634	1,350
Total current liabilities	7,815	10,257
BHE senior debt	11,010	8,231
BHE junior subordinated debentures	100	100
Subsidiary debt	29,061	28,483
Regulatory liabilities	6,957	7,100
Deferred income taxes	9,677	9,653
Other long-term liabilities	3,614	3,649
Total liabilities	68,234	67,473
Commitments and contingencies (Note 8)		
Equity:		
BHE shareholders' equity:		
Common stock - 115 shares authorized, no par value, 76 and 77 shares issued and outstanding	—	—
Additional paid-in capital	6,382	6,389
Long-term income tax receivable	(530)	(530)
Retained earnings	28,846	28,296
Accumulated other comprehensive loss, net	(2,253)	(1,706)
Total BHE shareholders' equity	32,445	32,449
Noncontrolling interests	127	129
Total equity	32,572	32,578
Total liabilities and equity	$ 100,806	$ 100,051

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

BERKSHIRE HATHAWAY ENERGY COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31,	
	2020	**2019**
Operating revenue:		
Energy	$ 3,634	$ 3,825
Real estate	893	785
Total operating revenue	4,527	4,610
Operating expenses:		
Energy:		
Cost of sales	1,038	1,214
Operations and maintenance	737	802
Depreciation and amortization	809	720
Property and other taxes	151	149
Real estate	873	806
Total operating expenses	3,608	3,691
Operating income	919	919
Other income (expense):		
Interest expense	(483)	(477)
Capitalized interest	17	16
Allowance for equity funds	34	32
Interest and dividend income	20	30
Gains (losses) on marketable securities, net	27	(68)
Other, net	(27)	35
Total other income (expense)	(412)	(432)
Income before income tax benefit and equity loss	507	487
Income tax benefit	(184)	(148)
Equity loss	(18)	(10)
Net income	673	625
Net income attributable to noncontrolling interests	3	3
Net income attributable to BHE shareholders	$ 670	$ 622

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

BERKSHIRE HATHAWAY ENERGY COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31,	
	2020	2019
Net income	$ 673	$ 625
Other comprehensive (loss) income, net of tax:		
Unrecognized amounts on retirement benefits, net of tax of $11 and $(7)	34	(32)
Foreign currency translation adjustment	(548)	155
Unrealized losses on cash flow hedges, net of tax of $(10) and $(2)	(33)	(8)
Total other comprehensive (loss) income, net of tax	(547)	115
Comprehensive income	126	740
Comprehensive income attributable to noncontrolling interests	3	3
Comprehensive income attributable to BHE shareholders	$ 123	$ 737

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

BERKSHIRE HATHAWAY ENERGY COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)
(Amounts in millions)

	BHE Shareholders' Equity								
	Common		Additional Paid-in	Long-term Income Tax	Retained	Accumulated Other Comprehensive	Noncontrolling	Total
	Shares	Stock	Capital	Receivable	Earnings	Loss, Net	Interests	Equity
Balance, December 31, 2018	77	$ —	$ 6,371	$ (457)	$ 25,624	$ (1,945)	$ 130	$29,723
Net income	—	—	—	—	622	—	3	625
Other comprehensive income	—	—	—	—	—	115	—	115
Common stock purchases	—	—	(16)	—	(277)	—	—	(293)
Distributions	—	—	—	—	—	—	(7)	(7)
Other equity transactions	—	—	—	—	(1)	—	—	(1)
Balance, March 31, 2019	77	$ —	$ 6,355	$ (457)	$ 25,968	$ (1,830)	$ 126	$30,162
Balance, December 31, 2019	77	$ —	$ 6,389	$ (530)	$ 28,296	$ (1,706)	$ 129	$32,578
Net income	—	—	—	—	670	—	3	673
Other comprehensive loss	—	—	—	—	—	(547)	—	(547)
Common stock purchases	(1)	—	(6)	—	(120)	—	—	(126)
Distributions	—	—	—	—	—	—	(5)	(5)
Other equity transactions	—	—	(1)	—	—	—	—	(1)
Balance, March 31, 2020	76	$ —	$ 6,382	$ (530)	$ 28,846	$ (2,253)	$ 127	$32,572

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

BERKSHIRE HATHAWAY ENERGY COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31, 2020	2019
Cash flows from operating activities:		
Net income	$ 673	$ 625
Adjustments to reconcile net income to net cash flows from operating activities:		
(Gains) losses on marketable securities, net	(27)	68
Depreciation and amortization	821	733
Allowance for equity funds	(34)	(32)
Equity loss, net of distributions	29	26
Changes in regulatory assets and liabilities	—	(52)
Deferred income taxes and amortization of investment tax credits	47	(21)
Other, net	63	1
Changes in other operating assets and liabilities, net of effects from acquisitions:		
Trade receivables and other assets	(118)	144
Derivative collateral, net	(19)	(3)
Pension and other postretirement benefit plans	(23)	(21)
Accrued property, income and other taxes, net	(364)	(48)
Accounts payable and other liabilities	117	68
Net cash flows from operating activities	1,165	1,488
Cash flows from investing activities:		
Capital expenditures	(1,356)	(1,393)
Acquisitions, net of cash acquired	—	(26)
Purchases of marketable securities	(188)	(159)
Proceeds from sales of marketable securities	180	153
Equity method investments	(153)	(7)
Other, net	43	17
Net cash flows from investing activities	(1,474)	(1,415)
Cash flows from financing activities:		
Proceeds from BHE senior debt	3,231	—
Repayments of BHE senior debt	(350)	—
Common stock purchases	(126)	(293)
Proceeds from subsidiary debt	1,093	2,945
Repayments of subsidiary debt	(1,347)	(1,420)
Net repayments of short-term debt	(1,109)	(311)
Other, net	(34)	(21)
Net cash flows from financing activities	1,358	900
Effect of exchange rate changes	(13)	1
Net change in cash and cash equivalents and restricted cash and cash equivalents	1,036	974
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	1,268	883
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 2,304	$ 1,857

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

(1) General

Berkshire Hathaway Energy Company ("BHE") is a holding company that owns a highly diversified portfolio of locally managed businesses principally engaged in the energy industry (collectively with its subsidiaries, the "Company") and is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway").

The Company's operations are organized as eight business segments: PacifiCorp, MidAmerican Funding, LLC ("MidAmerican Funding") (which primarily consists of MidAmerican Energy Company ("MidAmerican Energy")), NV Energy, Inc. ("NV Energy") (which primarily consists of Nevada Power Company ("Nevada Power") and Sierra Pacific Power Company ("Sierra Pacific")), Northern Powergrid Holdings Company ("Northern Powergrid") (which primarily consists of Northern Powergrid (Northeast) Limited and Northern Powergrid (Yorkshire) plc), BHE Pipeline Group (which primarily consists of Northern Natural Gas Company ("Northern Natural Gas") and Kern River Gas Transmission Company ("Kern River")), BHE Transmission (which consists of BHE Canada Holdings Corporation ("BHE Canada") (which primarily consists of AltaLink, L.P. ("AltaLink")) and BHE U.S. Transmission, LLC), BHE Renewables (which primarily consists of BHE Renewables, LLC and CalEnergy Philippines) and HomeServices of America, Inc. (collectively with its subsidiaries, "HomeServices"). The Company, through these locally managed and operated businesses, owns four utility companies in the United States serving customers in 11 states, two electricity distribution companies in Great Britain, two interstate natural gas pipeline companies in the United States, an electric transmission business in Canada, interests in electric transmission businesses in the United States, a renewable energy business primarily investing in wind, solar, geothermal and hydroelectric projects, the largest residential real estate brokerage firm in the United States and one of the largest residential real estate brokerage franchise networks in the United States.

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2020 and for the three-month periods ended March 31, 2020 and 2019. The results of operations for the three-month period ended March 31, 2020 are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in the Company's assumptions regarding significant accounting estimates and policies during the three-month period ended March 31, 2020.

Coronavirus Disease 2019 ("COVID-19")

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by the Company. While the rapid outbreak of COVID-19 has not had a material impact on the Company's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. The duration and extent of COVID-19 and its future impact on the Company's businesses cannot be reasonably estimated at this time. Accordingly, significant estimates used in the preparation of the Company's unaudited Consolidated Financial Statements, including those associated with evaluations of certain long-lived assets, goodwill and other intangible assets for impairment, expected credit losses on amounts owed to the Company and potential regulatory deferral or recovery of certain costs may be subject to significant adjustments in future periods.

(2) Property, Plant and Equipment, Net

Property, plant and equipment, net consists of the following (in millions):

	Depreciable Life	As of March 31, 2020	As of December 31, 2019
Regulated assets:			
Utility generation, transmission and distribution systems	5-80 years	$ 80,530	$ 81,127
Interstate natural gas pipeline assets	3-80 years	8,181	8,165
		88,711	89,292
Accumulated depreciation and amortization		(26,414)	(26,353)
Regulated assets, net		62,297	62,939
Nonregulated assets:			
Independent power plants	5-30 years	6,994	6,983
Other assets	3-30 years	1,798	1,834
		8,792	8,817
Accumulated depreciation and amortization		(2,244)	(2,183)
Nonregulated assets, net		6,548	6,634
Net operating assets		68,845	69,573
Construction work-in-progress		3,819	3,732
Property, plant and equipment, net		$ 72,664	$ 73,305

Construction work-in-progress includes $3.7 billion as of March 31, 2020 and $3.6 billion as of December 31, 2019, related to the construction of regulated assets.

(3) Investments and Restricted Cash and Cash Equivalents and Investments

Investments and restricted cash and cash equivalents and investments consists of the following (in millions):

	As of	
	March 31, 2020	December 31, 2019
Investments:		
BYD Company Limited common stock	$ 1,176	$ 1,122
Rabbi trusts	364	410
Other	171	187
Total investments	1,711	1,719
Equity method investments:		
BHE Renewables tax equity investments	3,232	3,130
Electric Transmission Texas, LLC	562	555
Bridger Coal Company	77	81
Other	182	181
Total equity method investments	4,053	3,947
Restricted cash and cash equivalents and investments:		
Quad Cities Station nuclear decommissioning trust funds	541	599
Other restricted cash and cash equivalents	233	230
Total restricted cash and cash equivalents and investments	774	829
Total investments and restricted cash and cash equivalents and investments	$ 6,538	$ 6,495
Reflected as:		
Current assets	$ 245	$ 240
Noncurrent assets	6,293	6,255
Total investments and restricted cash and cash equivalents and investments	$ 6,538	$ 6,495

Investments

Gains (losses) on marketable securities, net recognized during the period consists of the following (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Unrealized gains (losses) recognized on marketable securities still held at the reporting date	$ 25	$ (68)
Net gains recognized on marketable securities sold during the period	2	—
Gains (losses) on marketable securities, net	$ 27	$ (68)

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, United States Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, consist substantially of funds restricted for the purpose of constructing solid waste facilities under tax-exempt bond obligation agreements and debt service obligations for certain of the Company's nonregulated renewable energy projects. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, as presented in the Consolidated Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Consolidated Balance Sheets (in millions):

	As of	
	March 31, 2020	December 31, 2019
Cash and cash equivalents	$ 2,071	$ 1,040
Restricted cash and cash equivalents	217	212
Investments and restricted cash and cash equivalents and investments	16	16
Total cash and cash equivalents and restricted cash and cash equivalents	$ 2,304	$ 1,268

(4) Recent Financing Transactions

Long-Term Debt

In April 2020, PacifiCorp issued $400 million of its 2.70% First Mortgage Bonds due 2030 and $600 million of its 3.30% First Mortgage Bonds due 2051. PacifiCorp intends to use the net proceeds to fund capital expenditures, primarily for renewable resources and associated transmission projects, and for general corporate purposes.

In March 2020, BHE issued $1.25 billion of its 4.05% Senior Notes due 2025, $1.1 billion of its 3.70% Senior Notes due 2030 and $900 million of its 4.25% Senior Notes due 2050. BHE used the net proceeds to refinance a portion of the Company's short-term indebtedness and for general corporate purposes.

In January 2020, Nevada Power issued $425 million of its 2.40% General and Refunding Mortgage Notes, Series DD, due 2030 and $300 million of its 3.125% General and Refunding Mortgage Notes, Series EE, due 2050. Nevada Power used the net proceeds for the early redemption of $575 million of its 2.75% General and Refunding Mortgage Notes, Series BB, due April 2020 and for general corporate purposes.

In January 2020, Pinyon Pines I and II issued $382 million of fifteen year variable-rate term loans due 2034 with a portion of the proceeds used to repay $284 million of existing variable-rate term loans due April 2020. The new term loans amortize semiannually and have variable interest rates based on LIBOR plus a margin that varies during the terms of the agreements. The Company has entered into interest rate swaps that fix the interest rate on 100% of the new term loans. The variable interest rate as of March 31, 2020 was 2.61% while the fixed interest rate as of March 31, 2020 was 3.23%.

(5) Income Taxes

A reconciliation of the federal statutory income tax rate to the effective income tax rate applicable to income before income tax benefit is as follows:

	Three-Month Periods Ended March 31,	
	2020	2019
Federal statutory income tax rate	21 %	21 %
Income tax credits	(46)	(29)
State income tax, net of federal income tax benefit	—	(17)
Income tax effect of foreign income	(3)	(3)
Effects of ratemaking	(8)	(3)
Equity income	(1)	(1)
Other, net	1	2
Effective income tax rate	(36)%	(30)%

Income tax credits relate primarily to production tax credits ("PTCs") from wind-powered generating facilities owned by MidAmerican Energy, PacifiCorp and BHE Renewables. Federal renewable electricity PTCs are earned as energy from qualifying wind-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. Wind-powered generating facilities are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service.

The Company's provision for income taxes has been computed on a stand-alone basis. Berkshire Hathaway includes the Company in its consolidated United States federal and Iowa state income tax returns and the majority of the Company's United States federal income tax is remitted to or received from Berkshire Hathaway. For the three-month periods ended March 31, 2020 and 2019, the Company made payments for federal income taxes to Berkshire Hathaway totaling $100 million and $- million, respectively.

(6) Employee Benefit Plans

Domestic Operations

Net periodic benefit cost (credit) for the domestic pension and other postretirement benefit plans included the following components (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Pension:		
Service cost	$ 3	$ 4
Interest cost	23	27
Expected return on plan assets	(35)	(38)
Net amortization	9	9
Net periodic benefit cost	$ —	$ 2
Other postretirement:		
Service cost	$ 1	$ 2
Interest cost	6	6
Expected return on plan assets	(9)	(10)
Net amortization	(1)	(2)
Net periodic benefit credit	$ (3)	$ (4)

Amounts other than the service cost for pension and other postretirement benefit plans are recorded in Other, net in the Consolidated Statements of Operations. Employer contributions to the domestic pension and other postretirement benefit plans are expected to be $13 million and $1 million, respectively, during 2020. As of March 31, 2020, $3 million and $- million of contributions had been made to the domestic pension and other postretirement benefit plans, respectively.

Foreign Operations

Net periodic benefit (credit) cost for the United Kingdom pension plan included the following components (in millions):

	Three-Month Periods Ended March 31,	
	2020	**2019**
Service cost	$ 4	$ 4
Interest cost	10	13
Expected return on plan assets	(25)	(25)
Net amortization	10	9
Net periodic benefit (credit) cost	$ (1)	$ 1

Amounts other than the service cost for the United Kingdom pension plan are recorded in Other, net in the Consolidated Statements of Operations. Employer contributions to the United Kingdom pension plan are expected to be £43 million during 2020. As of March 31, 2020, £11 million, or $14 million, of contributions had been made to the United Kingdom pension plan.

(7) Fair Value Measurements

The carrying value of the Company's cash, certain cash equivalents, receivables, payables, accrued liabilities and short-term borrowings approximates fair value because of the short-term maturity of these instruments. The Company has various financial assets and liabilities that are measured at fair value on the Consolidated Financial Statements using inputs from the three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 — Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 — Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 — Unobservable inputs reflect the Company's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. The Company develops these inputs based on the best information available, including its own data.

The following table presents the Company's financial assets and liabilities recognized on the Consolidated Balance Sheets and measured at fair value on a recurring basis (in millions):

	Input Levels for Fair Value Measurements				
	Level 1	Level 2	Level 3	Other[1]	Total
As of March 31, 2020					
Assets:					
Commodity derivatives	$ 1	$ 38	$ 105	$ (20)	$ 124
Interest rate derivatives	—	5	51	—	56
Mortgage loans held for sale	—	1,183	—	—	1,183
Money market mutual funds[2]	1,750	—	—	—	1,750
Debt securities:					
United States government obligations	154	—	—	—	154
International government obligations	—	4	—	—	4
Corporate obligations	—	66	—	—	66
Municipal obligations	—	3	—	—	3
Agency, asset and mortgage-backed obligations	—	1	—	—	1
Equity securities:					
United States companies	300	—	—	—	300
International companies	1,185	—	—	—	1,185
Investment funds	172	—	—	—	172
	$ 3,562	$ 1,300	$ 156	$ (20)	$ 4,998
Liabilities:					
Commodity derivatives	$ (3)	$ (167)	$ (53)	$ 112	$ (111)
Interest rate derivatives	(4)	(65)	(6)	—	(75)
	$ (7)	$ (232)	$ (59)	$ 112	$ (186)

	Input Levels for Fair Value Measurements				
	Level 1	Level 2	Level 3	Other[1]	Total
As of December 31, 2019					
Assets:					
Commodity derivatives	$ —	$ 45	$ 108	$ (24)	$ 129
Interest rate derivatives	—	2	14	—	16
Mortgage loans held for sale	—	1,039	—	—	1,039
Money market mutual funds[2]	824	—	—	—	824
Debt securities:					
United States government obligations	189	—	—	—	189
International government obligations	—	4	—	—	4
Corporate obligations	—	58	—	—	58
Municipal obligations	—	1	—	—	1
Agency, asset and mortgage-backed obligations	—	1	—	—	1
Equity securities:					
United States companies	336	—	—	—	336
International companies	1,131	—	—	—	1,131
Investment funds	169	—	—	—	169
	$ 2,649	$ 1,150	$ 122	$ (24)	$ 3,897
Liabilities:					
Commodity derivatives	$ (4)	$ (143)	$ (11)	$ 103	$ (55)
Interest rate derivatives	(2)	(19)	—	—	(21)
	$ (6)	$ (162)	$ (11)	$ 103	$ (76)

(1) Represents netting under master netting arrangements and a net cash collateral receivable of $92 million and $79 million as of March 31, 2020 and December 31, 2019, respectively.

(2) Amounts are included in cash and cash equivalents; other current assets; and noncurrent investments and restricted cash and investments on the Consolidated Balance Sheets. The fair value of these money market mutual funds approximates cost.

Derivative contracts are recorded on the Consolidated Balance Sheets as either assets or liabilities and are stated at estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. When available, the fair value of derivative contracts is estimated using unadjusted quoted prices for identical contracts in the market in which the Company transacts. When quoted prices for identical contracts are not available, the Company uses forward price curves. Forward price curves represent the Company's estimates of the prices at which a buyer or seller could contract today for delivery or settlement at future dates. The Company bases its forward price curves upon market price quotations, when available, or internally developed and commercial models, with internal and external fundamental data inputs. Market price quotations are obtained from independent brokers, exchanges, direct communication with market participants and actual transactions executed by the Company. Market price quotations are generally readily obtainable for the applicable term of the Company's outstanding derivative contracts; therefore, the Company's forward price curves reflect observable market quotes. Market price quotations for certain electricity and natural gas trading hubs are not as readily obtainable due to the length of the contract. Given that limited market data exists for these contracts, as well as for those contracts that are not actively traded, the Company uses forward price curves derived from internal models based on perceived pricing relationships to major trading hubs that are based on unobservable inputs. The estimated fair value of these derivative contracts is a function of underlying forward commodity prices, interest rates, currency rates, related volatility, counterparty creditworthiness and duration of contracts.

The Company's mortgage loans held for sale are valued based on independent quoted market prices, where available, or the prices of other mortgage whole loans with similar characteristics. As necessary, these prices are adjusted for typical securitization activities, including servicing value, portfolio composition, market conditions and liquidity.

The Company's investments in money market mutual funds and debt and equity securities are stated at fair value. When available, a readily observable quoted market price or net asset value of an identical security in an active market is used to record the fair value. In the absence of a quoted market price or net asset value of an identical security, the fair value is determined using pricing models or net asset values based on observable market inputs and quoted market prices of securities with similar characteristics.

The following table reconciles the beginning and ending balances of the Company's assets and liabilities measured at fair value on a recurring basis using significant Level 3 inputs (in millions):

	Three-Month Periods Ended March 31,	
	Commodity Derivatives	Interest Rate Derivatives
2020:		
Beginning balance	$ 97	$ 14
Changes included in earnings	(3)	72
Changes in fair value recognized in net regulatory assets	(40)	—
Purchases	2	—
Settlements	(4)	(41)
Ending balance	$ 52	$ 45
2019:		
Beginning balance	$ 99	$ 10
Changes included in earnings	(3)	53
Changes in fair value recognized in net regulatory assets	(11)	—
Purchases	1	—
Settlements	—	(45)
Ending balance	$ 86	$ 18

The Company's long-term debt is carried at cost, including fair value adjustments and unamortized premiums, discounts and debt issuance costs as applicable, on the Consolidated Balance Sheets. The fair value of the Company's long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The carrying value of the Company's variable-rate long-term debt approximates fair value because of the frequent repricing of these instruments at market rates. The following table presents the carrying value and estimated fair value of the Company's long-term debt (in millions):

	As of March 31, 2020		As of December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	$ 41,495	$ 47,220	$ 39,353	$ 46,004

(8) Commitments and Contingencies

Construction Commitments

During the three-month period ended March 31, 2020, MidAmerican Energy entered into firm construction commitments totaling $269 million for the remainder of 2020 through 2021 related to the construction of wind-powered generating facilities in Iowa.

Easements

During the three-month period ended March 31, 2020, MidAmerican Energy entered into non-cancelable easements with minimum payment commitments totaling $95 million through 2060 for land in Iowa on which some of its wind-powered generating facilities will be located.

Maintenance and Service Contracts

During the three-month period ended March 31, 2020, MidAmerican Energy entered into non-cancelable maintenance and service contracts related to wind-powered generating facilities with minimum payment commitments totaling $72 million through 2031.

BHE Renewables' Counterparty Risk

On January 29, 2019, PG&E Corporation and Pacific Gas and Electric Company (the "PG&E Utility") (together "PG&E") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of California ("PG&E Bankruptcy Filing"). The Company owns 100% of Topaz Solar Farm LLC ("Topaz") and owns a 49% interest in Agua Caliente Solar, LLC ("Agua Caliente"). Topaz is a 550-MW solar photovoltaic electric power generating facility located in California. Topaz sells 100% of its energy, capacity and renewable energy credits ("RECs") generated from the facility to PG&E Utility under a 25-year wholesale power purchase agreement ("PPA") that is in effect until October 2039. As of March 31, 2020, the Company's consolidated balance sheet includes $1.0 billion of property, plant and equipment, net and $0.8 billion of non-recourse project debt related to Topaz. Agua Caliente is a 290-MW solar photovoltaic electric power generating facility located in Arizona. Agua Caliente sells 100% of its energy, capacity and RECs generated from the facility to PG&E Utility under a 25-year wholesale PPA that is in effect until June 2039. As of March 31, 2020, the Company's equity investment in Agua Caliente totals $76 million and the project has $0.7 billion of non-recourse project debt owed to the United States Department of Energy. The PG&E Bankruptcy Filing is an event of default under the Topaz PPA ("PPA Default"). PG&E has paid in full all amounts invoiced to date for post-petition energy deliveries for both Topaz and Agua Caliente. PG&E has not paid for the power delivered from January 1 through January 28, 2019. The Company continues to perform on its obligations and deliver renewable energy to the PG&E Utility, and PG&E has publicly stated it will pay suppliers in full under normal terms for post-petition goods and services received. The Company maintains that, in light of the current facts and circumstances, the PPA Default could not reasonably be expected to result in a material adverse effect under the Topaz indenture and, therefore, no default has occurred under the Topaz indenture. In July 2019, the California Governor signed California Assembly Bill 1054 ("AB 1054") into law. AB 1054 is comprehensive legislation addressing wildfire risk in the state of California that, among other items, authorizes a wildfire fund which would operate as an insurance fund to support the creditworthiness of electrical utilities, if certain utilities, including PG&E, participate by making the required contributions, among other things. In July 2019, PG&E notified the California Public Utilities Commission ("CPUC") of its intent to participate in the insurance fund and such participation requires, among other items, PG&E to exit bankruptcy by June 30, 2020. The Company believes it is more likely than not that no impairment exists and current debt obligations will be met, as post-petition contractual revenue payments are expected to be paid by PG&E Utility to the Topaz and Agua Caliente projects. The Company will continue to monitor the situation, including continued receipt of future PG&E payments and the future risk of the PPAs being rejected or modified through the bankruptcy process.

Legal Matters

The Company is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. The Company does not believe that such normal and routine litigation will have a material impact on its consolidated financial results. The Company is also involved in other kinds of legal actions, some of which assert or may assert claims or seek to impose fines, penalties and other costs in substantial amounts and are described below.

Environmental Laws and Regulations

The Company is subject to federal, state, local and foreign laws and regulations regarding climate change, renewable portfolio standards, air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact the Company's current and future operations. The Company believes it is in material compliance with all applicable laws and regulations.

Hydroelectric Relicensing

PacifiCorp is a party to the 2016 amended Klamath Hydroelectric Settlement Agreement ("KHSA"), which is intended to resolve disputes surrounding PacifiCorp's efforts to relicense the Klamath Hydroelectric Project. The KHSA does not guarantee dam removal. Instead, it establishes a process for PacifiCorp, the states of Oregon and California ("States") and other stakeholders to assess whether dam removal can occur consistent with the settlement's terms. For PacifiCorp, the key elements of the settlement include: (1) a contribution from PacifiCorp's Oregon and California customers capped at $200 million plus $250 million in California bond funds; (2) complete indemnification from harms associated with dam removal; (3) transfer of the Federal Energy Regulatory Commission ("FERC") license to a third-party dam removal entity, the Klamath River Renewal Corporation ("KRRC"), who would conduct dam removal; and (4) ability for PacifiCorp to operate the facilities for the benefit of customers until dam removal commences.

In September 2016, the KRRC and PacifiCorp filed a joint application with the FERC to transfer the license for the four main-stem Klamath dams from PacifiCorp to the KRRC. Over the past two years, the KRRC has been supplementing the application with additional information about its financial, technical, and legal capacity to become the licensee. In July 2019, the KRRC provided the FERC with additional information about its financial capacity to become a licensee, including updated cost estimates, and its insurance, bonding and liability transfer package. The FERC is evaluating the KRRC's information and the proposed license transfer. The KRRC will continue to refine its insurance, bonding and liability transfer package, and PacifiCorp will review the KRRC's capacity to fulfill its indemnity obligation under the KHSA. If certain conditions in the amended KHSA are not satisfied (e.g., inadequate funding or inability of KRRC to satisfy its indemnification obligation) and the license does not transfer to the KRRC, PacifiCorp will resume relicensing with the FERC.

The United States Court of Appeals for the District of Columbia Circuit issued a decision in the *Hoopa Valley Tribe v. FERC* litigation, in January 2019, finding that the states of California and Oregon have waived their Clean Water Act, Section 401, water quality certification authority over the Klamath hydroelectric project relicensing. This decision has the potential to limit the ability of the States to impose water quality conditions on new and relicensed projects. Environmental interests, supported by California, Oregon and other states, asked the court to rehear the case, which was denied. Subsequently, environmental groups, supported by numerous states, filed a petition for certiorari before the United States Supreme Court, which was denied on December 9, 2019, thereby allowing the circuit court opinion to stand as a final and unappealable decision.

Guarantees

The Company has entered into guarantees as part of the normal course of business and the sale of certain assets. These guarantees are not expected to have a material impact on the Company's consolidated financial results.

(9) Revenue from Contracts with Customers

Energy Products and Services

The following table summarizes the Company's energy products and services revenue from contracts with customers ("Customer Revenue") by regulated energy and nonregulated energy, with further disaggregation of regulated energy by customer class and line of business, including a reconciliation to the Company's reportable segment information included in Note 12 (in millions):

	For the Three-Month Period Ended March 31, 2020								
	PacifiCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Pipeline Group	BHE Transmission	BHE Renewables	BHE and Other[1]	Total
Customer Revenue:									
Regulated:									
Retail electric	$ 1,122	$ 410	$ 529	$ —	$ —	$ —	$ —	$ —	$ 2,061
Retail gas	—	187	47	—	—	—	—	—	234
Wholesale	—	64	14	—	—	—	—	(1)	77
Transmission and distribution	22	15	23	233	—	169	—	—	462
Interstate pipeline	—	—	—	—	400	—	—	(48)	352
Other	26	—	1	—	—	—	—	—	27
Total Regulated	1,170	676	614	233	400	169	—	(49)	3,213
Nonregulated	—	6	1	7	—	3	159	127	303
Total Customer Revenue	1,170	682	615	240	400	172	159	78	3,516
Other revenue	36	4	7	26	1	—	19	25	118
Total	$ 1,206	$ 686	$ 622	$ 266	$ 401	$ 172	$ 178	$ 103	$ 3,634

	For the Three-Month Period Ended March 31, 2019								
	PacifiCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Pipeline Group	BHE Transmission	BHE Renewables	BHE and Other[1]	Total
Customer Revenue:									
Regulated:									
Retail electric	$ 1,186	$ 443	$ 527	$ —	$ —	$ —	$ —	$ —	$ 2,156
Retail gas	—	260	37	—	—	—	—	—	297
Wholesale	28	110	18	—	—	—	—	—	156
Transmission and distribution	25	16	24	230	—	167	—	—	462
Interstate pipeline	—	—	—	—	372	—	—	(37)	335
Other	—	—	1	—	—	—	—	—	1
Total Regulated	1,239	829	607	230	372	167	—	(37)	3,407
Nonregulated	—	6	—	8	—	1	126	139	280
Total Customer Revenue	1,239	835	607	238	372	168	126	102	3,687
Other revenue[2]	20	7	7	25	(1)	—	41	39	138
Total	$ 1,259	$ 842	$ 614	$ 263	$ 371	$ 168	$ 167	$ 141	$ 3,825

(1) The BHE and Other reportable segment represents amounts related principally to other entities, corporate functions and intersegment eliminations.

(2) Includes net payments to counterparties for the financial settlement of certain derivative contracts at BHE Pipeline Group.

Real Estate Services

The following table summarizes the Company's real estate services Customer Revenue by line of business (in millions):

	HomeServices	
	Three-Month Periods Ended March 31,	
	2020	2019
Customer Revenue:		
Brokerage	$ 777	$ 711
Franchise	16	14
Total Customer Revenue	793	725
Other revenue	100	60
Total	$ 893	$ 785

Remaining Performance Obligations

The following table summarizes the Company's revenue it expects to recognize in future periods related to significant unsatisfied remaining performance obligations for fixed contracts with expected durations in excess of one year as of March 31, 2020, by reportable segment (in millions):

	Performance obligations expected to be satisfied:		
	Less than 12 months	More than 12 months	Total
BHE Pipeline Group	$ 888	$ 4,882	$ 5,770

(10) BHE Shareholders' Equity

For the three-month periods ended March 31, 2020 and 2019, BHE repurchased 180,358 shares of its common stock for $126 million and 447,712 shares of its common stock for $293 million, respectively.

(11) Components of Other Comprehensive Income (Loss), Net

The following table shows the change in AOCI attributable to BHE shareholders by each component of OCI, net of applicable income tax (in millions):

	Unrecognized Amounts on Retirement Benefits	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) on Cash Flow Hedges	AOCI Attributable To BHE Shareholders, Net
Balance, December 31, 2018	$ (358)	$ (1,623)	$ 36	$ (1,945)
Other comprehensive (loss) income	(32)	155	(8)	115
Balance, March 31, 2019	$ (390)	$ (1,468)	$ 28	$ (1,830)
Balance, December 31, 2019	$ (417)	$ (1,296)	$ 7	$ (1,706)
Other comprehensive income (loss)	34	(548)	(33)	(547)
Balance, March 31, 2020	$ (383)	$ (1,844)	$ (26)	$ (2,253)

(12) Segment Information

The Company's reportable segments with foreign operations include Northern Powergrid, whose business is principally in the United Kingdom, BHE Transmission, whose business includes operations in Canada, and BHE Renewables, whose business includes operations in the Philippines. Intersegment eliminations and adjustments, including the allocation of goodwill, have been made. Information related to the Company's reportable segments is shown below (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Operating revenue:		
PacifiCorp	$ 1,206	$ 1,259
MidAmerican Funding	686	842
NV Energy	622	614
Northern Powergrid	266	263
BHE Pipeline Group	401	371
BHE Transmission	172	168
BHE Renewables	178	167
HomeServices	893	785
BHE and Other[(1)]	103	141
Total operating revenue	$ 4,527	$ 4,610
Depreciation and amortization:		
PacifiCorp	$ 252	$ 205
MidAmerican Funding	176	177
NV Energy	124	120
Northern Powergrid	63	63
BHE Pipeline Group	64	28
BHE Transmission	60	58
BHE Renewables	71	70
HomeServices	11	13
BHE and Other[(1)]	—	(1)
Total depreciation and amortization	$ 821	$ 733

	Three-Month Periods Ended March 31, 2020	2019
Operating income:		
PacifiCorp	$ 234	$ 284
MidAmerican Funding	102	116
NV Energy	79	84
Northern Powergrid	132	129
BHE Pipeline Group	249	243
BHE Transmission	76	76
BHE Renewables	17	18
HomeServices	20	(21)
BHE and Other[(1)]	10	(10)
Total operating income	919	919
Interest expense	(483)	(477)
Capitalized interest	17	16
Allowance for equity funds	34	32
Interest and dividend income	20	30
Gains (losses) on marketable securities, net	27	(68)
Other, net	(27)	35
Total income before income tax expense and equity income	$ 507	$ 487
Interest expense:		
PacifiCorp	$ 102	$ 96
MidAmerican Funding	81	75
NV Energy	58	62
Northern Powergrid	32	34
BHE Pipeline Group	14	12
BHE Transmission	38	39
BHE Renewables	42	44
HomeServices	5	7
BHE and Other[(1)]	111	108
Total interest expense	$ 483	$ 477
Operating revenue by country:		
United States	$ 4,089	$ 4,177
United Kingdom	266	263
Canada	171	168
Philippines and other	1	2
Total operating revenue by country	$ 4,527	$ 4,610
Income before income tax benefit and equity loss by country:		
United States	$ 354	$ 336
United Kingdom	109	103
Canada	40	40
Philippines and other	4	8
Total income before income tax benefit and equity loss by country	$ 507	$ 487

	As of	
	March 31, 2020	December 31, 2019
Assets:		
PacifiCorp	$ 24,953	$ 24,861
MidAmerican Funding	22,693	22,664
NV Energy	14,283	14,128
Northern Powergrid	7,686	8,385
BHE Pipeline Group	6,127	6,100
BHE Transmission	8,186	8,776
BHE Renewables	10,139	9,961
HomeServices	4,144	3,846
BHE and Other[1]	2,595	1,330
Total assets	$ 100,806	$ 100,051

(1) The differences between the reportable segment amounts and the consolidated amounts, described as BHE and Other, relate principally to other entities, including MidAmerican Energy Services, LLC, corporate functions and intersegment eliminations.

The following table shows the change in the carrying amount of goodwill by reportable segment for the three-month period ended March 31, 2020 (in millions):

	PacifiCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Pipeline Group	BHE Transmission	BHE Renewables	HomeServices	Total
December 31, 2019	$ 1,129	$ 2,102	$ 2,369	$ 978	$ 73	$ 1,520	$ 95	$ 1,456	$ 9,722
Foreign currency translation	—	—	—	(44)	—	(116)	—	—	(160)
March 31, 2020	$ 1,129	$ 2,102	$ 2,369	$ 934	$ 73	$ 1,404	$ 95	$ 1,456	$ 9,562

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors that have affected the consolidated financial condition and results of operations of the Company during the periods included herein. Explanations include management's best estimate of the impact of weather, customer growth, usage trends and other factors. This discussion should be read in conjunction with the Company's historical unaudited Consolidated Financial Statements and Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q. The Company's actual results in the future could differ significantly from the historical results.

Berkshire Hathaway Energy's operations are organized as eight business segments: PacifiCorp, MidAmerican Funding (which primarily consists of MidAmerican Energy), NV Energy (which primarily consists of Nevada Power and Sierra Pacific), Northern Powergrid (which primarily consists of Northern Powergrid (Northeast) Limited and Northern Powergrid (Yorkshire) plc), BHE Pipeline Group (which primarily consists of Northern Natural Gas and Kern River), BHE Transmission (which consists of BHE Canada (which primarily consists of AltaLink) and BHE U.S. Transmission), BHE Renewables and HomeServices. BHE, through these locally managed and operated businesses, owns four utility companies in the United States serving customers in 11 states, two electricity distribution companies in Great Britain, two interstate natural gas pipeline companies in the United States, an electric transmission business in Canada, interests in electric transmission businesses in the United States, a renewable energy business primarily investing in wind, solar, geothermal and hydroelectric projects, the largest residential real estate brokerage firm in the United States and one of the largest residential real estate brokerage franchise networks in the United States. The reportable segment financial information includes all necessary adjustments and eliminations needed to conform to the Company's significant accounting policies. The differences between the reportable segment amounts and the consolidated amounts, described as BHE and Other, relate principally to other entities, corporate functions and intersegment eliminations.

Results of Operations for the First Quarter of 2020 and 2019

Overview

Net income for the Company's reportable segments is summarized as follows (in millions):

	First Quarter			
	2020	2019	Change	
Net income attributable to BHE shareholders:				
PacifiCorp	$ 176	$ 180	$ (4)	(2)%
MidAmerican Funding	150	190	(40)	(21)
NV Energy	20	29	(9)	(31)
Northern Powergrid	87	80	7	9
BHE Pipeline Group	179	181	(2)	(1)
BHE Transmission	55	56	(1)	(2)
BHE Renewables	95	48	47	98
HomeServices	10	(22)	32	*
BHE and Other	(102)	(120)	18	15
Total net income attributable to BHE shareholders	$ 670	$ 622	$ 48	8 %

* Not meaningful

Net income attributable to BHE shareholders increased $48 million for the first quarter of 2020 compared to 2019. The first quarter of 2020 included a pre-tax unrealized gain of $54 million ($39 million after-tax) compared to a pre-tax unrealized loss in the first quarter of 2019 of $79 million ($58 million after-tax), respectively, on the Company's investment in BYD Company Limited. Excluding the impact of this item, adjusted net income attributable to BHE shareholders for the first quarter of 2020 was $631 million, a decrease of $49 million, or 7%, compared to adjusted net income attributable to BHE shareholders in the first quarter of 2019 of $680 million.

The increase in net income attributable to BHE shareholders for the first quarter of 2020 compared to 2019 was due to the following:

- PacifiCorp's net income decreased $4 million, primarily due to lower utility margin, lower cash surrender value of corporate-owned life insurance policies and $6 million of higher interest expense, partially offset by higher allowances for equity and borrowed funds used during construction of $10 million and higher PTCs recognized of $8 million, primarily due to repowering certain wind-powered generating facilities. Utility margin decreased primarily due to lower average retail rates, unfavorable retail customer volumes, lower wholesale volumes and lower net deferrals of incurred net power costs in accordance with established adjustment mechanisms, partially offset by lower coal-fueled and natural gas-fueled generation costs. Retail customer volumes decreased 1.7%, primarily due to the unfavorable impact of weather and lower customer usage, partially offset by an increase in the average number of customers.
- MidAmerican Funding's net income decreased $40 million, primarily due to lower electric and natural gas utility margins, lower cash surrender value of corporate-owned life insurance policies, lower allowances for equity and borrowed funds used during construction of $10 million and higher interest expense of $6 million, partially offset by higher PTCs recognized of $22 million from higher wind generation, which was driven by repowering and new wind projects placed in-service, and lower operations and maintenance expense. Electric utility margin decreased primarily due to lower recoveries through bill riders, lower wholesale revenue, unfavorable average retail rates and lower retail customer volumes, partially offset by lower generation and purchased power costs. Electric retail customer volumes decreased 0.7%, primarily due to the unfavorable impact of weather, largely offset by higher industrial volumes of 7.7%. Natural gas utility margin decreased due to lower retail customer volumes of 16.2%, primarily due to the unfavorable impact of weather.
- NV Energy's net income decreased $9 million, primarily due to lower cash surrender value of corporate-owned life insurance policies and higher depreciation and amortization expense of $4 million from higher plant placed in-service, partially offset by lower interest expense of $4 million. Electric utility margin was relatively unchanged as electric retail customer volumes, including distribution only service customers, increased 0.2%, primarily due to an increase in the average number of customers.
- Northern Powergrid's net income increased $7 million, primarily due to higher distribution revenue of $8 million, mainly from increased tariff rates offset by lower units distributed, which decreased 1.8%. The United Kingdom enacted corporate income tax rate was scheduled to decrease from 19% to 17% effective April 1, 2020; however, the rate will be maintained at 19% through amended legislation, which, when enacted, will result in a deferred income tax charge related to the remeasurement of Northern Powergrid's net deferred income tax liabilities.
- BHE Pipeline Group's net income decreased $2 million, primarily due to higher operations and maintenance expense and $2 million of increased interest expense, partially offset by higher transportation revenue from expansion projects at Northern Natural Gas.
- BHE Renewables' net income increased $47 million, primarily due to higher wind earnings of $50 million and higher solar earnings of $9 million due to higher generation and lower operations and maintenance expense, partially offset by lower geothermal earnings of $7 million, primarily due to higher operations and maintenance expense, and lower natural gas earnings of $4 million, primarily due to lower margins. Wind earnings were higher primarily due to favorable tax equity investment earnings of $46 million, which improved due to $37 million of earnings from projects reaching commercial operation and $9 million of higher earnings from existing projects, primarily due to favorable operating results and derates caused by turbine blade repairs in 2019.
- HomeServices' net income increased $32 million, primarily due to higher earnings at mortgage, brokerage and settlement services in large part due to higher refinance activity and higher closed brokerage, title and escrow units from a favorable interest rate environment, partially offset by higher operating expenses.
- BHE and Other's net loss improved $18 million, primarily due to the change in the after-tax unrealized position of the Company's investment in BYD Company Limited of $97 million, partially offset by consolidated state income tax benefits recognized in 2019 and lower cash surrender value of corporate-owned life insurance policies.

Reportable Segment Results

Operating revenue and operating income for the Company's reportable segments are summarized as follows (in millions):

	First Quarter			
	2020	2019	Change	
Operating revenue:				
PacifiCorp	$ 1,206	$ 1,259	$ (53)	(4)%
MidAmerican Funding	686	842	(156)	(19)
NV Energy	622	614	8	1
Northern Powergrid	266	263	3	1
BHE Pipeline Group	401	371	30	8
BHE Transmission	172	168	4	2
BHE Renewables	178	167	11	7
HomeServices	893	785	108	14
BHE and Other	103	141	(38)	(27)
Total operating revenue	$ 4,527	$ 4,610	$ (83)	(2)%
Operating income:				
PacifiCorp	$ 234	$ 284	$ (50)	(18)%
MidAmerican Funding	102	116	(14)	(12)
NV Energy	79	84	(5)	(6)
Northern Powergrid	132	129	3	2
BHE Pipeline Group	249	243	6	2
BHE Transmission	76	76	—	—
BHE Renewables	17	18	(1)	(6)
HomeServices	20	(21)	41	*
BHE and Other	10	(10)	20	*
Total operating income	$ 919	$ 919	$ —	— %

* Not meaningful

PacifiCorp

Operating revenue decreased $53 million for the first quarter of 2020 compared to 2019, primarily due to lower retail revenue of $48 million and lower wholesale revenue of $12 million from decreased volumes. Retail revenue decreased due to lower average rates of $25 million from sales mix and lower customer volumes of $23 million. Retail customer volumes decreased 1.7%, primarily due to the unfavorable impact of weather and lower customer usage, partially offset by an increase in the average number of customers.

Operating income decreased $50 million for the first quarter of 2020 compared to 2019, primarily due to an increase in depreciation and amortization expense of $47 million and lower utility margin. The increase in depreciation and amortization expense reflects accelerated depreciation of Oregon's share of certain retired wind equipment due to repowering projects that were placed into service in 2020 of $47 million (offset in income tax expense) as ordered by the Oregon Public Utilities Commission. Utility margin decreased primarily due to lower average retail rates, unfavorable retail customer volumes, lower wholesale volumes and lower net deferrals of incurred net power costs in accordance with established adjustment mechanisms, partially offset by lower coal-fueled and natural gas-fueled generation costs.

MidAmerican Funding

Operating revenue decreased $156 million for the first quarter of 2020 compared to 2019, primarily due to lower natural gas operating revenue of $76 million, lower electric operating revenue of $52 million and lower electric and natural gas energy efficiency program revenue of $29 million (offset in operations and maintenance expense). Natural gas operating revenue decreased from lower recoveries through the purchased gas adjustment clause due to a lower average per-unit cost of natural gas sold of $65 million (offset in cost of sales) and a 16.2% decrease in retail customer volumes, primarily due to the unfavorable impact of weather. Electric operating revenue decreased due to lower wholesale and other revenue of $40 million and lower retail revenue of $12 million. Electric wholesale and other revenue decreased due to a 25.7% decrease in wholesale volumes and $17 million from lower average per-unit prices. Electric retail revenue decreased from lower average rates of $15 million due to sales mix and $10 million from the unfavorable impact of weather, partially offset by higher customer usage of $15 million. Electric retail customer volumes decreased 0.7%, primarily due to the unfavorable impact of weather, largely offset by higher industrial volumes of 7.7%.

Operating income decreased $14 million for the first quarter of 2020 compared to 2019, primarily due to lower electric and natural gas utility margins, partially offset by lower operations and maintenance expense not recovered through energy efficiency programs. Electric utility margin decreased primarily due to lower recoveries through bill riders, lower wholesale revenue, unfavorable average retail rates and lower retail customer volumes, partially offset by lower generation and purchased power costs. Natural gas utility margin decreased due to lower retail customer volumes. Operations and maintenance expense decreased mainly due to lower employee-related costs, partially offset by higher wind-powered generation costs, primarily due to new and repowered generating facilities. Depreciation and amortization expense reflects lower Iowa revenue sharing accruals of $27 million, substantially offset by an increase related to new wind-powered generating facilities and other plant placed in-service.

NV Energy

Operating revenue increased $8 million for the first quarter of 2020 compared to 2019, primarily due to higher natural gas operating revenue of $11 million, primarily due to a higher average per-unit cost of natural gas sold of $11 million (offset in cost of sales).

Operating income decreased $5 million for the first quarter of 2020 compared to 2019, primarily due to higher depreciation and amortization expense of $4 million from higher plant placed in-service. Electric utility margin was relatively unchanged as electric retail customer volumes, including distribution only service customers, increased 0.2%, primarily due to an increase in the average number of customers.

Northern Powergrid

Operating revenue increased $3 million for the first quarter of 2020 compared to 2019, primarily due to higher distribution revenue of $8 million from increased tariff rates of $10 million, partially offset by the stronger United States dollar of $4 million and lower distributed units of 1.8%. Operating income increased $3 million for the first quarter of 2020 compared to 2019, primarily due to the higher distribution revenue, partially offset by higher operations and maintenance expense and the stronger United States dollar of $2 million.

BHE Pipeline Group

Operating revenue increased $30 million for the first quarter of 2020 compared to 2019, primarily due to higher transportation revenue related to the Northern Natural Gas Section 4 rate case, with interim rates effective January 1, 2020, subject to refund, and from expansion projects at Northern Natural Gas, partially offset by lower gas sales of $14 million at Northern Natural Gas related to system balancing activities (largely offset in cost of sales). Operating income increased $6 million for the first quarter of 2020 compared to 2019, primarily due to the higher transportation revenue from expansion projects, partially offset by higher operations and maintenance expense.

BHE Renewables

Operating revenue increased $11 million for the first quarter of 2020 compared to 2019, primarily due to higher solar revenues of $7 million and higher natural gas revenues of $6 million, each from higher generation. Operating income decreased $1 million for the first quarter of 2020 compared to 2019, primarily due to higher operations and maintenance expense of $6 million at the geothermal projects and lower margin of $5 million at the natural gas facilities, partially offset by the higher solar operating revenue of $7 million and lower operations and maintenance expense of $4 million at the solar projects.

HomeServices

Operating revenue increased $108 million for the first quarter of 2020 compared to 2019, primarily due to increases in brokerage revenue of $58 million and mortgage revenue of $40 million, largely from a 5% increase in closed brokerage units and a 60% increase in closed mortgage units. Operating income increased $41 million for the first quarter of 2020 compared to 2019, primarily due to favorable operating performance at mortgage, brokerage and settlement services in large part due to higher refinance activity and higher closed brokerage, title and escrow units from a favorable interest rate environment, partially offset by higher operating expenses.

BHE and Other

Operating revenue decreased $38 million for the first quarter of 2020 compared to 2019, primarily due to lower electricity and natural gas volumes and rates at MidAmerican Energy Services, LLC. Operating income increased $20 million for the first quarter of 2020 compared to 2019, primarily due to lower operations and maintenance expense, partially offset by lower margin of $4 million at MidAmerican Energy Services, LLC.

Consolidated Other Income and Expense Items

Interest expense

Interest expense is summarized as follows (in millions):

	First Quarter			
	2020	2019	Change	
Subsidiary debt	$ 371	$ 368	$ 3	1%
BHE senior debt and other	111	108	3	3
BHE junior subordinated debentures	1	1	—	—
Total interest expense	$ 483	$ 477	$ 6	1%

Interest expense increased $6 million for the first quarter of 2020 compared to 2019, primarily due to higher average long-term debt balances at BHE, PacifiCorp, MidAmerican Energy and BHE Pipeline Group.

Capitalized interest

Capitalized interest increased $1 million for the first quarter of 2020 compared to 2019, primarily due to higher construction work-in-progress balances at PacifiCorp, largely offset by lower construction work-in-progress balances at MidAmerican Energy.

Allowance for equity funds

Allowance for equity funds increased $2 million for the first quarter of 2020 compared to 2019, primarily due to higher construction work-in-progress balances at PacifiCorp, largely offset by lower construction work-in-progress balances at MidAmerican Energy.

Interest and dividend income

Interest and dividend income decreased $10 million for the first quarter of 2020 compared to 2019, primarily due to lower cash balances at PacifiCorp, MidAmerican Energy and NV Energy and a declining financial asset balance at the Casecnan project.

Gains (losses) on marketable securities, net

Gains (losses) on marketable securities, net was favorable $95 million for the first quarter of 2020 compared to 2019, primarily due to the change in the unrealized position on the Company's investment in BYD Company Limited of $133 million, partially offset by unfavorable changes in other marketable securities.

Other, net

Other, net was unfavorable $62 million for the first quarter of 2020 compared to 2019, primarily due to lower cash surrender value of corporate-owned life insurance policies.

Income tax benefit

Income tax benefit increased $36 million for the first quarter of 2020 compared to 2019 and the effective tax rate was (36)% for the first quarter of 2020 and (30)% for the first quarter of 2019. The effective tax rate decreased primarily due to higher PTCs recognized of $97 million and the favorable impacts of ratemaking of $12 million, partially offset by the higher income before taxes from the Company's investment in BYD Company Limited and consolidated state income tax benefits recognized in 2019.

PTCs are recognized in earnings for interim periods based on the application of an estimated annual effective tax rate to pretax earnings. Federal renewable electricity PTCs are earned as energy from qualifying wind-powered generating facilities is produced and sold based on a per-kilowatt rate as prescribed pursuant to the applicable federal income tax law and are eligible for the credit for 10 years from the date the qualifying generating facilities are placed in-service. PTCs recognized in 2020 were $233 million, or $97 million higher than 2019, while PTCs earned in 2020 were $281 million, or $95 million higher than 2019. The difference between PTCs recognized and earned of $48 million as of March 31, 2020, will be reflected in earnings over the remainder of 2020.

Equity loss

Equity loss was unfavorable $8 million for the first quarter of 2020 compared to 2019, primarily due to higher pre-tax equity losses from tax equity investments at BHE Renewables. PTCs and other income tax benefits from these projects are recognized in income tax expense.

Liquidity and Capital Resources

Each of BHE's direct and indirect subsidiaries is organized as a legal entity separate and apart from BHE and its other subsidiaries. It should not be assumed that the assets of any subsidiary will be available to satisfy BHE's obligations or the obligations of its other subsidiaries. However, unrestricted cash or other assets that are available for distribution may, subject to applicable law, regulatory commitments and the terms of financing and ring-fencing arrangements for such parties, be advanced, loaned, paid as dividends or otherwise distributed or contributed to BHE or affiliates thereof. The Company's long-term debt may include provisions that allow BHE or its subsidiaries to redeem such debt in whole or in part at any time. These provisions generally include make-whole premiums. Refer to Note 18 of Notes to Consolidated Financial Statements in Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2019 for further discussion regarding the limitation of distributions from BHE's subsidiaries.

As of March 31, 2020, the Company's total net liquidity was as follows (in millions):

	BHE	PacifiCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Canada	Other	Total
Cash and cash equivalents	$ 1,396	$ 53	$ 100	$ 153	$ 22	$ 83	$ 264	$ 2,071
Credit facilities[1]	3,500	1,200	1,309	650	205	622	1,990	9,476
Less:								
Short-term debt	(210)	(56)	(50)	—	(32)	(275)	(1,465)	(2,088)
Tax-exempt bond support and letters of credit	—	(256)	(370)	—	—	(2)	—	(628)
Net credit facilities	3,290	888	889	650	173	345	525	6,760
Total net liquidity	$ 4,686	$ 941	$ 989	$ 803	$ 195	$ 428	$ 789	$ 8,831
Credit facilities:								
Maturity dates	2022	2022	2020, 2022	2022	2022	2024	2020, 2021, 2022	

(1) Includes drawn uncommitted credit facilities totaling $19 million at Northern Powergrid.

Operating Activities

Net cash flows from operating activities for the three-month periods ended March 31, 2020 and 2019 were $1.2 billion and $1.5 billion, respectively. The decrease was primarily due to unfavorable income tax cash flows and changes in working capital.

The timing of the Company's income tax cash flows from period to period can be significantly affected by the estimated federal income tax payment methods and assumptions used for each payment date.

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2020 and 2019 were $(1.5) billion and $(1.4) billion, respectively. The change was primarily due to higher funding of tax equity investments, partially offset by lower capital expenditures of $35 million. Refer to "Future Uses of Cash" for further discussion of capital expenditures.

Financing Activities

Net cash flows from financing activities for the three-month period ended March 31, 2020 was $1.4 billion. Sources of cash totaled $4.3 billion and consisted of proceeds from BHE senior debt issuances totaling $3.2 billion and subsidiary debt issuances totaling $1.1 billion. Uses of cash totaled $3.0 billion and consisted mainly of repayments of subsidiary debt totaling $1.3 billion, net repayments of short-term debt totaling $1.1 billion, repayments of BHE senior debt totaling $350 million and common stock repurchases totaling $126 million.

For a discussion of recent financing transactions, refer to Note 4 of Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Net cash flows from financing activities for the three-month period ended March 31, 2019 was $900 million. Sources of cash totaled $2.9 billion and consisted of proceeds from subsidiary debt issuances. Uses of cash totaled $2.0 billion and consisted mainly of repayments of subsidiary debt totaling $1.4 billion, net repayments of short-term debt totaling $311 million and common stock repurchases totaling $293 million.

The Company may from time to time seek to acquire its outstanding debt securities through cash purchases in the open market, privately negotiated transactions or otherwise. Any debt securities repurchased by the Company may be reissued or resold by the Company from time to time and will depend on prevailing market conditions, the Company's liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Future Uses of Cash

The Company has available a variety of sources of liquidity and capital resources, both internal and external, including net cash flows from operating activities, public and private debt offerings, the issuance of commercial paper, the use of unsecured revolving credit facilities, the issuance of equity and other sources. These sources are expected to provide funds required for current operations, capital expenditures, acquisitions, investments, debt retirements and other capital requirements. The availability and terms under which BHE and each subsidiary has access to external financing depends on a variety of factors, including regulatory approvals, its credit ratings, investors' judgment of risk and conditions in the overall capital markets, including the condition of the utility industry and project finance markets, among other items.

Capital Expenditures

The Company has significant future capital requirements. Capital expenditure needs are reviewed regularly by management and may change significantly as a result of these reviews, which may consider, among other factors, impacts to customers' rates; changes in environmental and other rules and regulations; outcomes of regulatory proceedings; changes in income tax laws; general business conditions; load projections; system reliability standards; the cost and efficiency of construction labor, equipment and materials; commodity prices; and the cost and availability of capital. Expenditures for certain assets may ultimately include acquisitions of existing assets.

The Company's historical and forecast capital expenditures, each of which exclude amounts for non-cash equity AFUDC and other non-cash items, are as follows (in millions):

	Three-Month Periods Ended March 31, 2019	Three-Month Periods Ended March 31, 2020	Annual Forecast 2020
Capital expenditures by business:			
PacifiCorp	$ 337	$ 366	$ 2,768
MidAmerican Funding	573	472	1,903
NV Energy	165	163	645
Northern Powergrid	126	159	675
BHE Pipeline Group	72	120	584
BHE Transmission	61	56	666
BHE Renewables	46	12	110
HomeServices	10	7	25
BHE and Other	3	1	21
Total	$ 1,393	$ 1,356	$ 7,397
Capital expenditures by type:			
Wind generation	$ 255	$ 267	$ 2,382
Electric transmission	97	95	852
Other growth	113	154	789
Operating	928	840	3,374
Total	$ 1,393	$ 1,356	$ 7,397

The Company's historical and forecast capital expenditures consisted mainly of the following:

- Wind generation includes the following:
    - Construction of wind-powered generating facilities at MidAmerican Energy totaling $154 million and $159 million for the three-month periods ended March 31, 2020 and 2019, respectively. MidAmerican Energy anticipates costs associated with the construction of wind-powered generating facilities will total an additional $636 million for 2020. Wind XI, a 2,000-MW project constructed over several years, was completed in January 2020. Wind XII is a 592-MW project, including 202 MWs placed in-service as of March 31, 2020, with the remaining facilities expected to be placed in-service by the end of 2020. MidAmerican Energy obtained pre-approved ratemaking principles for both of these projects and expects all of these wind-powered generating facilities to qualify for 100% of federal PTCs available. PTCs from these projects are excluded from MidAmerican Energy's Iowa energy adjustment clause until these generation assets are reflected in base rates. Additionally, MidAmerican Energy continues to evaluate wind-powered and other renewable generating facilities that would not be subject to pre-approved ratemaking principles. MidAmerican Energy currently has two such wind-powered generation projects under construction totaling 319 MWs that are expected to be placed in-service by the end of 2020 and to qualify for 100% of federal PTCs available.
    - Repowering certain existing wind-powered generating facilities at MidAmerican Energy totaling $6 million and $27 million for the three-month periods ended March 31, 2020 and 2019, respectively. The repowering projects entail the replacement of significant components of older turbines. Planned spending for the repowered generating facilities totals $151 million for the remainder of 2020. Of the 1,001 MWs of current repowering projects not in-service as of March 31, 2020, 594 MWs are currently expected to qualify for 80% of the federal PTCs available for ten years following each facility's return to service and 407 MWs are expected to qualify for 60% of such credits.
    - Construction of wind-powered generating facilities at PacifiCorp totaling $89 million and $55 million for the three-month periods ended March 31, 2020 and 2019, respectively. Construction includes the 1,190 MWs of new wind-powered generating facilities that are expected to be placed in-service in 2020 and the energy production is expected to qualify for 100% of the federal PTCs available for ten years once the equipment is placed in-service. PacifiCorp anticipates costs associated with the construction of wind-powered generating facilities will total an additional $1.2 billion for 2020.

    - Repowering certain existing wind-powered generating facilities at PacifiCorp totaling $16 million and $4 million for the three-month periods ended March 31, 2020 and 2019, respectively. The repowering projects entail the replacement of significant components of older turbines. Certain repowering projects were placed in service in 2019 and the remaining repowering projects are expected to be placed in-service at various dates in 2020. Planned spending for the repowered generating facilities totals $87 million for the remainder of 2020. The energy production from such repowered facilities is expected to qualify for 100% of the federal PTCs available for ten years following each facility's return to service.

- Electric transmission includes PacifiCorp's costs for the 140-mile 500-kV Aeolus-Bridger/Anticline transmission line, which is a major segment of PacifiCorp's Energy Gateway Transmission expansion program expected to be placed in service in 2020, additional Energy Gateway Transmission segments expected to be placed in service in 2023 and AltaLink's directly assigned projects from the AESO.
- Other growth includes projects to deliver power and services to new markets, new customer connections, enhancements to existing customer connections and investments in solar generation.
- Operating includes ongoing distribution systems infrastructure needed at the Utilities and Northern Powergrid, investments in routine expenditures for generation, transmission, distribution and other infrastructure needed to serve existing and expected demand, and environmental spending relating to emissions control equipment and the management of coal combustion residuals.

Other Renewable Investments

The Company has invested in projects sponsored by third parties, commonly referred to as tax equity investments. Under the terms of these tax equity investments, the Company has entered into equity capital contribution agreements with the project sponsors that require contributions. The Company has made contributions of $148 million for the three-month period ended March 31, 2020, and has commitments as of March 31, 2020, subject to satisfaction of certain specified conditions, to provide equity contributions of $2.3 billion for the remainder of 2020 pursuant to these equity capital contribution agreements as the various projects achieve commercial operation. Once a project achieves commercial operation, the Company enters into a partnership agreement with the project sponsor that directs and allocates the operating profits and tax benefits from the project.

Contractual Obligations

As of March 31, 2020, there have been no material changes outside the normal course of business in contractual obligations from the information provided in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2019 other than the recent financing transactions and renewable tax equity investments previously discussed.

COVID-19

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by the Company. While the rapid outbreak of COVID-19 has not had a material impact on the Company's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. Most jurisdictions in which the Company operates have instituted varying levels of "stay-at-home" orders and other measures, which have collectively impacted most of the Company's retail electric and natural gas customers and, therefore, their needs for electricity and natural gas. As the impacts of COVID-19 and related customer and governmental responses are uncertain, a reduction in the consumption of electricity or natural gas, and related operating revenue, may occur, particularly in the commercial and industrial classes. Due to regulatory requirements and voluntary actions taken by the Utilities and Northern Powergrid related to customer collection activity and suspension of disconnections for non-payment, the Utilities and Northern Powergrid could see delays or reductions in cash receipts, including potentially higher than normal bad debt expense, from retail customers related to the impacts of COVID-19. The amount of such reductions in cash receipts is unknown at this time. Regulatory jurisdictions may allow for the deferral or recovery of certain costs incurred in responding to COVID-19. Refer to "Regulatory Matters" in Part I, Item 2 of this Form 10-Q for further discussion. A reduction in residential property transactions, and related operating revenue, may also occur at HomeServices due to existing "stay-at-home" orders, other measures and general economic uncertainty.

PacifiCorp and MidAmerican Energy have construction and repowering of wind-powered generation projects in progress. While PacifiCorp and MidAmerican Energy do not currently anticipate any delays that would jeopardize the completion of these projects, potential delays could result in their completion past certain in-service date guidance provided by the Internal Revenue Service in order to qualify the investments in such wind-powered generation facilities for the maximum federal PTCs. Such disruptions could adversely affect the Company's future financial results.

Several of the Company's businesses have been deemed essential and their employees have been identified as "critical infrastructure employees" allowing them to move within communities and across jurisdictional boundaries as necessary to maintain the electric generation, transmission and distribution systems and the natural gas transportation and distribution systems. In response to the effects of COVID-19, the Company has implemented various business continuity plans to protect its employees and customers. Such plans include a variety of actions, including situational use of personal protective equipment by employees when interacting with customers and implementing practices to enhance social distancing at the workplace. Such practices have included work-from-home, staggered work schedules, rotational work location assignments, increased cleaning and sanitation of work spaces and providing general health reminders intended to help lower the risk of spreading COVID-19.

BHE Renewables' Counterparty Risk

On January 29, 2019, PG&E Corporation and Pacific Gas and Electric Company (the "PG&E Utility") (together "PG&E") filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of California ("PG&E Bankruptcy Filing"). The Company owns 100% of Topaz and owns a 49% interest in Agua Caliente. Topaz is a 550-MW solar photovoltaic electric power generating facility located in California. Topaz sells 100% of its energy, capacity and RECs generated from the facility to PG&E Utility under a 25-year wholesale PPA that is in effect until October 2039. As of March 31, 2020, the Company's consolidated balance sheet includes $1.0 billion of property, plant and equipment, net and $0.8 billion of non-recourse project debt related to Topaz. Agua Caliente is a 290-MW solar photovoltaic electric power generating facility located in Arizona. Agua Caliente sells 100% of its energy, capacity and RECs generated from the facility to PG&E Utility under a 25-year wholesale PPA that is in effect until June 2039. As of March 31, 2020, the Company's equity investment in Agua Caliente totals $76 million and the project has $0.7 billion of non-recourse project debt owed to the United States Department of Energy. The PG&E Bankruptcy Filing is an event of default under the Topaz PPA ("PPA Default"). PG&E has paid in full all amounts invoiced to date for post-petition energy deliveries for both Topaz and Agua Caliente. PG&E has not paid for the power delivered from January 1 through January 28, 2019. The Company continues to perform on its obligations and deliver renewable energy to the PG&E Utility, and PG&E has publicly stated it will pay suppliers in full under normal terms for post-petition goods and services received. The Company maintains that, in light of the current facts and circumstances, the PPA Default could not reasonably be expected to result in a material adverse effect under the Topaz indenture and, therefore, no default has occurred under the Topaz indenture. In July 2019, the California Governor signed AB 1054 into law. AB 1054 is comprehensive legislation addressing wildfire risk in the state of California that, among other items, authorizes a wildfire fund which would operate as an insurance fund to support the creditworthiness of electrical utilities, if certain utilities, including PG&E, participate by making the required contributions, among other things. In July 2019, PG&E notified the CPUC of its intent to participate in the insurance fund and such participation requires, among other items, PG&E to exit bankruptcy by June 30, 2020. The Company believes it is more likely than not that no impairment exists and current debt obligations will be met, as post-petition contractual revenue payments are expected to be paid by PG&E Utility to the Topaz and Agua Caliente projects. The Company will continue to monitor the situation, including continued receipt of future PG&E payments and the future risk of the PPAs being rejected or modified through the bankruptcy process.

Quad Cities Generating Station Operating Status

Exelon Generation Company, LLC ("Exelon Generation"), the operator of Quad Cities Generating Station Units 1 and 2 ("Quad Cities Station") of which MidAmerican Energy has a 25% ownership interest, announced on June 2, 2016, its intention to shut down Quad Cities Station on June 1, 2018. In December 2016, Illinois passed legislation creating a zero emission standard, which went into effect June 1, 2017. The zero emission standard requires the Illinois Power Agency to purchase zero emission credits ("ZECs") and recover the costs from certain ratepayers in Illinois, subject to certain limitations. The proceeds from the ZECs will provide Exelon Generation additional revenue through 2027 as an incentive for continued operation of Quad Cities Station. MidAmerican Energy will not receive additional revenue from the subsidy.

The PJM Interconnection, L.L.C. ("PJM") capacity market includes a Minimum Offer Price Rule ("MOPR"). If a generation resource is subjected to a MOPR, its offer price in the market is adjusted to effectively remove the revenues it receives through a government-provided financial support program, resulting in a higher offer that may not clear the capacity market. Prior to December 19, 2019, the PJM MOPR applied only to certain new gas-fired resources. An expanded PJM MOPR to include existing resources would require exclusion of ZEC compensation when bidding into future capacity auctions, resulting in an increased risk of Quad Cities Station not receiving capacity revenues in future auctions.

On December 19, 2019, the FERC issued an order in the PJM MOPR proceeding that broadly applies the MOPR to all new and existing resources, including nuclear, greatly expanding the breadth and scope of PJM's MOPR, effective as of PJM's next capacity auction. While the FERC included some limited exemptions in its order, no exemptions were available to state-supported nuclear resources, such as Quad Cities Station. In addition, the FERC provided no new mechanism for accommodating state-supported resources other than the existing Fixed Resource Requirement ("FRR") mechanism under which an entire utility zone would be removed from PJM's capacity auction along with sufficient resources to support the load in such zone. The FERC directed the PJM to make a compliance filing within 90 days. In its filing made March 18, 2020, the PJM proposed tariff language reflecting the FERC's directives and proposed a schedule for resuming capacity auctions that is contingent on the timing of the FERC's action on the compliance filing. The FERC has no deadline for such action, and could accept, reject or direct further revisions to all or part of the PJM's proposed tariff revisions and auction schedule. In addition, on April 16, 2020, the FERC issued orders largely denying requests for rehearing of the FERC's December 2019 order and another order in this proceeding. In those orders, the FERC also granted a few clarifications that will require an additional PJM compliance filing, which could also delay the timing for the FERC to issue its compliance order(s) and the PJM to resume its capacity auctions.

Exelon Generation is currently working with the PJM and other stakeholders to pursue the FRR option prior to the next capacity auction in the PJM. If Illinois implements the FRR option, Quad Cities Station could be removed from the PJM's capacity auction and instead supply capacity and be compensated under the FRR program. If Illinois cannot implement an FRR program in its PJM zones, then the MOPR will apply to Quad Cities Station, resulting in higher offers for its units that may not clear the capacity market. Implementing the FRR program in Illinois will require both legislative and regulatory changes. MidAmerican Energy cannot predict whether such legislative and regulatory changes can be implemented prior to the next capacity auction in the PJM or their potential impact on the continued operation of Quad Cities Station.

Regulatory Matters

BHE's regulated subsidiaries and certain affiliates are subject to comprehensive regulation. The discussion below contains material developments to those matters disclosed in Item 1 of each Registrant's Annual Report on Form 10-K for the year ended December 31, 2019, and new regulatory matters occurring in 2020.

PacifiCorp

Multi-State Process

In November 2019, PacifiCorp completed negotiations with the Multi-State Process Workgroup, resulting in a new cost allocation agreement, the 2020 Protocol. The agreement establishes a common allocation method to be used in Utah, Oregon, Wyoming, Idaho and California through 2023, and a separate method for Washington during the same time period that is based on a system approach for cost allocations and provides a path forward for Washington to achieve compliance with Washington's newly-enacted Clean Energy Transformation Act. The agreement establishes a process for the 2020 Protocol signatories to resolve remaining outstanding cost-allocations to be implemented in a new, permanent and long-term allocation method at the end of the four years. In December 2019, PacifiCorp submitted the 2020 Protocol to the UPSC, the OPUC, the WPSC and the IPUC for approval. WUTC approval of the agreement is being sought in the general rate case filing submitted in December 2019, and CPUC approval will be requested in a future rate case. In January 2020, the OPUC issued an order adopting the 2020 Protocol. The WPSC held a hearing and issued a bench decision approving the 2020 Protocol in March 2020. In April 2020, the UPSC and the IPUC issued orders approving the 2020 Protocol.

Depreciation Rate Study

In September 2018, PacifiCorp filed applications for depreciation rate changes with the UPSC, the OPUC, the WPSC, the WUTC and the IPUC based on PacifiCorp's 2018 depreciation rate study, requesting the rates become effective January 1, 2021. Based on the proposed depreciation rates, annual depreciation expense would increase approximately $300 million. Parties to the applications in each state have since evaluated the study and updates provided by PacifiCorp and have participated in multi-party discussions. Updates since September 2018 include the filing of PacifiCorp's 2020 decommissioning studies in which a third party consultant was engaged to estimate decommissioning costs associated with coal-fueled generating facilities. In December 2019, PacifiCorp incorporated the depreciation rate study into its general rate case filing with the WUTC, which was later updated to incorporate the 2020 decommissioning studies.

In March 2020, PacifiCorp filed a partial settlement stipulation with the UPSC to which all but one intervening party agreed. The partial settlement adopts certain aspects of the 2018 depreciation rate study as-filed for coal-fueled generating facilities and proposes a secondary phase to the proceeding be established in order to address decommissioning costs for PacifiCorp's coal-fueled generating facilities and equipment replaced as a result of PacifiCorp's wind repowering projects. The stipulation provides for the treatment of Cholla Unit 4 to be addressed in PacifiCorp's next general rate case. In April 2020, the UPSC approved the stipulation as filed.

In March 2020, PacifiCorp filed motions with the OPUC to remove matters associated with its coal-fueled generating facilities from the depreciation rate study and instead expand its general rate case to address depreciation rates and decommissioning costs associated with its coal-fueled generating facilities. In April 2020, the motions were granted by the OPUC.

In April 2020, PacifiCorp filed a stipulation with the WPSC resolving all issues addressed in PacifiCorp's depreciation rate study application with ratemaking treatment of certain matters to be addressed in PacifiCorp's general rate case. The general rate case will determine ratemaking treatment of Cholla Unit No. 4; Wyoming's share of coal-fueled generating facilities, including additional decommissioning costs identified in PacifiCorp's 2020 decommissioning studies; and certain matters related to the repowering of PacifiCorp's wind-powered generating facilities. The stipulation is subject to the WPSC's approval.

Retirement Plan Settlement Charge

During 2018, the PacifiCorp Retirement Plan incurred a settlement charge as a result of excess lump sum distributions over the defined threshold for the year ended December 31, 2018. In December 2018, PacifiCorp submitted filings with the UPSC, the OPUC, the WPSC and the WUTC seeking approval to defer the settlement charge. Also in December 2018, an advice letter was filed with the CPUC requesting a memorandum account to track the costs associated with pension and postretirement settlements and curtailments. In October 2019, the request for a memorandum account was re-filed as an application with the CPUC. In 2019, the WUTC approved the requested deferral, while the UPSC and the WPSC denied the request. In January 2020, the OPUC issued an order denying PacifiCorp's request. In April 2020, the CPUC approved the request to establish a memorandum account effective December 31, 2018.

COVID-19

In March and April 2020, PacifiCorp filed applications requesting authorization to defer costs associated with COVID-19 with the UPSC, the OPUC, the WPSC, the WUTC and the IPUC. In April 2020, as ordered by the CPUC, PacifiCorp filed to establish the COVID-19 Pandemic Protections Memorandum Account. In April 2020, the WPSC approved PacifiCorp's application to defer costs associated with COVID-19. PacifiCorp may incur significant costs as a result of COVID-19, including higher bad debt expense associated with the suspension of disconnections across its service territory and suspension of late payment fees in certain jurisdictions implemented to assist customers facing unprecedented economic pressures. PacifiCorp also expects to incur additional costs that cannot currently be predicted given the unprecedented nature of COVID-19.

Utah

In March 2019, PacifiCorp filed its annual EBA application with the UPSC requesting recovery of $24 million, or 1.1%, of deferred net power costs from customers for the period January 1, 2018 through December 31, 2018, reflecting the difference between base and actual net power costs in the 2018 deferral period. The rate change was approved by the UPSC effective May 1, 2019 on an interim basis. Following a decision from the Utah Supreme Court in June 2019 that found the UPSC did not have authority to approve interim rates in conjunction with the EBA, the UPSC directed PacifiCorp to terminate the interim rate change pending final approval in the proceeding. The hearing on final approval was held in February 2020, and the UPSC issued an order approving full recovery of the 2018 deferred costs beginning April 1, 2020.

In May 2019, Utah House Bill 411 went into effect. The legislation, among other things, authorizes the UPSC to approve a renewable energy program for communities seeking 100% renewable electricity. Participating cities were required to adopt a resolution with a goal to be on 100% renewable electricity by 2030 before December 31, 2019. Twenty-four communities in Utah, including Salt Lake City, passed the resolution before December 31, 2019. Customers within a participating community may opt out of the program and maintain existing rates. Rates approved for the program may not result in any shift of costs or benefits to nonparticipating customers. The program details, including costs, are being developed with the communities for a future filing with the UPSC.

In March 2020, PacifiCorp filed its annual EBA application with the UPSC requesting recovery of $37 million, or 1.0%, of deferred power costs from customers for the period January 1, 2019 through December 31, 2019, reflecting the difference between base and actual net power costs in the 2019 deferral period. Hearings are scheduled for January 2021 for rates effective March 1, 2021.

In March 2020, Utah's governor signed Utah House Bill 66, Wildland Fire Planning and Cost Recovery Amendments, which requires PacifiCorp to prepare a wildfire protection plan to be approved by the UPSC. All investments, including the cost of capital, made to implement an approved plan are recoverable in rates. The bill also provides a potential liability safe harbor if PacifiCorp is in compliance with its approved wildfire mitigation plan. In addition, the legislation clarifies the standard for real property losses and eliminates the current standard of treble damages awarded for tree losses. The first wildland fire protection plan must be filed with the UPSC by June 1, 2020.

In March 2020, Utah's governor signed Utah House Bill 396, Electric Vehicle Charging Infrastructure Amendments, which directs the UPSC to enable PacifiCorp to recover in rates up to $50 million of electric vehicle infrastructure. The legislation also prohibits a third party from generating electricity onsite to directly resell to customers through electric vehicle charging infrastructure.

Oregon

In December 2018, PacifiCorp filed a 2019 RAC application requesting recovery of costs associated with repowering of approximately 900 MWs of company-owned and installed wind facilities expected to be completed in 2019. The associated net power cost and PTC benefits were previously included in the 2019 TAM. An all-party settlement was approved by the OPUC in September 2019, providing for a total rate increase of $24 million, or 1.8%, subject to final cost updates with rates to be increased as the repowering projects are completed. The first rate increase of $9 million, or 0.7%, was effective October 1, 2019 for four repowered facilities, the second rate increase of $1 million, or 0.1%, was effective December 1, 2019 for one repowered facility and the third rate increase of $5 million, or 0.4%, was effective January 1, 2020 for two repowered facilities. A final rate increase of $5 million, or 0.4%, was effective April 1, 2020 for the two remaining repowered facilities that were placed in service by the end of March 2020. As part of the settlement, parties agreed that the Oregon-allocated net book value of certain undepreciated equipment replaced as a result of the applicable repowerings would be depreciated and offset with excess deferred income taxes resulting from 2017 Tax Reform. During the three-month period ended March 31, 2020, accelerated depreciation of $40 million and offsetting amortization of excess deferred income taxes was recognized associated with the two remaining repowered facilities included in the 2019 RAC.

In November 2019, PacifiCorp filed a 2020 RAC application requesting an annual increase in rates of $1 million, or 0.1%, associated with repowering the Glenrock III wind facility effective April 1, 2020 and an annual increase in rates of $3 million, or 0.3%, associated with repowering the Dunlap wind facility effective October 15, 2020. As part of its application, PacifiCorp proposed to offset the Oregon-allocated net book value of the replaced wind equipment in this filing with PacifiCorp's OATT revenue related deferral from 2017 through 2019. An all-party settlement was filed in January 2020 supporting the filed request, and was approved by the OPUC in March 2020. Based on a final cost update for the Glenrock III wind facility, and including the net power cost and PTC benefits, a 0.02% rate decrease became effective April 1, 2020. A final rate change is expected to be effective October 15, 2020, after the repowered Dunlap wind facility is placed in service. As a result of the settlement, accelerated depreciation of $7 million and offsetting amortization of PacifiCorp's OATT deferral was recognized during the three-month period ended March 31, 2020 associated with undepreciated equipment replaced as a result of the repowering of Glenrock III. The settlement provides for accelerated depreciation of the equipment replaced at Dunlap to also be offset with PacifiCorp's OATT deferral once placed in-service.

In November 2019 PacifiCorp requested authorization to establish an automatic adjustment clause and rate schedule for the costs and revenues related to the Oregon Corporate Activity Tax ("OCAT") that applies to tax years beginning on or after January 1, 2020. Concurrent with this filing, PacifiCorp also requested authorization to defer the OCAT expense. In January 2020, the OPUC authorized the automatic adjustment clause, rate schedule and application for deferral. PacifiCorp is authorized to begin recovering the estimated OCAT expense effective February 1, 2020. The recovery adjustment for 2020 is 0.41% and the rate is being applied as a percentage surcharge on customers' bills.

In February 2020, PacifiCorp filed a general rate case in Oregon requesting a total rate increase of $71 million, or 5.4%, effective January 1, 2021. The rate case includes a separate tariff rider to recover costs associated with the early retirement of Cholla Unit 4 for an increase of $17 million annually from January 2021 through April 2025 and an annual credit to customers of $25 million for amortization of remaining deferred income tax benefits associated with 2017 Tax Reform over a three-year period beginning January 2021. The request for the increase in base rates reflects recovery of Energy Vision 2020 investments, updated depreciation rates and rate design modernization proposals.

In February 2020, PacifiCorp submitted its annual TAM filing in Oregon requesting a decrease of $49 million, or 3.7%, effective January 1, 2021, based on forecast net power costs and loads for the calendar year 2021. The filing includes the customer benefits of new and repowered wind resources, including an increase in PTCs.

Wyoming

In July 2019, Wyoming Senate Enrolled Act No. 74 ("SEA 74") went into effect. The legislation, among other things, requires electric utilities to make a good faith effort to sell a coal-fueled generation facility in Wyoming before it can receive recovery in rates for capital costs associated with new generation facilities built, in whole or in part, to replace the retiring coal-fueled generation facility. The electric utility is obligated to purchase the electricity from the facility through a power purchase agreement at a price that is no greater than the utility's avoided cost as determined by the WPSC. Costs associated with an approved power purchase agreement are expected to be recoverable in rates from Wyoming customers. In March 2020, the Wyoming governor signed Senate Enrolled Act No. 23, which allows a 1 MW or greater customer to purchase electricity from a coal-fueled generation facility purchased from an electric utility under SEA 74. PacifiCorp is working with the WPSC and other stakeholders on rules to implement the legislation. The overall impacts of this legislation cannot be determined at this time.

In March 2020, PacifiCorp filed a general rate case with the WPSC requesting an increase in base rates of $7 million, or 1.1%, effective January 1, 2021. The increase reflects recovery of Energy Vision 2020 investments, updated depreciation rates and rate design modernization proposals. The application also requests a revision to the ECAM to eliminate the sharing band and requests authorization to discontinue operations and recover costs associated with the early retirement of Cholla Unit 4. The proposed increase reflects several rate mitigation measures that include use of the remaining 2017 Tax Reform benefits to buy down plant balances, including Cholla Unit 4, and spreading the recovery of the depreciation of certain coal-fueled generation units over time periods that extend beyond the depreciable lives proposed in the depreciation rate study.

In March 2020, the Wyoming governor signed House of Representatives Enrolled Act No. 79, which requires the WPSC to adopt a standard to specify a percentage of an electric utility's electricity to be generated from coal-fueled generation utilizing carbon capture technology by no later than 2030. The bill allows electric utilities to implement a surcharge not to exceed 2% of customer bills to recover costs to comply with the standard.

In April 2020, PacifiCorp filed its annual ECAM and RRA application with the WPSC requesting recovery of $7 million, or 1.0% of deferred net power costs from customers for the period January 1, 2019 through December 31, 2019, reflecting the difference between base and actual net power costs in the 2019 deferral period. The rate change will go into effect on an interim basis June 15, 2020. This increase will be offset in part by continued rate credits associated with 2017 Tax Reform benefits and bonus depreciation for which minor adjustments are proposed to go into effect in the same timeframe.

Washington

In November 2019, PacifiCorp submitted its 2019 decoupling filing with the WUTC for the twelve months ended June 30, 2019. In January 2020, the WUTC approved PacifiCorp's 2019 decoupling filing, which resulted in a $12 million surcredit to customers effective February 1, 2020.

In December 2019, PacifiCorp submitted its 2021 Washington general rate case requesting an overall decrease to rates of $4 million, or 1.1%, effective January 1, 2021. The case includes an increase in revenue requirement of $3 million, offset by a proposed ten-year annual surcredit of $7 million, including interest, to customers primarily associated with the amortization of excess deferred income taxes from 2017 Tax Reform. The case includes a request for approval of a new cost allocation methodology, updated depreciation rates, recovery of Energy Vision 2020 investments, and rate design modernization proposals. In April 2020, PacifiCorp submitted supplemental testimony and exhibits to incorporate the impacts of the recently completed decommissioning studies for PacifiCorp's coal-fueled generating resources and update net power costs. The updated request results in an overall increase to rates of $11 million, or 3.2%.

Idaho

In April 2020, PacifiCorp filed its annual ECAM application with the IPUC requesting recovery of $21 million, or 3.0%, for deferred costs in 2019. This filing includes recovery of the difference in actual net power costs to the base level in rates, an adder for recovery of the Lake Side 2 resource, changes in PTCs, RECs, and a resource tracking mechanism to match costs with the benefits of wind repowering projects until they are reflected in base rates. This deferral is partially offset by $3 million related to amortization of excess deferred income taxes stemming from 2017 Tax Reform and net of recovery for a regulatory asset related to the prior depreciation study.

California

In April 2018, PacifiCorp filed a general rate case with the CPUC for an overall rate increase of $1 million, or 0.9%, effective January 1, 2019. A CPUC decision was issued in February 2020, resulting in a $6 million, or 5.1%, rate decrease effective February 6, 2020. The CPUC's final order also resulted in an additional rate decrease of $6 million, or 5.1%, over the next three years due to the amortization of excess deferred income taxes attributed to 2017 Tax Reform.

California Senate Bill 901 requires electric utilities to prepare and submit wildfire mitigation plans that describe the utilities' plans to prevent, combat and respond to wildfires affecting their service territories. In January 2020, the CPUC approved the resolution establishing procedural rules for the review and disposition of 2020 Wildfire Mitigation Plans. PacifiCorp submitted its 2020 Wildfire Mitigation Plan in February 2020, and in May 2020 the CPUC is expected to issue a decision regarding the 2020 Plan.

In December 2019, PacifiCorp filed an application notifying the CPUC of the early retirement of the Cholla Unit 4 generating facility and requesting authorization to establish a memorandum account associated with the retirement and decommissioning of Cholla Unit 4. The proposed memorandum account would track costs associated with the unrecovered plant balance, decommissioning and other closure-related costs. PacifiCorp requested an effective date of December 27, 2019 for the proposed memorandum account.

NV Energy (Nevada Power and Sierra Pacific)

Regulatory Rate Review

In June 2019, Sierra Pacific filed an electric regulatory rate review with the PUCN. The filing supported an annual revenue increase of $5 million but requested an annual revenue reduction of $5 million. In September 2019, Sierra Pacific filed an all-party settlement for the electric regulatory rate review. The settlement resolved all cost of capital and revenue requirement issues and provided for an annual revenue reduction of $5 million and required Sierra Pacific to share 50% of regulatory earnings above 9.7% with its customers. The rate design portion of the regulatory rate review was not a part of the settlement and a hearing on rate design was held in November 2019. In December 2019, the PUCN issued an order approving the stipulation but made some adjustments to the methodology for the weather normalization component of historical sales in rates, which resulted in an additional annual revenue reduction of $3 million. The new rates were effective January 1, 2020. In January 2020, Sierra Pacific filed a petition for rehearing challenging the PUCN's adjustments to the weather normalization methodology. In February 2020, the PUCN issued an order granting the petition for rehearing. In April 2020, the PUCN issued a final order approving a weather normalization methodology that changed the additional annual revenue reduction from $3 million to $2 million with an effective date of January 1, 2020.

2017 Tax Reform

In February 2018, the Nevada Utilities made filings with the PUCN proposing a tax rate reduction rider for the lower annual income tax expense anticipated to result from 2017 Tax Reform for 2018 and beyond. In March 2018, the PUCN issued an order approving the rate reduction proposed by the Nevada Utilities. The new rates were effective April 1, 2018. The order extended the procedural schedule to allow parties additional discovery relevant to 2017 Tax Reform and a hearing was held in July 2018. In September 2018, the PUCN issued an order directing the Nevada Utilities to record the amortization of any excess protected accumulated deferred income tax arising from the 2017 Tax Reform as a regulatory liability effective January 1, 2018. Subsequently, the Nevada Utilities filed a petition for reconsideration relating to the amortization of protected excess accumulated deferred income tax balances resulting from the 2017 Tax Reform. In November 2018, the PUCN issued an order granting reconsideration and reaffirming the September 2018 order. In December 2018, the Nevada Utilities filed a petition for judicial review. The judicial review occurred in January 2020 and the district court issued an order in March 2020 denying the petition and affirming the PUCN's order.

Customer Price Stability Tariff

In November 2018, the Nevada Utilities made filings with the PUCN to implement the Customer Price Stability Tariff ("CPST"). The Nevada Utilities have designed the CPST to provide certain customers, namely those eligible to file an application pursuant to Chapter 704B of the Nevada Revised Statutes, with a market-based pricing option that is based on renewable resources. The CPST provides for an energy rate that would replace the base tariff energy rate and DEAA. The goal is to have an energy rate that yields an all-in effective rate that is competitive with market options available to such customers. In February 2019, the PUCN granted several intervenors the ability to participate in the proceeding. In June 2019, the Nevada Utilities withdrew their filings but plan to refile a modified tariff in 2020 that incorporates the considerations raised by intervenors.

Natural Disaster Protection Plan

In May 2019, Senate Bill 329 ("SB 329"), Natural Disaster Mitigation Measures, was signed into law, which requires the Nevada Utilities to submit a natural disaster protection plan to the PUCN. The PUCN adopted natural disaster protection plan regulations in January 2020, that require the Nevada Utilities to file their natural disaster protection plan for approval on or before March 1 of every third year, with the first filing due on March 1, 2020. The regulations also require annual updates to be filed on or before September 1 of the second and third years of the plan. The plan must include procedures, protocols and other certain information as it relates to the efforts of the Nevada Utilities to prevent or respond to a fire or other natural disaster. The expenditures incurred by the Nevada Utilities in developing and implementing the natural disaster protection plan are required to be held in a regulatory asset account, with the Nevada Utilities filing an application for recovery on or before March 1 of each year. The Nevada Utilities submitted their initial natural disaster protection plan to the PUCN and filed their first application seeking recovery of 2019 expenditures in February 2020. The hearings are scheduled for June 2020.

COVID-19

In March 2020, the PUCN issued an emergency order for the Nevada Utilities to establish regulatory asset accounts related to the costs of maintaining service to customers affected by COVID-19 whose services would have been terminated or disconnected under normally-applicable terms of service. The Nevada Utilities may incur significant costs as a result of COVID-19, including, but not limited to, higher credit loss expenses resulting from a higher than average level of write-offs of uncollectible accounts associated with the suspension of disconnections and late payment fees to assist customers facing unprecedented economic pressures. The Nevada Utilities also expect to incur additional costs that cannot currently be predicted given the unprecedented nature of COVID-19.

Northern Powergrid Distribution Companies

GEMA, through the Ofgem, published its RIIO-2 sector methodology decision in May 2019, continuing the process of developing the next set of price control arrangements that will be implemented for transmission and gas distribution networks in Great Britain. Ofgem explicitly stated that this decision did not apply for Northern Powergrid's next price control, ("ED2"), which will begin in April 2023. However, it also stated that some of the proposals may be capable of application to that price control and, in December 2019, published a decision on the framework for ED2 that confirmed the same overall approach will apply.

Regarding allowed return on capital, Ofgem has stated that it currently considers that a cost of equity of 4.3% (plus inflation calculated using the United Kingdom's consumer prices index including owner occupiers' housing costs) would be appropriate for energy networks, which is approximately 220 basis points lower than the current comparable cost of equity. This cost of equity assumption is based on a proposed debt capitalization assumption for the next price control of 60%, which is lower than the 65% debt capitalization assumption for the current price control.

In respect of ED1, GEMA published a decision in October 2019 to make allowance for certain additional costs totaling £12 million, plus RPI inflation from 2012-13, that it judged to be beyond the control of the licensees, beyond the routine adjustments for such costs that occur annually. The adjustments, which reflect additional costs, for the licensees will flow into allowed revenues through the standard price control mechanisms and do not affect Northern Powergrid's overall financial position compared to when the current price control was set.

BHE Pipeline Group

Northern Natural Gas

In July 2018, the FERC issued a final rule adopting procedures for determining whether natural gas pipelines were collecting unjust and unreasonable rates in light of the reduction in the federal corporate tax rate from 2017 Tax Reform. Pursuant to the final rule, in October 2018, Northern Natural Gas filed an informational filing on FERC Form No. 501-G and a Statement Demonstrating Why No Rate Adjustment is Necessary. In January 2019, the FERC initiated a Section 5 investigation to determine whether the rates currently charged by Northern Natural Gas are just and reasonable. As required by the FERC Section 5 order, Northern Natural Gas filed a cost and revenue study in April 2019. In July 2019, Northern Natural Gas filed a Section 4 rate case requesting increases in its transportation and storage rates. The rate filing provided evidence in support of a $300 million increase to Northern Natural Gas' annual revenue requirement. The rate increase is primarily attributed to the capital investment made by Northern Natural Gas since the last rate case, an increase in Northern Natural Gas' depreciation rates, the addition of negative salvage and increased return on equity. In September 2019, the FERC consolidated the Section 5 investigation and the Section 4 rate case into one procedural process set for hearing commencing June 2020. In January 2020, the FERC approved Northern Natural Gas' filing to implement its interim rates, including an increase of 77% from its current Market Area transmission reservation rate, subject to refund, effective January 1, 2020.

BHE Transmission

AltaLink

General Tariff Application

In August 2018, AltaLink filed its 2019-2021 GTA with the AUC, delivering on the first three years of its commitment to keep rates lower or flat at the approved 2018 revenue requirement of C$904 million for customers for the next five years. In addition, AltaLink proposes to provide a further tariff reduction over the three years by refunding previously collected accumulated depreciation surplus of an additional C$31 million.

In April 2019, AltaLink filed an update to its 2019-2021 GTA primarily to reflect its 2018 actual results and the impact of the AUC's decision on AltaLink's 2014-2015 Deferral Account Reconciliation Application. The application requests the approval of revised revenue requirements of C$879 million, C$882 million and C$885 million for 2019, 2020 and 2021, respectively. The forecast revenue requirement is based on an 8.5% return on equity and 37% deemed equity as approved by the AUC for 2019 and 2020.

In July 2019, AltaLink filed a 2019-2021 partial negotiated settlement application with the AUC. The application consisted of negotiated reductions totaling a C$38 million net decrease to the three-year total revenue requirement applied for in AltaLink's 2019-2021 GTA updated in April 2019. However, this may be partially offset by AltaLink's request for an additional C$20 million of forecast transmission line clearance capital as part of an excluded matter. The 2019-2021 negotiated settlement agreement excluded certain matters related to the new salvage study and salvage recovery approach, additional capital spending and incremental asset retirements. AltaLink's salvage proposal is estimated to save customers C$267 million between 2019 and 2023. Excluded matters were examined by the AUC in a hearing held in November 2019. In November 2019, a hearing to examine the excluded matters was completed and written arguments were filed in January 2020.

In October 2019, AltaLink filed a letter with the AUC to request the continuation of the monthly interim refundable transmission tariff effective January 1, 2020, until a final tariff is approved. In October 2019, the AUC confirmed the interim refundable transmission tariff at C$74 million per month, until otherwise directed by the AUC.

In April 2020, the AUC issued its decision with respect to AltaLink's 2019-2021 GTA. The AUC approved the negotiated settlement agreement as filed and rendered its decision and directions on the excluded matters. The AUC denied AltaLink's proposed salvage methodology, but indicated it will initiate a generic proceeding to review the matter on an industry-wide basis. Reverting the salvage method back to the traditional pre-collection approach will increase the amount of salvage collected by approximately C $82 million, resulting in an increase to AltaLink’s cash transmission tariffs collected from customers for the 2019-2021 period by approximately C$77 million. The AUC approved C$13 million of AltaLink's requested additional C$20 million of forecast transmission line clearance capital on placeholder basis and will further review the remaining C$7 million capital investment in AltaLink's subsequent compliance filing. Also, C$3 million of forecast operating expenses and C$4 million of forecast capital investment were approved to reduce the risk of fires, with a further C$31 million of capital subject to further review in the compliance filing. Finally, the AUC approved C$6 million of retirements for towers and fixtures. AltaLink is directed to file a compliance filing within 45 days of the date of the decision.

Subject to the yet to be filed compliance filing and final AUC approval, AltaLink's revised revenue requirements are estimated to be C$895 million for 2019, C$895 million for 2020 and C$899 million for 2021.

2021 Generic Cost of Capital Proceeding

In December 2018, the AUC initiated the 2021 GCOC proceeding to consider returning to a formula-based approach in determining the return on equity for a given year, starting with 2021. In April 2019, after receiving comments from interested parties, the AUC expanded the scope of the proceeding to include a traditional non-formulaic GCOC inquiry as well as the consideration of returning to a formula-based approach.

In January 2020, AltaLink filed company and expert evidence, recommending a range of 8.75% to 10.5% return on equity, on a recommended equity ratio of 40% for 2021 and 2022. The Consumers' Coalition of Alberta, the Utilities Consumer Advocate and the City of Calgary filed intervenor evidence recommending a range of 5.0% to 6.9% return on equity, and an AltaLink common equity ratio of 35% to 37% for 2021 and 2022.

In March 2020, as a result of COVID-19, the AUC suspended the proceeding for an indefinite period. This decision will be subject to review and reassessment by the AUC every 30 to 60 days.

2014-2015 Deferral Account Reconciliation Application

In December 2018 and January 2019, the AUC issued decisions approving C$3,833 million out of the C$4,017 million capital project additions, included in the application. Project costs of C$155 million were deferred to a future hearing. The AUC disallowed capital additions of approximately C$29 million including applicable AFUDC, pending receipt of additional supporting documentation for certain items.

AltaLink filed compliance filings in February and September 2019 reflecting the AUC's directives and AUC approval was received in November 2019. However, the AUC had previously ruled that it will put in placeholder amounts for the approved costs of the assets in the 2014-2015 Deferral Account Reconciliation Application proceeding until the AUC-initiated proceeding to consider the issue of transmission asset utilization.

2016-2018 Deferral Account Reconciliation Application

In July 2019, AltaLink filed its 2016-2018 Deferral Account Reconciliation Application with the AUC. The application includes 116 projects with total gross capital additions, including AFUDC, of C$976 million. In December 2019, the AUC announced a series of technical meetings to address AltaLink's responses to certain information requests.

In March 2020, the AUC issued a letter indicating that it will provide further process steps after AltaLink submits its remaining responses to information requests and the Consumers' Coalition of Alberta files its intervener evidence in April 2020.

Alberta Electric System Operator Tariff Decision

In September 2019, the AUC issued its decision with respect to the 2018 AESO tariff. As part of this decision, the AUC approved AltaLink's proposal to refund contributions made by distribution facility owners relative to transmission projects built and owned by transmission facility owners. The proposal will benefit distribution customers by flowing through the lower cost of capital of the transmission facility owner rather than the higher cost of capital of the distribution facility owner. As directed by the AUC, AltaLink would pay FortisAlberta the unamortized contribution balance of approximately C$375 million and add the amount to AltaLink's rate base if the decision is upheld. The AUC directed the AESO to consult with AltaLink to provide a joint proposal to implement AltaLink's contribution proposal. In September 2019, FortisAlberta filed a review and variance application with the AUC requesting the AUC re-evaluate its findings with respect to AltaLink's customer contribution proposal relative to distribution facility owners. In October 2019, the AUC granted FortisAlberta's request to proceed to a review and variance with the record closed in November 2019, after submissions from FortisAlberta, AltaLink, and other interested parties. FortisAlberta also filed for permission to appeal the decision with the Court of Appeal, which will not be heard until after the AUC’s review proceeding.

In December 2019, the AUC reopened the record of the review and variance proceeding and, in January 2020, issued specific information requests to each of FortisAlberta and AltaLink to clarify the evidence previously filed. AltaLink and FortisAlberta filed responses to the AUC information requests in January 2020. In February 2020, FortisAlberta filed a motion with the AUC requesting the appointment of a review panel to convene an oral hearing.

In March 2020, as a result of COVID-19, the AUC advised that it would be immediately deferring all public hearings, consultations or information sessions until further notice and requested FortisAlberta to advise the AUC whether it wishes to amend its motion. In April 2020, FortisAlberta filed its response requesting an oral hearing, to commence in 105 days.

Environmental Laws and Regulations

Each Registrant is subject to federal, state, local and foreign laws and regulations regarding climate change, RPS, air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact each Registrant's current and future operations. In addition to imposing continuing compliance obligations, these laws and regulations provide regulators with the authority to levy substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. These laws and regulations are administered by various federal, state, local and international agencies. Each Registrant believes it is in material compliance with all applicable laws and regulations, although many laws and regulations are subject to interpretation that may ultimately be resolved by the courts. The discussion below contains material developments to those matters disclosed in Item 1 of each Registrant's Annual Report on Form 10-K for the year ended December 31, 2019, and new environmental matters occurring in 2020.

Clean Air Act Regulations

The Clean Air Act is a federal law administered by the EPA that provides a framework for protecting and improving the nation's air quality and controlling sources of air emissions. The implementation of new standards is generally outlined in SIPs, which are a collection of regulations, programs and policies to be followed. SIPs vary by state and are subject to public hearings and EPA approval. Some states may adopt additional or more stringent requirements than those implemented by the EPA.

Mercury and Air Toxics Standards

In March 2011, the EPA proposed a rule that requires coal-fueled generating facilities to reduce mercury emissions and other hazardous air pollutants through the establishment of "Maximum Achievable Control Technology" standards. The final MATS became effective on April 16, 2012, and required that new and existing coal-fueled generating facilities achieve emission standards for mercury, acid gases and other non-mercury hazardous air pollutants. Existing sources were required to comply with the new standards by April 16, 2015 with the potential for individual sources to obtain an extension of up to one additional year, at the discretion of the Title V permitting authority, to complete installation of controls or for transmission system reliability reasons. The relevant Registrants have completed emission reduction projects to comply with the final rule's standards for acid gases and non-mercury metallic hazardous air pollutants.

MidAmerican Energy retired certain coal-fueled generating units as the least-cost alternative to comply with the MATS. Walter Scott, Jr. Energy Center Units 1 and 2 were retired in 2015, and George Neal Energy Center Units 1 and 2 were retired in April 2016. A fifth unit, Riverside Generating Station, was limited to natural gas combustion in March 2015.

Numerous lawsuits have been filed in the D.C. Circuit challenging the MATS. In April 2014, the D.C. Circuit upheld the MATS requirements. In November 2014, the United States Supreme Court agreed to hear the MATS appeal on the limited issue of whether the EPA unreasonably refused to consider costs in determining whether it is appropriate to regulate hazardous air pollutants emitted by electric utilities. Oral argument in the case was held before the United States Supreme Court in March 2015, and a decision was issued by the United States Supreme Court in June 2015, which reversed and remanded the MATS rule to the D.C. Circuit for further action. The United States Supreme Court held that the EPA had acted unreasonably when it deemed cost irrelevant to the decision to regulate generating facilities, and that cost, including costs of compliance, must be considered before deciding whether regulation is necessary and appropriate. The United States Supreme Court's decision did not vacate or stay implementation of the MATS rule. In December 2015, the D.C. Circuit issued an order remanding the rule to the EPA, without vacating the rule. As a result, the relevant Registrants continue to have a legal obligation under the MATS rule and the respective permits issued by the states in which each respective Registrant operates to comply with the MATS rule, including operating all emissions controls or otherwise complying with the MATS requirements.

On December 27, 2018, the EPA issued a proposed revised supplemental cost finding for the MATS, as well as the required risk and technology review under Clean Air Act Section 112. The EPA proposed to determine that it is not appropriate and necessary to regulate hazardous air pollutant emissions from power plants under Section 112; however, the EPA proposed to retain the emission standards and other requirements of the MATS rule, because the EPA did not propose to remove coal- and oil-fueled power plants from the list of sources regulated under Section 112. On April 16, 2020 the EPA finalized its decision to repeal the appropriate and necessary findings in the MATS rule and retain the overall emission standards. The rule will take effect 60 days after publication in the Federal Register. Until litigation over the rule is exhausted, the relevant Registrants cannot fully determine the impacts of the changes to the MATS rule.

On March 13, 2020, the United States Court of Appeals for the District of Columbia Circuit ("D.C. Circuit") issued an opinion in *Chesapeake Climate Action Network v. EPA* regarding consolidated challenges to the EPA's startup and shutdown provisions contained in the 2012 MATS rule. The MATS rule's provisions governing startup and shutdown require electric generating units comply with work practice standards as opposed to numerical limits during these periods. The EPA denied petitions for reconsideration of these provisions in 2016 and environmentalists challenged this denial. The D.C. Circuit vacated the reconsideration denials, remanding the petition to the EPA for further action. The court did not make a determination on the merits of the arguments concerning the EPA's legal authority to set work practice standards. The existing work practice standards and the alternate definition for when startup ends continue to be applicable. Until the EPA finalizes action to respond to the court's order, the relevant Registrants cannot fully determine the impacts of the remand.

Coal Combustion Byproduct Disposal

In May 2010, the EPA released a proposed rule to regulate the management and disposal of coal combustion byproducts under the RCRA. The final rule was released by the EPA on December 19, 2014, was published in the Federal Register on April 17, 2015 and was effective on October 19, 2015. The final rule regulates coal combustion byproducts as non-hazardous waste under RCRA Subtitle D and establishes minimum nationwide standards for the disposal of coal combustion residuals. Under the final rule, surface impoundments and landfills utilized for coal combustion byproducts may need to be closed unless they can meet the more stringent regulatory requirements. The final rule requires regulated entities to post annual groundwater monitoring and corrective action reports. The first of these reports was posted to the respective Registrant's coal combustion rule compliance data and information websites in March 2018. Based on the results in those reports, additional action may be required under the rule.

At the time the rule was published in April 2015, PacifiCorp operated 18 surface impoundments and seven landfills that contained coal combustion byproducts. Prior to the effective date of the rule in October 2015, nine surface impoundments and three landfills were either closed or repurposed to no longer receive coal combustion byproducts and hence are not subject to the final rule. As PacifiCorp proceeded to implement the final coal combustion rule, it was determined that two surface impoundments located at the Dave Johnston generating facility were hydraulically connected and effectively constitute a single impoundment. In November 2017, a new surface impoundment was placed into service at the Naughton Generating Station. At the time the rule was published in April 2015, MidAmerican Energy owned or operated nine surface impoundments and four landfills that contain coal combustion byproducts. Prior to the effective date of the rule in October 2015, MidAmerican Energy closed or repurposed six surface impoundments to no longer receive coal combustion byproducts. Five of these surface impoundments were closed on or before December 21, 2017 and the sixth is undergoing closure. At the time the rule was published in April 2015, the Nevada Utilities operated ten evaporative surface impoundments and two landfills that contained coal combustion byproducts. Prior to the effective date of the rule in October 2015, the Nevada Utilities closed four of the surface impoundments, four impoundments discontinued receipt of coal combustion byproducts making them inactive and two surface impoundments remain active and subject to the final rule. The two landfills remain active and subject to the final rule.

Multiple parties filed challenges over various aspects of the final rule in the D.C. Circuit in 2015, resulting in settlement of some of the issues and subsequent regulatory action by the EPA, including subjecting inactive surface impoundments to regulation. Oral argument was held by the D.C. Circuit on November 20, 2017 over certain portions of the 2015 rule that had not been settled or otherwise remanded. On August 21, 2018, the D.C. Circuit issued its opinion in Utility Solid Waste Activities Group v. EPA, finding it was arbitrary and capricious for the EPA to allow unlined ash ponds to continue operating until some unknown point in the future when groundwater contamination could be detected. The D.C. Circuit vacated the closure section of the CCR rule and remanded the issue of unlined ponds to the EPA for reconsideration with specific instructions to consider harm to the environment, not just to human health. The D.C. Circuit also held the EPA's decision to not regulate legacy ponds was arbitrary and capricious. While the D.C. Circuit's decision was pending, the EPA, on March 15, 2018, issued a proposal to address provisions of the final coal combustion residuals rule that were remanded back to the agency on June 14, 2016, by the D.C. Circuit. The proposal included provisions that establish alternative performance standards for owners and operators of coal combustion residuals units located in states that have approved permit programs or are otherwise subject to oversight through a permit program administered by the EPA. The EPA finalized the first phase of the coal combustion residuals rule amendments on July 30, 2018, with an effective date of August 28, 2018 (the "Phase 1, Part 1 rule"). In addition to adopting alternative performance standards and revising groundwater performance standards for certain constituents, the EPA extended the deadline by which facilities must initiate closure of unlined ash ponds exceeding a groundwater protection standard and impoundments that do not meet the rule's aquifer location restrictions to October 31, 2020. Following submittal of competing motions from environmental groups and the EPA to stay or remand this deadline extension, on March 13, 2019, the D.C. Circuit granted the EPA's request to remand the rule and left the October 31, 2020 deadline in place while the agency undertakes a new rulemaking establishing a new deadline for initiating closure. On August 14, 2019, the EPA released its "Phase 2" proposal, which contains targeted amendments to the coal combustion residuals rule in response to court remands and the EPA settlement agreements, as well as issues raised in a rulemaking petition. The Phase 2 proposal modifies the definition of "beneficial use" by replacing a mass-based threshold with new location-based criteria for triggering the need to conduct an environmental demonstration; establishes a definition of "CCR storage pile" to address the temporary storage of coal combustion residuals on the ground, depending on whether the material is destined for disposal or beneficial use; makes certain changes to the rule's annual groundwater monitoring and corrective action reports to make it easier for the public to see and understand the data contained within the reports; modifies the requirements related to facilities' publicly available coal combustion residual rule websites to make the information more readily available; and establishes a risk-based groundwater monitoring protection standard for boron in the event the EPA decides to add boron to Appendix IV in the coal combustion residuals rule. The EPA accepted comments on the Phase 2 proposal through October 15, 2019.

On December 2, 2019, the EPA proposed additional changes to the CCR rule in its Holistic Approach to Closure: Part A rule. This proposal addressed the D.C. Circuit's revocation of the provisions that allow unlined impoundments to continue receiving ash and establishes a new deadline of August 31, 2020, by which all unlined surface impoundments (including clay lined impoundments that do not otherwise meet the definition of "lined") must initiate closure. The proposal also identifies and clarifies several opportunities to extend the closure deadlines for lack of alternative capacity or closure of the coal-fueled operating unit by a certain date. Comments on the proposal were accepted through January 31, 2020. On March 3, 2020, the EPA proposed the Holistic Approach to Closure: Part B rule, which sets forth procedures for owners and operators of unlined ash ponds to demonstrate that the liner systems or underlying soils for these units perform as well as the liner criteria in the CCR rule and to request approval to continue operating such units. The proposal also includes revisions of the rule's closure provisions, including options that would allow the use of CCR for purposes of closing a CCR unit subject to forced closure; an additional closure option for units that are closing by removal of CCR but cannot complete groundwater corrective action within the rule's prescribed closure timeframes; and a new requirement for annual closure progress reports. The EPA accepted comment on the proposal through April 17, 2020.

On February 20, 2020, the EPA proposed a federal coal combustion residuals permit program as required by the Water Infrastructure Improvements for the Nation Act of 2016. The proposal would require permits for all CCR units in nonparticipating states and in Indian country. The proposal would establish three types of permits (individual, general and permit-by-rule); establish a tiered schedule for permit application deadlines, beginning with facilities that have at least one existing CCR impoundment that is classified as having "high hazard potential;" and postpone timelines for permit application deadlines for all other CCR facilities to be established at a later date. All CCR units would remain subject to the federal self-implementing rule until a state or federal permit is issued. The EPA is accepting comments on this proposal through May 20, 2020. Until the proposals are finalized and fully litigated, the Registrants cannot determine whether additional action may be required.

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Consolidated Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, derivatives, impairment of goodwill and long-lived assets, pension and other postretirement benefits, income taxes and revenue recognition - unbilled revenue. For additional discussion of the Company's critical accounting estimates, see Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2019. There have been no significant changes in the Company's assumptions regarding critical accounting estimates since December 31, 2019.

PacifiCorp and its subsidiaries
Consolidated Financial Section

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
PacifiCorp

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of PacifiCorp and subsidiaries ("PacifiCorp") as of March 31, 2020, the related consolidated statements of operations and changes in shareholders' equity for the three-month periods ended March 31, 2020 and 2019, and of cash flows for the three-month periods ended March 31, 2020 and 2019, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of PacifiCorp as of December 31, 2019, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2020, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2019, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of PacifiCorp's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to PacifiCorp in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP

Portland, Oregon
May 1, 2020

PACIFICORP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Amounts in millions)

	As of	
	March 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 53	$ 30
Trade receivables, net	572	644
Other receivables, net	43	70
Inventories	420	394
Regulatory assets	72	63
Prepaid expenses	64	61
Other current assets	21	28
Total current assets	1,245	1,290
Property, plant and equipment, net	21,099	20,973
Regulatory assets	1,086	1,060
Other assets	362	374
Total assets	$ 23,792	$ 23,697

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

PACIFICORP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited) (continued)
(Amounts in millions)

	As of	
	March 31, 2020	December 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 660	$ 679
Accrued interest	112	116
Accrued property, income and other taxes	114	96
Accrued employee expenses	99	75
Short-term debt	56	130
Current portion of long-term debt	38	38
Regulatory liabilities	89	56
Other current liabilities	195	170
Total current liabilities	1,363	1,360
Long-term debt	7,621	7,620
Regulatory liabilities	2,830	2,913
Deferred income taxes	2,579	2,563
Other long-term liabilities	785	804
Total liabilities	15,178	15,260
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Preferred stock	2	2
Common stock - 750 shares authorized, no par value, 357 shares issued and outstanding	—	—
Additional paid-in capital	4,479	4,479
Retained earnings	4,148	3,972
Accumulated other comprehensive loss, net	(15)	(16)
Total shareholders' equity	8,614	8,437
Total liabilities and shareholders' equity	$ 23,792	$ 23,697

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

PACIFICORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31,	
	2020	**2019**
Operating revenue	$ 1,206	$ 1,259
Operating expenses:		
Cost of fuel and energy	417	465
Operations and maintenance	254	256
Depreciation and amortization	252	205
Property and other taxes	49	49
Total operating expenses	972	975
Operating income	234	284
Other income (expense):		
Interest expense	(102)	(96)
Allowance for borrowed funds	10	7
Allowance for equity funds	21	14
Interest and dividend income	3	5
Other, net	(4)	7
Total other income (expense)	(72)	(63)
Income before income tax (benefit) expense	162	221
Income tax (benefit) expense	(14)	42
Net income	$ 176	$ 179

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

PACIFICORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
(Amounts in millions)

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net	Total Shareholders' Equity
Balance, December 31, 2018	$ 2	$ —	$ 4,479	$ 3,377	$ (13)	$ 7,845
Net income	—	—	—	179	—	179
Other comprehensive income	—	—	—	—	1	1
Common stock dividends declared	—	—	—	(175)	—	(175)
Balance, March 31, 2019	$ 2	$ —	$ 4,479	$ 3,381	$ (12)	$ 7,850
Balance, December 31, 2019	$ 2	$ —	$ 4,479	$ 3,972	$ (16)	$ 8,437
Net income	—	—	—	176	—	176
Other comprehensive income	—	—	—	—	1	1
Balance, March 31, 2020	$ 2	$ —	$ 4,479	$ 4,148	$ (15)	$ 8,614

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

PACIFICORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31,	
	2020	2019
Cash flows from operating activities:		
Net income	$ 176	$ 179
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	252	205
Allowance for equity funds	(21)	(14)
Changes in regulatory assets and liabilities	(16)	(35)
Deferred income taxes and amortization of investment tax credits	(30)	5
Other, net	6	(1)
Changes in other operating assets and liabilities:		
Trade receivables, other receivables and other assets	85	32
Inventories	(26)	11
Derivative collateral, net	(1)	7
Prepaid expenses	(3)	(4)
Accrued property, income and other taxes, net	18	68
Accounts payable and other liabilities	(3)	41
Net cash flows from operating activities	437	494
Cash flows from investing activities:		
Capital expenditures	(366)	(337)
Other, net	27	1
Net cash flows from investing activities	(339)	(336)
Cash flows from financing activities:		
Proceeds from long-term debt	—	990
Repayments of long-term debt	—	(350)
Net repayments of short-term debt	(74)	—
Dividends paid	—	(175)
Other, net	—	(31)
Net cash flows from financing activities	(74)	434
Net change in cash and cash equivalents and restricted cash and cash equivalents	24	592
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	36	92
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 60	$ 684

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

PACIFICORP AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) General

PacifiCorp, which includes PacifiCorp and its subsidiaries, is a United States regulated electric utility company serving retail customers, including residential, commercial, industrial, irrigation and other customers in portions of Utah, Oregon, Wyoming, Washington, Idaho and California. PacifiCorp owns, or has interests in, a number of thermal, hydroelectric, wind-powered and geothermal generating facilities, as well as electric transmission and distribution assets. PacifiCorp also buys and sells electricity on the wholesale market with other utilities, energy marketing companies, financial institutions and other market participants. PacifiCorp is subject to comprehensive state and federal regulation. PacifiCorp's subsidiaries support its electric utility operations by providing coal mining services. PacifiCorp is an indirect subsidiary of Berkshire Hathaway Energy Company ("BHE"), a holding company based in Des Moines, Iowa that owns subsidiaries principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway").

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2020 and for the three-month periods ended March 31, 2020 and 2019. The Consolidated Statements of Comprehensive Income have been omitted as net income materially equals comprehensive income for the three-month periods ended March 31, 2020 and 2019. The results of operations for the three-month periods ended March 31, 2020 and 2019 are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in PacifiCorp's Annual Report on Form 10-K for the year ended December 31, 2019 describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in PacifiCorp's assumptions regarding significant accounting estimates and policies during the three-month period ended March 31, 2020.

Coronavirus Disease 2019 ("COVID-19")

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by PacifiCorp. While the rapid outbreak of COVID-19 has not had a material impact on PacifiCorp's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. Such impacts may include, among others, higher bad debt expense associated with the suspension of disconnections across PacifiCorp's service territory and suspension of late payment fees in certain jurisdictions implemented to assist customers facing unprecedented economic pressures and increased retirement plan contributions due to reductions in the market value of retirement plan assets. The duration and extent of COVID-19 and its future impact on PacifiCorp's business cannot be reasonably estimated at this time. Accordingly, significant estimates used in the preparation of PacifiCorp's unaudited Consolidated Financial Statements, including those associated with evaluations of certain long-lived assets for impairment, expected credit losses on amounts owed to PacifiCorp and potential regulatory deferral or recovery of certain costs may be subject to significant adjustments in future periods.

In March and April 2020, PacifiCorp filed applications requesting authorization to defer costs associated with COVID-19 with the Utah Public Service Commission, the Oregon Public Utility Commission, the Wyoming Public Service Commission ("WPSC"), the Washington Utilities and Transportation Commission and the Idaho Public Utilities Commission. In April 2020, as ordered by the California Public Utilities Commission, PacifiCorp filed to establish the COVID-19 Pandemic Protections Memorandum Account. In April 2020, the WPSC approved PacifiCorp's application to defer costs associated with COVID-19.

(2) Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, United States Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents consist substantially of funds representing escrow accounts for disputes, vendor retention, custodial and nuclear decommissioning funds. Restricted amounts are included in other current assets and other assets on the Consolidated Balance Sheets. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, as presented in the Consolidated Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Consolidated Balance Sheets (in millions):

	As of	
	March 31, 2020	December 31, 2019
Cash and cash equivalents	$ 53	$ 30
Restricted cash included in other current assets	5	4
Restricted cash included in other assets	2	2
Total cash and cash equivalents and restricted cash and cash equivalents	$ 60	$ 36

(3) Property, Plant and Equipment, Net

Property, plant and equipment, net consists of the following (in millions):

		As of	
	Depreciable Life	March 31, 2020	December 31, 2019
Utility Plant:			
Generation	14 - 67 years	$ 12,468	$ 12,509
Transmission	58 - 75 years	6,513	6,482
Distribution	20 - 70 years	7,359	7,307
Intangible plant[(1)]	5 - 75 years	1,018	1,016
Other	5 - 60 years	1,463	1,449
Utility plant in service		28,821	28,763
Accumulated depreciation and amortization		(9,739)	(9,803)
Utility plant in-service, net		19,082	18,960
Other non-regulated, net of accumulated depreciation and amortization	59 years	9	10
Plant, net		19,091	18,970
Construction work-in-progress		2,008	2,003
Property, plant and equipment, net		$ 21,099	$ 20,973

(1) Computer software costs included in intangible plant are initially assigned a depreciable life of 5 to 10 years.

In March 2020, PacifiCorp acquired wind turbines from BHE Wind, LLC, an indirect wholly owned subsidiary of BHE, for $47 million. The wind turbines will be installed as part of newly constructed wind-powered generating facilities that are planned to be placed in service in 2020.

(4) Recent Financing Transactions

Long-Term Debt

In April 2020, PacifiCorp issued $400 million of its 2.70% First Mortgage Bonds due 2030 and $600 million of its 3.30% First Mortgage Bonds due 2051. PacifiCorp intends to use the net proceeds to fund capital expenditures, primarily for renewable resources and associated transmission projects, and for general corporate purposes.

(5) Income Taxes

A reconciliation of the federal statutory income tax rate to the effective income tax rate applicable to income before income tax expense is as follows:

	Three-Month Periods Ended March 31,	
	2020	2019
Federal statutory income tax rate	21 %	21%
State income tax, net of federal income tax benefit	3	3
Federal income tax credits	(11)	(4)
Effects of ratemaking	(2)	(1)
Amortization of excess deferred income taxes	(20)	—
Effective income tax rate	(9)%	19%

Income tax credits relate primarily to production tax credits ("PTCs") earned by PacifiCorp's wind-powered generating facilities. Federal renewable electricity PTCs are earned as energy from qualifying wind-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. Wind-powered generating facilities are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service.

Amortization of excess deferred income taxes is primarily attributable to the amortization of $30 million of Oregon allocated excess deferred income taxes pursuant to the Oregon Renewable Adjustment Clause settlement, whereby a portion of Oregon allocated excess deferred income taxes was used to accelerate depreciation on Oregon's share of certain repowered wind facilities.

Berkshire Hathaway includes BHE and its subsidiaries in its United States federal income tax return. Consistent with established regulatory practice, PacifiCorp's provision for federal and state income tax has been computed on a stand-alone basis, and substantially all of its currently payable or receivable income tax is remitted to or received from BHE. For the three-month periods ended March 31, 2020 and 2019, PacifiCorp made net cash payments for federal and state income tax to BHE totaling $26 million and $- million, respectively.

(6) Employee Benefit Plans

Net periodic benefit credit for the pension and other postretirement benefit plans included the following components (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Pension:		
Service cost	$ —	$ —
Interest cost	9	11
Expected return on plan assets	(14)	(17)
Net amortization	5	3
Net periodic benefit cost (credit)	$ —	$ (3)
Other postretirement:		
Service cost	$ —	$ —
Interest cost	3	3
Expected return on plan assets	(4)	(5)
Net amortization	—	—
Net periodic benefit credit	$ (1)	$ (2)

Amounts other than the service cost for pension and other postretirement benefit plans are recorded in Other, net in the Consolidated Statements of Operations. Employer contributions to the pension and other postretirement benefit plans are expected to be $4 million and $- million, respectively, during 2020. As of March 31, 2020, $1 million and $- million of contributions had been made to the pension and other postretirement benefit plans, respectively.

(7) Risk Management and Hedging Activities

PacifiCorp is exposed to the impact of market fluctuations in commodity prices and interest rates. PacifiCorp is principally exposed to electricity, natural gas, coal and fuel oil commodity price risk as it has an obligation to serve retail customer load in its regulated service territories. PacifiCorp's load and generating facilities represent substantial underlying commodity positions. Exposures to commodity prices consist mainly of variations in the price of fuel required to generate electricity and wholesale electricity that is purchased and sold. Commodity prices are subject to wide price swings as supply and demand are impacted by, among many other unpredictable items, weather, market liquidity, geopolitical factors, generating facility availability, customer usage, storage, and transmission and transportation constraints. Interest rate risk exists on variable-rate debt and future debt issuances. PacifiCorp does not engage in a material amount of proprietary trading activities.

PacifiCorp has established a risk management process that is designed to identify, assess, manage, mitigate, monitor and report each of the various types of risk involved in its business. To mitigate a portion of its commodity price risk, PacifiCorp uses commodity derivative contracts, which may include forwards, options, swaps and other agreements, to effectively secure future supply or sell future production generally at fixed prices. PacifiCorp manages its interest rate risk by limiting its exposure to variable interest rates primarily through the issuance of fixed-rate long-term debt and by monitoring market changes in interest rates. Additionally, PacifiCorp may from time to time enter into interest rate derivative contracts, such as interest rate swaps or locks, to mitigate PacifiCorp's exposure to interest rate risk. No interest rate derivatives were in place during the periods presented. PacifiCorp does not hedge all of its commodity price and interest rate risks, thereby exposing the unhedged portion to changes in market prices.

There have been no significant changes in PacifiCorp's accounting policies related to derivatives. Refer to Note 8 for additional information on derivative contracts.

The following table, which reflects master netting arrangements and excludes contracts that have been designated as normal under the normal purchases or normal sales exception afforded by GAAP, summarizes the fair value of PacifiCorp's derivative contracts, on a gross basis, and reconciles those amounts to the amounts presented on a net basis on the Consolidated Balance Sheets (in millions):

	Other Current Assets	Other Assets	Other Current Liabilities	Other Long-term Liabilities	Total
As of March 31, 2020					
Not designated as hedging contracts[1]:					
Commodity assets	$ 10	$ 4	$ 2	$ —	$ 16
Commodity liabilities	(4)	—	(50)	(47)	(101)
Total	6	4	(48)	(47)	(85)
Total derivatives	6	4	(48)	(47)	(85)
Cash collateral (payable) receivable	(1)	—	21	28	48
Total derivatives - net basis	$ 5	$ 4	$ (27)	$ (19)	$ (37)
As of December 31, 2019					
Not designated as hedging contracts[1]:					
Commodity assets	$ 15	$ 2	$ 4	$ —	$ 21
Commodity liabilities	(3)	—	(31)	(50)	(84)
Total	12	2	(27)	(50)	(63)
Total derivatives	12	2	(27)	(50)	(63)
Cash collateral receivable	—	—	20	27	47
Total derivatives - net basis	$ 12	$ 2	$ (7)	$ (23)	$ (16)

(1) PacifiCorp's commodity derivatives are generally included in rates and as of March 31, 2020 and December 31, 2019, a regulatory asset of $84 million and $62 million, respectively, was recorded related to the net derivative liability of $85 million and $63 million, respectively.

The following table reconciles the beginning and ending balances of PacifiCorp's net regulatory assets and summarizes the pre-tax gains and losses on commodity derivative contracts recognized in net regulatory assets, as well as amounts reclassified to earnings (in millions):

	Three-Month Periods Ended March 31, 2020	2019
Beginning balance	$ 62	$ 96
Changes in fair value	34	(54)
Net losses reclassified to operating revenue	8	(22)
Net (losses) gains reclassified to cost of fuel and energy	(20)	58
Ending balance	$ 84	$ 78

Derivative Contract Volumes

The following table summarizes the net notional amounts of outstanding commodity derivative contracts with fixed price terms that comprise the mark-to-market values as of (in millions):

	Unit of Measure	March 31, 2020	December 31, 2019
Electricity sales, net	Megawatt hours	(1)	(2)
Natural gas purchases	Decatherms	129	129

Credit Risk

PacifiCorp is exposed to counterparty credit risk associated with wholesale energy supply and marketing activities with other utilities, energy marketing companies, financial institutions and other market participants. Credit risk may be concentrated to the extent PacifiCorp's counterparties have similar economic, industry or other characteristics and due to direct or indirect relationships among the counterparties. Before entering into a transaction, PacifiCorp analyzes the financial condition of each significant wholesale counterparty, establishes limits on the amount of unsecured credit to be extended to each counterparty and evaluates the appropriateness of unsecured credit limits on an ongoing basis. To further mitigate wholesale counterparty credit risk, PacifiCorp enters into netting and collateral arrangements that may include margining and cross-product netting agreements and obtains third-party guarantees, letters of credit and cash deposits. If required, PacifiCorp exercises rights under these arrangements, including calling on the counterparty's credit support arrangement.

Collateral and Contingent Features

In accordance with industry practice, certain wholesale derivative contracts contain credit support provisions that in part base certain collateral requirements on credit ratings for senior unsecured debt as reported by one or more of the three recognized credit rating agencies. These derivative contracts may either specifically provide bilateral rights to demand cash or other security if credit exposures on a net basis exceed specified rating-dependent threshold levels ("credit-risk-related contingent features") or provide the right for counterparties to demand "adequate assurance," or in some cases terminate the contract, in the event of a material adverse change in PacifiCorp's creditworthiness. These rights can vary by contract and by counterparty. As of March 31, 2020, PacifiCorp's credit ratings for its senior secured debt and its issuer credit ratings for senior unsecured debt by Moody's Investor Service and Standard & Poor's Rating Services were investment grade.

The aggregate fair value of PacifiCorp's derivative contracts in liability positions with specific credit-risk-related contingent features totaled $95 million and $80 million as of March 31, 2020 and December 31, 2019, respectively, for which PacifiCorp had posted collateral of $49 million and $47 million, respectively, in the form of cash deposits. If all credit-risk-related contingent features for derivative contracts in liability positions had been triggered as of March 31, 2020 and December 31, 2019, PacifiCorp would have been required to post $37 million and $27 million, respectively, of additional collateral. PacifiCorp's collateral requirements could fluctuate considerably due to market price volatility, changes in credit ratings, changes in legislation or regulation, or other factors.

(8) Fair Value Measurements

The carrying value of PacifiCorp's cash, certain cash equivalents, receivables, payables, accrued liabilities and short-term borrowings approximates fair value because of the short-term maturity of these instruments. PacifiCorp has various financial assets and liabilities that are measured at fair value on the Consolidated Financial Statements using inputs from the three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 — Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that PacifiCorp has the ability to access at the measurement date.
- Level 2 — Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 — Unobservable inputs reflect PacifiCorp's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. PacifiCorp develops these inputs based on the best information available, including its own data.

The following table presents PacifiCorp's financial assets and liabilities recognized on the Consolidated Balance Sheets and measured at fair value on a recurring basis (in millions):

	Input Levels for Fair Value Measurements				
	Level 1	Level 2	Level 3	Other[(1)]	Total
As of March 31, 2020					
Assets:					
Commodity derivatives	$ —	$ 16	$ —	$ (7)	$ 9
Money market mutual funds[(2)]	37	—	—	—	37
Investment funds	25	—	—	—	25
	$ 62	$ 16	$ —	$ (7)	$ 71
Liabilities - Commodity derivatives	$ —	$ (101)	$ —	$ 55	$ (46)
As of December 31, 2019					
Assets:					
Commodity derivatives	$ —	$ 21	$ —	$ (7)	$ 14
Money market mutual funds[(2)]	23	—	—	—	23
Investment funds	25	—	—	—	25
	$ 48	$ 21	$ —	$ (7)	$ 62
Liabilities - Commodity derivatives	$ —	$ (84)	$ —	$ 54	$ (30)

(1) Represents netting under master netting arrangements and a net cash collateral receivable of $48 million and $47 million as of March 31, 2020 and December 31, 2019, respectively.

(2) Amounts are included in cash and cash equivalents, other current assets and other assets on the Consolidated Balance Sheets. The fair value of these money market mutual funds approximates cost.

Derivative contracts are recorded on the Consolidated Balance Sheets as either assets or liabilities and are stated at estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. When available, the fair value of derivative contracts is estimated using unadjusted quoted prices for identical contracts in the market in which PacifiCorp transacts. When quoted prices for identical contracts are not available, PacifiCorp uses forward price curves. Forward price curves represent PacifiCorp's estimates of the prices at which a buyer or seller could contract today for delivery or settlement at future dates. PacifiCorp bases its forward price curves upon market price quotations, when available, or internally developed and commercial models, with internal and external fundamental data inputs. Market price quotations are obtained from independent energy brokers, exchanges, direct communication with market participants and actual transactions executed by PacifiCorp. Market price quotations for certain major electricity and natural gas trading hubs are generally readily obtainable for the first three years; therefore, PacifiCorp's forward price curves for those locations and periods reflect observable market quotes. Market price quotations for other electricity and natural gas trading hubs are not as readily obtainable for the first three years. Given that limited market data exists for these contracts, as well as for those contracts that are not actively traded, PacifiCorp uses forward price curves derived from internal models based on perceived pricing relationships to major trading hubs that are based on unobservable inputs. The estimated fair value of these derivative contracts is a function of underlying forward commodity prices, interest rates, currency rates, related volatility, counterparty creditworthiness and duration of contracts. Refer to Note 7 for further discussion regarding PacifiCorp's risk management and hedging activities.

PacifiCorp's investments in money market mutual funds and investment funds are stated at fair value. When available, PacifiCorp uses a readily observable quoted market price or net asset value of an identical security in an active market to record the fair value. In the absence of a quoted market price or net asset value of an identical security, the fair value is determined using pricing models or net asset values based on observable market inputs and quoted market prices of securities with similar characteristics.

PacifiCorp's long-term debt is carried at cost on the Consolidated Balance Sheets. The fair value of PacifiCorp's long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The carrying value of PacifiCorp's variable-rate long-term debt approximates fair value because of the frequent repricing of these instruments at market rates. The following table presents the carrying value and estimated fair value of PacifiCorp's long-term debt (in millions):

	As of March 31, 2020		As of December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	$ 7,659	$ 9,042	$ 7,658	$ 9,280

(9) Commitments and Contingencies

Legal Matters

PacifiCorp is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. PacifiCorp does not believe that such normal and routine litigation will have a material impact on its consolidated financial results.

Environmental Laws and Regulations

PacifiCorp is subject to federal, state and local laws and regulations regarding climate change, renewable portfolio standards, air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact PacifiCorp's current and future operations. PacifiCorp believes it is in material compliance with all applicable laws and regulations.

Hydroelectric Relicensing

PacifiCorp is a party to the 2016 amended Klamath Hydroelectric Settlement Agreement ("KHSA"), which is intended to resolve disputes surrounding PacifiCorp's efforts to relicense the Klamath Hydroelectric Project. The KHSA does not guarantee dam removal. Instead, it establishes a process for PacifiCorp, the states of Oregon and California ("States") and other stakeholders to assess whether dam removal can occur consistent with the settlement's terms. For PacifiCorp, the key elements of the settlement include: (1) a contribution from PacifiCorp's Oregon and California customers capped at $200 million plus $250 million in California bond funds; (2) complete indemnification from harms associated with dam removal; (3) transfer of the Federal Energy Regulatory Commission ("FERC") license to a third-party dam removal entity, the Klamath River Renewal Corporation ("KRRC"), who would conduct dam removal; and (4) ability for PacifiCorp to operate the facilities for the benefit of customers until dam removal commences.

In September 2016, the KRRC and PacifiCorp filed a joint application with the FERC to transfer the license for the four main-stem Klamath dams from PacifiCorp to the KRRC. Over the past two years, the KRRC has been supplementing the application with additional information about its financial, technical, and legal capacity to become the licensee. In July 2019 and February 2020, the KRRC provided the FERC with additional information about its financial capacity to become a licensee, including updated cost estimates, and further information about its insurance, bonding and liability transfer package. The FERC is evaluating the KRRC's information and the proposed license transfer. The KRRC will continue to refine its insurance, bonding and liability transfer package, and PacifiCorp will review the KRRC's capacity to fulfill its indemnity obligation under the KHSA. If certain conditions in the amended KHSA are not satisfied (e.g., inadequate funding or inability of KRRC to satisfy its indemnification obligation) and the license does not transfer to the KRRC, PacifiCorp will resume relicensing with the FERC.

The United States Court of Appeals for the District of Columbia Circuit issued a decision in the *Hoopa Valley Tribe v. FERC* litigation, in January 2019, finding that the states of California and Oregon have waived their Clean Water Act, Section 401, water quality certification authority over the Klamath hydroelectric project relicensing. This decision has the potential to limit the ability of the States to impose water quality conditions on new and relicensed projects. Environmental interests, supported by California, Oregon and other states, asked the court to rehear the case, which was denied. Subsequently, environmental groups, supported by numerous states, filed a petition for certiorari before the United States Supreme Court, which was denied on December 9, 2019, thereby allowing the circuit court opinion to stand as a final and unappealable decision.

Guarantees

PacifiCorp has entered into guarantees as part of the normal course of business and the sale of certain assets. These guarantees are not expected to have a material impact on PacifiCorp's consolidated financial results.

(10) Revenue from Contracts with Customers

The following table summarizes PacifiCorp's revenue from contracts with customers ("Customer Revenue") by customer class (in millions):

	Three-Month Periods Ended March 31, 2020	Three-Month Periods Ended March 31, 2019
Customer Revenue:		
Retail:		
Residential	$ 460	$ 489
Commercial	358	360
Industrial	277	292
Other retail	27	29
Total retail	1,122	1,170
Wholesale [(1)]	—	28
Transmission	22	25
Other Customer Revenue	26	16
Total Customer Revenue	1,170	1,239
Other revenue	36	20
Total operating revenue	$ 1,206	$ 1,259

(1) Includes net payments to counterparties for the financial settlement of certain non-derivative forward contracts for energy sales.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors that have affected the consolidated financial condition and results of operations of PacifiCorp during the periods included herein. Explanations include management's best estimate of the impact of weather, customer growth, usage trends and other factors. This discussion should be read in conjunction with PacifiCorp's historical unaudited Consolidated Financial Statements and Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q. PacifiCorp's actual results in the future could differ significantly from the historical results.

Results of Operations for the First Quarter of 2020 and 2019

Overview

Net income for the first quarter of 2020 was $176 million, a decrease of $3 million, or 2%, compared to 2019. Net income decreased primarily due to lower utility margin of $12 million, excluding impacts of the Oregon RAC settlement of $7 million (offset in depreciation expense), lower cash surrender value of corporate-owned life insurance policies and $6 million of higher interest expense, partially offset by higher allowances for equity and borrowed funds used during construction of $10 million, and higher PTCs of $8 million, primarily due to repowering of certain of PacifiCorp's wind-powered generating facilities. Utility margin decreased primarily due to lower retail prices, lower retail customer volumes, lower wholesale volumes and lower net deferrals of incurred net power costs in accordance with established adjustment mechanisms, partially offset by lower coal-fueled and natural gas-fueled generation costs. Retail customer volumes decreased 1.7% primarily due to unfavorable impact of weather (heating degree days were lower by 10%) and lower customer usage, partially offset by an increase in the average number of customers. Energy generated decreased 11% for the first quarter of 2020 compared to 2019 primarily due to lower coal-fueled generation, partially offset by higher wind-powered and hydroelectric generation. Wholesale electricity sales volumes decreased 32% and purchased electricity volumes increased 20%.

Non-GAAP Financial Measure

Management utilizes various key financial measures that are prepared in accordance with GAAP, as well as non-GAAP financial measures such as utility margin, to help evaluate results of operations. Utility margin is calculated as operating revenue less cost of fuel and energy, which are captions presented on the Consolidated Statements of Operations.

PacifiCorp's cost of fuel and energy is directly recovered from its customers through regulatory recovery mechanisms and as a result, changes in PacifiCorp's revenue are comparable to changes in such expenses. As such, management believes utility margin more appropriately and concisely explains profitability rather than a discussion of revenue and cost of fuel and energy separately. Management believes the presentation of utility margin provides meaningful and valuable insight into the information management considers important to running the business and a measure of comparability to others in the industry.

Utility margin is not a measure calculated in accordance with GAAP and should be viewed as a supplement to and not a substitute for operating income which is the most comparable financial measure prepared in accordance with GAAP. The following table provides a reconciliation of utility margin to operating income (in millions):

	First Quarter			
	2020	2019	Change	
Utility margin:				
Operating revenue	$ 1,206	$ 1,259	$ (53)	(4)%
Cost of fuel and energy	417	465	(48)	(10)
Utility margin	789	794	(5)	(1)
Operations and maintenance	254	256	(2)	(1)
Depreciation and amortization	252	205	47	23
Property and other taxes	49	49	—	—
Operating income	$ 234	$ 284	$ (50)	(18)%

A comparison of PacifiCorp's key operating results is as follows:

	First Quarter			
	2020	2019	Change	
Utility margin (in millions):				
Operating revenue	$ 1,206	$ 1,259	$ (53)	(4)%
Cost of fuel and energy	417	465	(48)	(10)
Utility margin	$ 789	$ 794	$ (5)	(1)%
Sales (GWhs):				
Residential	4,421	4,608	(187)	(4)%
Commercial	4,410	4,445	(35)	(1)
Industrial, irrigation and other	4,702	4,710	(8)	—
Total retail	13,533	13,763	(230)	(2)
Wholesale	1,281	1,887	(606)	(32)
Total sales	14,814	15,650	(836)	(5)%
Average number of retail customers (in thousands)	1,955	1,921	34	2 %
Average revenue per MWh:				
Retail	$ 82.97	$ 85.08	$ (2.11)	(2)%
Wholesale	$ 26.35	$ 24.26	$ 2.09	9 %
Heating degree days	4,605	5,092	(487)	(10)%
Sources of energy (GWhs)(1):				
Coal	7,228	9,486	(2,258)	(24)%
Natural gas	3,041	3,061	(20)	(1)
Hydroelectric(2)	1,046	717	329	46
Wind and other(2)	1,112	760	352	46
Total energy generated	12,427	14,024	(1,597)	(11)
Energy purchased	3,391	2,836	555	20
Total	15,818	16,860	(1,042)	(6)%
Average cost of energy per MWh:				
Energy generated(3)	$ 17.80	$ 21.09	$ (3.29)	(16)%
Energy purchased	$ 47.41	$ 57.89	$ (10.48)	(18)%

(1) GWh amounts are net of energy used by the related generating facilities.

(2) All or some of the renewable energy attributes associated with generation from these sources may be: (a) used in future years to comply with RPS or other regulatory requirements or (b) sold to third parties in the form of RECs or other environmental commodities.

(3) The average cost per MWh of energy generated includes only the cost of fuel associated with the generating facilities.

Utility margin decreased $5 million for the first quarter of 2020 compared to 2019 primarily due to:

- $48 million of lower retail revenue from lower average prices and volumes. Retail customer volumes decreased 1.7% primarily due to the unfavorable impact of weather and lower customer usage, partially offset by an increase in the average number of customers; and
- $31 million of lower net deferrals of incurred net power costs in accordance with established adjustment mechanisms; and
- $12 million of lower wholesale revenue due to lower volumes, partially offset by higher average market prices.

The decreases above were partially offset by:

- $63 million of lower coal-fueled generation costs primarily due to lower volumes;
- $14 million of lower natural gas-fueled generation costs primarily due to lower natural gas prices;
- $7 million of higher other revenue due to impacts of the Oregon RAC settlement (offset in depreciation expense); and
- $4 million of lower purchased electricity costs due to lower average market prices, partially offset by higher volumes.

Operations and maintenance decreased $2 million, or 1%, for the first quarter of 2020 compared to 2019 primarily due to lower employee related expenses.

Depreciation and amortization increased $47 million, or 23%, for the first quarter of 2020 compared to 2019 due to accelerated depreciation of $47 million ($7 million offset in other revenue and $40 million offset in income tax expense) for Oregon's share of certain retired wind equipment due to repowering.

Interest expense increased $6 million, or 6% for the first quarter of 2020 compared to 2019 primarily due to higher average long-term debt balances.

Allowance for borrowed and equity funds increased $10 million, or 48%, for the first quarter of 2020 compared to 2019 primarily due to higher qualified construction work-in-progress balances.

Other, net decreased $11 million to an expense of $4 million for the first quarter of 2020 compared to income of $7 million for the first quarter of 2019 primarily due to lower cash surrender value of corporate-owned life insurance policies and higher non-service cost components of pension and other postretirement expense.

Income tax (benefit) expense decreased $56 million, or 133%, to a benefit of $14 million for the first quarter of 2020 compared to an expense of $42 million for the first quarter of 2019. The effective tax rate was (9)% for 2020 and 19% for 2019. The effective tax rate decreased primarily due to the amortization of Oregon's allocated excess deferred income taxes pursuant to the Oregon RAC settlement, whereby a portion of Oregon's allocated excess deferred income taxes was used to accelerate depreciation for Oregon's share of certain retired wind equipment due to repowering and due to increased PTCs from PacifiCorp's wind-powered generating facilities.

Liquidity and Capital Resources

As of March 31, 2020, PacifiCorp's total net liquidity was as follows (in millions):

Cash and cash equivalents	$ 53
Credit facilities	1,200
Less:	
Short-term debt	(56)
Tax-exempt bond support	(256)
Net credit facilities	888
Total net liquidity	$ 941
Credit facilities:	
Maturity dates	2022

Operating Activities

Net cash flows from operating activities for the three-month periods ended March 31, 2020 and 2019 were $437 million and $494 million, respectively. The change was primarily due to lower collections from wholesale and retail customers and higher cash paid for income taxes, partially offset by lower cost of fuel related payments.

The timing of PacifiCorp's income tax cash flows from period to period can be significantly affected by the estimated federal income tax payment methods and assumptions for each payment date.

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2020 and 2019 were $(339) million and $(336) million, respectively. The change is primarily due to an increase in capital expenditures of $29 million, partially offset by proceeds from the settlement of notes receivable of $25 million associated with the sale of certain Utah mining assets in 2015. Refer to "Future Uses of Cash" for discussion of capital expenditures.

Financing Activities

Net cash flows from financing activities for the three-month period ended March 31, 2020 was $(74) million. Uses of cash consisted of $74 million for the repayment of short-term debt.

Net cash flows from financing activities for the three-month period ended March 31, 2019 was $434 million. Sources of cash consisted of net proceeds from the issuance of long term debt of $990 million. Uses of cash consisted substantially of $350 million for the repayment of long-term debt, $175 million for common stock dividends paid to PPW Holdings LLC and $30 million for the repayment of short-term debt.

Short-term Debt

Regulatory authorities limit PacifiCorp to $1.5 billion of short-term debt. As of March 31, 2020, PacifiCorp had $56 million of short-term debt outstanding at a weighted average interest rate of 3.22%. As of December 31, 2019, PacifiCorp had $130 million of short-term debt outstanding at a weighted average interest rate of 2.05%.

Long-term Debt

In April 2020, PacifiCorp issued $400 million of its 2.70% First Mortgage Bonds due 2030 and $600 million of its 3.30% First Mortgage Bonds due 2051. PacifiCorp intends to use the net proceeds to fund capital expenditures, primarily for renewable resource and associated transmission projects, and for general corporate purposes.

Future Uses of Cash

PacifiCorp has available a variety of sources of liquidity and capital resources, both internal and external, including net cash flows from operating activities, public and private debt offerings, the issuance of commercial paper, the use of unsecured revolving credit facilities, capital contributions and other sources. These sources are expected to provide funds required for current operations, capital expenditures, debt retirements and other capital requirements. The availability and terms under which PacifiCorp has access to external financing depends on a variety of factors, including regulatory approvals, PacifiCorp's credit ratings, investors' judgment of risk and conditions in the overall capital markets, including the condition of the utility industry.

Capital Expenditures

PacifiCorp has significant future capital requirements. Capital expenditure needs are reviewed regularly by management and may change significantly as a result of these reviews, which may consider, among other factors, impacts to customers' rates; changes in environmental and other rules and regulations; outcomes of regulatory proceedings; changes in income tax laws; general business conditions; load projections; system reliability standards; the cost and efficiency of construction labor, equipment and materials; commodity prices; and the cost and availability of capital.

Historical and forecast capital expenditures, each of which exclude amounts for non-cash equity AFUDC and other non-cash items, are as follows (in millions):

	Three-Month Periods Ended March 31,		Annual Forecast
	2019	2020	2020
Transmission system investment	$ 73	$ 53	$ 302
Wind investment	59	105	1,396
Operating and other	205	208	1,070
Total	$ 337	$ 366	$ 2,768

PacifiCorp's historical and forecast capital expenditures include the following:

- Transmission system investment primarily reflects initial costs for the 140-mile 500-kV Aeolus-Bridger/Anticline transmission line, a major segment of PacifiCorp's Energy Gateway Transmission expansion program expected to be placed in-service in 2020 and investment in additional Energy Gateway Transmission segments expected to be placed in service in 2023. Forecast spending for the Aeolus-Bridger/Anticline line totals $154 million in 2020.

- Wind investment includes the following:

    - Construction of wind-powered generating facilities at PacifiCorp totaling $89 million and $55 million for the three-month periods ended March 31, 2020 and 2019, respectively. Construction includes the 1,190 MWs of new wind-powered generating facilities that are expected to be placed in-service in 2020 and the energy production is expected to qualify for 100% of the federal PTCs available for ten years once the equipment is placed in-service. PacifiCorp anticipates costs associated with the construction of wind-powered generating facilities will total an additional $1.2 billion for 2020.

    - Repowering existing wind-powered generating facilities at PacifiCorp totaling $16 million and $4 million for the three-month periods ended March 31, 2020 and 2019, respectively. Certain repowering projects were placed in service in 2019 and the remaining repowering projects are expected to be placed in-service at various dates in 2020. The energy production from such repowered facilities is expected to qualify for 100% of the federal renewable electricity PTCs available for 10 years following each facility's return to service. PacifiCorp anticipates costs for these activities will total an additional $87 million for 2020.

- Remaining investments relate to operating projects that consist of advanced meter infrastructure costs, routine expenditures for generation, transmission and distribution, planned spend for wildfire mitigation and other infrastructure needed to serve existing and expected demand.

Energy Supply Planning

As required by certain state regulations, PacifiCorp uses an IRP to develop a long-term resource plan to ensure that PacifiCorp can continue to provide reliable and cost-effective electric service to its customers while maintaining compliance with existing and evolving environmental laws and regulations.

In October 2019, PacifiCorp filed its 2019 IRP with its state commissions. Commission review of the 2019 IRP is ongoing.

Requests for Proposals

PacifiCorp issues individual requests for proposals ("RFP"), each of which typically focuses on a specific category of generation resources consistent with the IRP or other customer-driven demands. The IRP and the RFPs provide for the identification and staged procurement of resources to meet load or RPS requirements. Depending upon the specific RFP, applicable laws and regulations may require PacifiCorp to file draft RFPs with the UPSC, the OPUC and the WUTC. Approval by the UPSC, the OPUC or the WUTC may be required depending on the nature of the RFPs. PacifiCorp is not currently administering active resource RFPs.

PacifiCorp is preparing an all resource RFP, the 2020AS RFP. The 2020AS RFP will seek bids for resources capable of coming online by the end of 2024 up to the level of resources identified in PacifiCorp's 2019 IRP. The 2019 IRP preferred portfolio includes 1,823 MWs of solar resources collocated with 595 MWs of battery energy storage systems and 1,920 MWs of new wind resources coming online by the end of 2024. The resources included in the IRP are enabled by new transmission investments, including Energy Gateway South, a 400-mile, 500-kV transmission line connecting southeastern Wyoming to northern Utah. A draft of the 2020AS RFP was filed for approval with the UPSC and the OPUC in April 2020. The 2020AS RFP is on schedule to be released to the market in July 2020.

Contractual Obligations

As of March 31, 2020, there have been no material changes outside the normal course of business in contractual obligations from the information provided in Item 7 of PacifiCorp's Annual Report on Form 10-K for the year ended December 31, 2019.

COVID-19

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by PacifiCorp. While the rapid outbreak of COVID-19 has not had a material impact on PacifiCorp's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. All states in which PacifiCorp operates have instituted varying levels of "stay-at-home" orders and other measures, which have collectively impacted PacifiCorp's customers and, therefore, their needs for electricity. As the impacts of COVID-19 and related customer and governmental responses are uncertain, a reduction in the consumption of electricity, and related operating revenue, may occur, particularly in the commercial and industrial classes. Due to regulatory requirements and voluntary actions taken by PacifiCorp related to customer collection activity and suspension of disconnections for non-payment, PacifiCorp could see delays or reductions in cash receipts, including potentially higher than normal bad debt expense, from retail customers related to the impacts of COVID-19. The amount of such reductions in cash receipts is unknown at this time. Regulatory jurisdictions may allow for deferral or recovery of certain costs incurred in responding to COVID-19. Refer to "Regulatory Matters" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for further discussion.

PacifiCorp has construction and repowering of wind-powered generation projects in progress. While PacifiCorp does not currently anticipate any delays that would jeopardize the completion of these projects, potential delays could result in their completion past certain in-service date guidance provided by the Internal Revenue Service in order to qualify the investments in such wind-powered generation facilities for the maximum federal PTCs. Such disruptions could adversely affect PacifiCorp's future financial results. In addition, the market value of retirement plan assets has also been impacted by COVID-19, which may lead to increased contributions to PacifiCorp's retirement plans.

PacifiCorp's business has been deemed essential and its employees have been identified as "critical infrastructure employees" allowing them to move within communities and across jurisdictional boundaries as necessary to maintain its electric generation, transmission and distribution system. In response to the effects of COVID-19, PacifiCorp has implemented its business continuity plan to protect its employees and customers. Such plans include a variety of actions, including situational use of personal protective equipment by employees when interacting with customers and implementing practices to enhance social distancing at the workplace. Such practices have included work-from-home, staggered work schedules, rotational work location assignments, increased cleaning and sanitation of work spaces and providing general health reminders intended to help lower the risk of spreading COVID-19.

Regulatory Matters

PacifiCorp is subject to comprehensive regulation. Refer to "Regulatory Matters" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for discussion regarding PacifiCorp's current regulatory matters.

Environmental Laws and Regulations

PacifiCorp is subject to federal, state and local regulations regarding climate change, RPS, air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact PacifiCorp's current and future operations. In addition to imposing continuing compliance obligations, these laws and regulations provide regulators with the authority to levy substantial penalties for noncompliance including fines, injunctive relief and other sanctions. These laws and regulations are administered by the EPA and various state and local agencies. All such laws and regulations are subject to a range of interpretation, which may ultimately be resolved by the courts. Environmental laws and regulations continue to evolve, and PacifiCorp is unable to predict the impact of the changing laws and regulations on its operations and financial results. PacifiCorp believes it is in material compliance with all applicable laws and regulations.

Refer to "Environmental Laws and Regulations" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for additional information regarding environmental laws.

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Consolidated Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, derivatives, pension and other postretirement benefits, income taxes and revenue recognition-unbilled revenue. For additional discussion of PacifiCorp's critical accounting estimates, see Item 7 of PacifiCorp's Annual Report on Form 10-K for the year ended December 31, 2019. There have been no significant changes in PacifiCorp's assumptions regarding critical accounting estimates since December 31, 2019.

MidAmerican Funding, LLC and its subsidiaries and MidAmerican Energy Company
Consolidated Financial Section

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of
MidAmerican Energy Company

Results of Review of Interim Financial Information

We have reviewed the accompanying balance sheet of MidAmerican Energy Company ("MidAmerican Energy") as of March 31, 2020, the related statements of operations, changes in shareholder's equity and cash flows for the three-month periods ended March 31, 2020 and 2019, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the balance sheet of MidAmerican Energy as of December 31, 2019, and the related statements of operations, changes in shareholder's equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2020, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of December 31, 2019, is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of MidAmerican Energy's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to MidAmerican Energy in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP

Des Moines, Iowa
May 1, 2020

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

	As of	
	March 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 100	$ 287
Trade receivables, net	265	291
Income tax receivable	178	—
Inventories	232	226
Other current assets	86	90
Total current assets	861	894
Property, plant and equipment, net	18,502	18,375
Regulatory assets	301	289
Investments and restricted investments	739	818
Other assets	188	188
Total assets	$ 20,591	$ 20,564

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

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

	As of	
	March 31, 2020	December 31, 2019
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	$ 440	$ 519
Accrued interest	85	78
Accrued property, income and other taxes	118	225
Short-term debt	50	—
Other current liabilities	212	219
Total current liabilities	905	1,041
Long-term debt	7,209	7,208
Regulatory liabilities	1,365	1,406
Deferred income taxes	2,677	2,626
Asset retirement obligations	720	704
Other long-term liabilities	324	339
Total liabilities	13,200	13,324
Commitments and contingencies (Note 7)		
Shareholder's equity:		
Common stock - 350 shares authorized, no par value, 71 shares issued and outstanding	—	—
Additional paid-in capital	561	561
Retained earnings	6,830	6,679
Total shareholder's equity	7,391	7,240
Total liabilities and shareholder's equity	$ 20,591	$ 20,564

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

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

	Three-Month Periods Ended March 31,	
	2020	**2019**
Operating revenue:		
Regulated electric	$ 471	$ 542
Regulated natural gas and other	210	300
Total operating revenue	681	842
Operating expenses:		
Cost of fuel and energy	80	114
Cost of natural gas purchased for resale and other	128	195
Operations and maintenance	165	207
Depreciation and amortization	176	177
Property and other taxes	34	34
Total operating expenses	583	727
Operating income	98	115
Other income (expense):		
Interest expense	(76)	(69)
Allowance for borrowed funds	3	6
Allowance for equity funds	8	15
Other, net	(5)	20
Total other income (expense)	(70)	(28)
Income before income tax benefit	28	87
Income tax benefit	(123)	(106)
Net income	$ 151	$ 193

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

MIDAMERICAN ENERGY COMPANY
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (Unaudited)
(Amounts in millions)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Shareholder's Equity
Balance, December 31, 2018	$ —	$ 561	$ 5,885	$ 6,446
Net income	—	—	193	193
Balance, March 31, 2019	$ —	$ 561	$ 6,078	$ 6,639
Balance, December 31, 2019	$ —	$ 561	$ 6,679	$ 7,240
Net income	—	—	151	151
Balance, March 31, 2020	$ —	$ 561	$ 6,830	$ 7,391

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

MIDAMERICAN ENERGY COMPANY
STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31,	
	2020	**2019**
Cash flows from operating activities:		
Net income	$ 151	$ 193
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	176	177
Amortization of utility plant to other operating expenses	9	8
Allowance for equity funds	(8)	(15)
Deferred income taxes and amortization of investment tax credits	91	31
Other, net	13	3
Changes in other operating assets and liabilities:		
Trade receivables and other assets	15	(30)
Inventories	(6)	55
Pension and other postretirement benefit plans	(6)	(3)
Accrued property, income and other taxes, net	(286)	(159)
Accounts payable and other liabilities	70	18
Net cash flows from operating activities	219	278
Cash flows from investing activities:		
Capital expenditures	(472)	(573)
Purchases of marketable securities	(127)	(71)
Proceeds from sales of marketable securities	124	68
Other, net	5	1
Net cash flows from investing activities	(470)	(575)
Cash flows from financing activities:		
Proceeds from long-term debt	—	1,460
Repayments of long-term debt	—	(500)
Net proceeds from (repayments of) short-term debt	50	(240)
Other, net	(1)	—
Net cash flows from financing activities	49	720
Net change in cash and cash equivalents and restricted cash and cash equivalents	(202)	423
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	330	56
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 128	$ 479

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

MIDAMERICAN ENERGY COMPANY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(1) General

MidAmerican Energy Company ("MidAmerican Energy") is a public utility with electric and natural gas operations and is the principal subsidiary of MHC Inc. ("MHC"). MHC is a holding company that conducts no business other than the ownership of its subsidiaries. MHC's nonregulated subsidiary is Midwest Capital Group, Inc. MHC is the direct, wholly owned subsidiary of MidAmerican Funding, LLC ("MidAmerican Funding"), which is an Iowa limited liability company with Berkshire Hathaway Energy Company ("BHE") as its sole member. BHE is a holding company based in Des Moines, Iowa that owns subsidiaries principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway").

The unaudited Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Financial Statements as of March 31, 2020, and for the three-month periods ended March 31, 2020 and 2019. The Statements of Comprehensive Income have been omitted as net income equals comprehensive income for the three-month period ended March 31, 2020 and 2019. The results of operations for the three-month periods ended March 31, 2020, are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Financial Statements. Note 2 of Notes to Financial Statements included in MidAmerican Energy's Annual Report on Form 10-K for the year ended December 31, 2019, describes the most significant accounting policies used in the preparation of the unaudited Financial Statements. There have been no significant changes in MidAmerican Energy's assumptions regarding significant accounting estimates and policies during the three-month period ended March 31, 2020.

Coronavirus Disease 2019 ("COVID-19")

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by MidAmerican Energy. While the rapid outbreak of COVID-19 has not had a material impact on MidAmerican Energy's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. The duration and extent of COVID-19 and its future impact on MidAmerican Energy's business cannot be reasonably estimated at this time. Accordingly, significant estimates used in the preparation of MidAmerican Energy's unaudited Financial Statements, including those associated with evaluations of certain long-lived assets for impairment, expected credit losses on amounts owed to MidAmerican Energy and potential regulatory recovery of certain costs may be subject to significant adjustments in future periods.

(2) Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, United States Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, consist substantially of funds restricted for the purpose of constructing solid waste facilities under tax-exempt bond obligation agreements and for wildlife preservation. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, as presented in the Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Balance Sheets (in millions):

	As of	
	March 31, 2020	December 31 2019
Cash and cash equivalents	$ 100	$ 287
Restricted cash and cash equivalents in other current assets	28	43
Total cash and cash equivalents and restricted cash and cash equivalents	$ 128	$ 330

(3) Property, Plant and Equipment, Net

Property, plant and equipment, net consists of the following (in millions):

		As of	
	Depreciable Life	March 31, 2020	December 31, 2019
Utility plant in service, net:			
Generation	20-70 years	$ 15,776	$ 15,687
Transmission	52-75 years	2,138	2,124
Electric distribution	20-75 years	4,131	4,095
Natural gas distribution	29-75 years	1,833	1,820
Utility plant in service		23,878	23,726
Accumulated depreciation and amortization		(6,233)	(6,139)
Utility plant in service, net		17,645	17,587
Nonregulated property, net:			
Nonregulated property gross	20-50 years	7	7
Accumulated depreciation and amortization		(1)	(1)
Nonregulated property, net		6	6
		17,651	17,593
Construction work-in-progress		851	782
Property, plant and equipment, net		$ 18,502	$ 18,375

(4) Income Taxes

A reconciliation of the federal statutory income tax rate to MidAmerican Energy's effective income tax rate applicable to income before income tax benefit is as follows:

	Three-Month Periods Ended March 31,	
	2020	2019
Federal statutory income tax rate	21 %	21 %
Income tax credits	(430)	(113)
State income tax, net of federal income tax benefit	(28)	(21)
Effects of ratemaking	(3)	(8)
Other, net	1	(1)
Effective income tax rate	(439)%	(122)%

Income tax credits relate primarily to PTCs from MidAmerican Energy's wind-powered generating facilities. Federal renewable electricity PTCs are earned as energy from qualifying wind-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. MidAmerican Energy recognizes its renewable electricity PTCs throughout the year based on when the credits are earned and excludes them from the annual effective tax rate that is the basis for the interim recognition of other income tax expense. Wind-powered generating facilities are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service.

Berkshire Hathaway includes BHE and subsidiaries in its United States federal and Iowa state income tax returns. Consistent with established regulatory practice, MidAmerican Energy's provision for income tax has been computed on a stand-alone basis, and substantially all of its currently payable or receivable income tax is remitted to or received from BHE. MidAmerican Energy made net cash payments for income tax to BHE totaling $46 million and $- million for the three-month periods ended March 31, 2020 and 2019, respectively.

(5) Employee Benefit Plans

MidAmerican Energy sponsors a noncontributory defined benefit pension plan covering a majority of all employees of BHE and its domestic energy subsidiaries other than PacifiCorp and NV Energy, Inc. MidAmerican Energy also sponsors certain postretirement healthcare and life insurance benefits covering substantially all retired employees of BHE and its domestic energy subsidiaries other than PacifiCorp and NV Energy, Inc.

Net periodic benefit credit for the plans of MidAmerican Energy and the aforementioned affiliates included the following components (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Pension:		
Service cost	$ 1	$ 2
Interest cost	6	7
Expected return on plan assets	(10)	(10)
Net periodic benefit credit	$ (3)	$ (1)
Other postretirement:		
Service cost	$ 1	$ 1
Interest cost	2	2
Expected return on plan assets	(3)	(3)
Net amortization	(1)	(1)
Net periodic benefit credit	$ (1)	$ (1)

Amounts other than the service cost for pension and other postretirement benefit plans are recorded in Other, net in the Statements of Operations. Employer contributions to the pension and other postretirement benefit plans are expected to be $7 million and $1 million, respectively, during 2020. As of March 31, 2020, $2 million and $- million of contributions had been made to the pension and other postretirement benefit plans, respectively.

(6) Fair Value Measurements

The carrying value of MidAmerican Energy's cash, certain cash equivalents, receivables, payables, accrued liabilities and short-term borrowings approximates fair value because of the short-term maturity of these instruments. MidAmerican Energy has various financial assets and liabilities that are measured at fair value on the Financial Statements using inputs from the three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 — Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that MidAmerican Energy has the ability to access at the measurement date.
- Level 2 — Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 — Unobservable inputs reflect MidAmerican Energy's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. MidAmerican Energy develops these inputs based on the best information available, including its own data.

The following table presents MidAmerican Energy's financial assets and liabilities recognized on the Balance Sheets and measured at fair value on a recurring basis (in millions):

	Input Levels for Fair Value Measurements				
	Level 1	Level 2	Level 3	Other[1]	Total
As of March 31, 2020:					
Assets:					
Commodity derivatives	$ 1	$ —	$ 1	$ (1)	$ 1
Money market mutual funds[2]	46	—	—	—	46
Debt securities:					
United States government obligations	154	—	—	—	154
International government obligations	—	4	—	—	4
Corporate obligations	—	66	—	—	66
Municipal obligations	—	3	—	—	3
Agency, asset and mortgage-backed obligations	—	1	—	—	1
Equity securities:					
United States companies	300	—	—	—	300
International companies	9	—	—	—	9
Investment funds	18	—	—	—	18
	$ 528	$ 74	$ 1	$ (1)	$ 602
Liabilities - commodity derivatives	$ —	$ (8)	$ (1)	$ 1	$ (8)

	Input Levels for Fair Value Measurements				
	Level 1	Level 2	Level 3	Other[(1)]	Total
As of December 31, 2019:					
Assets:					
Commodity derivatives	$ —	$ 2	$ 1	$ (1)	$ 2
Money market mutual funds[(2)]	274	—	—	—	274
Debt securities:					
United States government obligations	189	—	—	—	189
International government obligations	—	4	—	—	4
Corporate obligations	—	58	—	—	58
Municipal obligations	—	1	—	—	1
Agency, asset and mortgage-backed obligations	—	1	—	—	1
Equity securities:					
United States companies	336	—	—	—	336
International companies	9	—	—	—	9
Investment funds	15	—	—	—	15
	$ 823	$ 66	$ 1	$ (1)	$ 889
Liabilities - commodity derivatives	$ —	$ (9)	$ —	$ 2	$ (7)

(1) Represents netting under master netting arrangements and a net cash collateral receivable of $- million and $1 million as of March 31, 2020 and December 31, 2019, respectively.

(2) Amounts are included in cash and cash equivalents and investments and restricted investments on the Balance Sheets. The fair value of these money market mutual funds approximates cost.

MidAmerican Energy's investments in money market mutual funds and debt and equity securities are stated at fair value, with debt securities accounted for as available-for-sale securities. When available, a readily observable quoted market price or net asset value of an identical security in an active market is used to record the fair value. In the absence of a quoted market price or net asset value of an identical security, the fair value is determined using pricing models or net asset values based on observable market inputs and quoted market prices of securities with similar characteristics.

MidAmerican Energy's long-term debt is carried at cost on the Balance Sheets. The fair value of MidAmerican Energy's long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The carrying value of MidAmerican Energy's variable-rate long-term debt approximates fair value because of the frequent repricing of these instruments at market rates. The following table presents the carrying value and estimated fair value of MidAmerican Energy's long-term debt (in millions):

	As of March 31, 2020		As of December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	$ 7,209	$ 8,282	$ 7,208	$ 8,283

(7) Commitments and Contingencies

Construction Commitments

During the three-month period ended March 31, 2020, MidAmerican Energy entered into firm construction commitments totaling $269 million for the remainder of 2020 through 2021 related to the construction of wind-powered generating facilities in Iowa.

Easements

During the three-month period ended March 31, 2020, MidAmerican Energy entered into non-cancelable easements with minimum payment commitments totaling $95 million through 2060 for land in Iowa on which some of its wind-powered generating facilities will be located.

Maintenance and Service Contracts

During the three-month period ended March 31, 2020, MidAmerican Energy entered into non-cancelable maintenance and service contracts related to wind-powered generating facilities with minimum payment commitments totaling $72 million through 2031.

Legal Matters

MidAmerican Energy is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. MidAmerican Energy does not believe that such normal and routine litigation will have a material impact on its financial results.

Environmental Laws and Regulations

MidAmerican Energy is subject to federal, state and local laws and regulations regarding climate change, renewable portfolio standards ("RPS"), air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact its current and future operations. MidAmerican Energy believes it is in material compliance with all applicable laws and regulations.

Transmission Rates

MidAmerican Energy's wholesale transmission rates are set annually using FERC-approved formula rates subject to true-up for actual cost of service. MidAmerican Energy is authorized by the FERC to include a 0.50% adder beyond the base ROE effective January 2015. Prior to September 2016, the rates in effect were based on a 12.38% return on equity ("ROE"). In November 2013 and February 2015, a coalition of intervenors filed successive complaints with the FERC requesting that the 12.38% ROE no longer be found just and reasonable and sought to reduce the base ROE to 9.15% and 8.67%, respectively. In September 2016, the FERC issued an order for the first complaint, which reduces the base ROE to 10.32% and required refunds, plus interest, for the period from November 2013 through February 2015. Customer refunds relative to the first complaint occurred in February 2017. In November 2019, the FERC issued an order addressing the second complaint and issues on appeal in the first complaint. The order established an ROE of 9.88% (10.38% including the 0.50% adder) for the 15-month refund period of the first complaint and prospectively from September 2016 forward. The order indicated no refunds were necessary for the period February 2015 through September 2016. The order has been appealed, and as of March 31, 2020, MidAmerican Energy has accrued a $16 million liability for refunds of amounts collected under the higher ROE during the periods covered by both complaints.

(8) Revenue from Contracts with Customers

The following table summarizes MidAmerican Energy's revenue from contracts with customers ("Customer Revenue") by line of business and customer class, including a reconciliation to MidAmerican Energy's reportable segment information included in Note 9, (in millions):

	For the Three-Month Periods Ended March 31,							
	2020				2019			
	Electric	Natural Gas	Other	Total	Electric	Natural Gas	Other	Total
Customer Revenue:								
Retail:								
Residential	$ 148	$ 128	$ —	$ 276	$ 171	$ 175	$ —	$ 346
Commercial	70	43	—	113	75	66	—	141
Industrial	163	4	—	167	163	6	—	169
Natural gas transportation services	—	11	—	11	—	12	—	12
Other retail(1)	29	—	—	29	35	1	—	36
Total retail	410	186	—	596	444	260	—	704
Wholesale	42	22	—	64	76	34	—	110
Multi-value transmission projects	16	—	—	16	16	—	—	16
Other Customer Revenue	—	—	1	1	—	—	5	5
Total Customer Revenue	468	208	1	677	536	294	5	835
Other revenue	3	1	—	4	6	1	—	7
Total operating revenue	$ 471	$ 209	$ 1	$ 681	$ 542	$ 295	$ 5	$ 842

(1) Other retail includes provisions for rate refunds, for which any actual refunds will be reflected in the applicable customer classes upon resolution of the related regulatory proceeding.

(9) Segment Information

MidAmerican Energy has identified two reportable segments: regulated electric and regulated natural gas. The regulated electric segment derives most of its revenue from regulated retail sales of electricity to residential, commercial, and industrial customers and from wholesale sales. The regulated natural gas segment derives most of its revenue from regulated retail sales of natural gas to residential, commercial, and industrial customers and also obtains revenue by transporting natural gas owned by others through its distribution system. Pricing for regulated electric and regulated natural gas sales are established separately by regulatory agencies; therefore, management also reviews each segment separately to make decisions regarding allocation of resources and in evaluating performance. Common operating costs, interest income, interest expense and income tax expense are allocated to each segment based on certain factors, which primarily relate to the nature of the cost.

The following tables provide information on a reportable segment basis (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Operating revenue:		
Regulated electric	$ 471	$ 542
Regulated natural gas	209	295
Other	1	5
Total operating revenue	$ 681	$ 842
Operating income:		
Regulated electric	$ 59	$ 66
Regulated natural gas	39	48
Other	—	1
Total operating income	98	115
Interest expense	(76)	(69)
Allowance for borrowed funds	3	6
Allowance for equity funds	8	15
Other, net	(5)	20
Income before income tax benefit	$ 28	$ 87

	As of	
	March 31, 2020	December 31, 2019
Assets:		
Regulated electric	$ 19,184	$ 19,093
Regulated natural gas	1,407	1,468
Other	—	3
Total assets	$ 20,591	$ 20,564

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Managers and Member of
MidAmerican Funding, LLC

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of MidAmerican Funding, LLC and subsidiaries ("MidAmerican Funding") as of March 31, 2020, the related consolidated statements of operations, changes in member's equity and cash flows for the three-month periods ended March 31, 2020 and 2019, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) and in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of MidAmerican Funding as of December 31, 2019, and the related consolidated statements of operations, changes in member's equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2020, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2019, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of MidAmerican Funding's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to MidAmerican Funding in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB and with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB and with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP

Des Moines, Iowa
May 1, 2020

MIDAMERICAN FUNDING, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Amounts in millions)

	As of	
	March 31, 2020	**December 31, 2019**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 100	$ 288
Trade receivables, net	265	291
Income tax receivable	181	—
Inventories	232	226
Other current assets	86	91
Total current assets	864	896
Property, plant and equipment, net	18,503	18,377
Goodwill	1,270	1,270
Regulatory assets	301	289
Investments and restricted investments	741	820
Other assets	187	188
Total assets	$ 21,866	$ 21,840

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

MIDAMERICAN FUNDING, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited) (continued)
(Amounts in millions)

	As of	
	March 31, 2020	**December 31, 2019**
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accounts payable	$ 440	$ 520
Accrued interest	87	84
Accrued property, income and other taxes	118	226
Note payable to affiliate	175	171
Short-term debt	50	—
Other current liabilities	212	219
Total current liabilities	1,082	1,220
Long-term debt	7,449	7,448
Regulatory liabilities	1,365	1,406
Deferred income taxes	2,675	2,621
Asset retirement obligations	720	704
Other long-term liabilities	324	340
Total liabilities	13,615	13,739
Commitments and contingencies (Note 7)		
Member's equity:		
Paid-in capital	1,679	1,679
Retained earnings	6,572	6,422
Total member's equity	8,251	8,101
Total liabilities and member's equity	$ 21,866	$ 21,840

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

MIDAMERICAN FUNDING, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31,	
	2020	2019
Operating revenue:		
Regulated electric	$ 471	$ 542
Regulated natural gas and other	215	300
Total operating revenue	686	842
Operating expenses:		
Cost of fuel and energy	80	114
Cost of natural gas purchased for resale and other	129	194
Operations and maintenance	165	207
Depreciation and amortization	176	177
Property and other taxes	34	34
Total operating expenses	584	726
Operating income	102	116
Other income (expense):		
Interest expense	(81)	(75)
Allowance for borrowed funds	3	6
Allowance for equity funds	8	15
Other, net	(6)	21
Total other income (expense)	(76)	(33)
Income before income tax benefit	26	83
Income tax benefit	(124)	(107)
Net income	$ 150	$ 190

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

MIDAMERICAN FUNDING, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN MEMBER'S EQUITY (Unaudited)
(Amounts in millions)

	Paid-in Capital	Retained Earnings	Total Member's Equity
Balance, December 31, 2018	$ 1,679	$ 5,650	$ 7,329
Net income	—	190	190
Balance, March 31, 2019	$ 1,679	$ 5,840	$ 7,519
Balance, December 31, 2019	$ 1,679	$ 6,422	$ 8,101
Net income	—	150	150
Balance, March 31, 2020	$ 1,679	$ 6,572	$ 8,251

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

MIDAMERICAN FUNDING, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31,	
	2020	**2019**
Cash flows from operating activities:		
Net income	$ 150	$ 190
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	176	177
Amortization of utility plant to other operating expenses	9	8
Allowance for equity funds	(8)	(15)
Deferred income taxes and amortization of investment tax credits	93	31
Other, net	14	4
Changes in other operating assets and liabilities:		
Trade receivables and other assets	16	(33)
Inventories	(6)	55
Pension and other postretirement benefit plans	(6)	(3)
Accrued property, income and other taxes, net	(290)	(160)
Accounts payable and other liabilities	66	14
Net cash flows from operating activities	214	268
Cash flows from investing activities:		
Capital expenditures	(472)	(573)
Purchases of marketable securities	(127)	(71)
Proceeds from sales of marketable securities	124	68
Other, net	6	—
Net cash flows from investing activities	(469)	(576)
Cash flows from financing activities:		
Proceeds from long-term debt	—	1,460
Repayments of long-term debt	—	(500)
Net change in note payable to affiliate	3	11
Net proceeds from (repayments of) short-term debt	50	(240)
Other, net	(1)	—
Net cash flows from financing activities	52	731
Net change in cash and cash equivalents and restricted cash and cash equivalents	(203)	423
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	331	57
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 128	$ 480

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

(1) General

MidAmerican Funding, LLC ("MidAmerican Funding") is an Iowa limited liability company with Berkshire Hathaway Energy Company ("BHE") as its sole member. BHE is a holding company based in Des Moines, Iowa that owns subsidiaries principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway"). MidAmerican Funding's direct, wholly owned subsidiary is MHC Inc. ("MHC"), which constitutes substantially all of MidAmerican Funding's assets, liabilities and business activities except those related to MidAmerican Funding's long-term debt securities. MHC conducts no business other than the ownership of its subsidiaries. MHC's principal subsidiary is MidAmerican Energy Company ("MidAmerican Energy"), a public utility with electric and natural gas operations, and its direct, wholly owned nonregulated subsidiary is Midwest Capital Group, Inc.

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2020, and for the three-month periods ended March 31, 2020 and 2019. The Consolidated Statements of Comprehensive Income have been omitted as net income materially equals comprehensive income for the three-month period ended March 31, 2020 and 2019. The results of operations for the three-month periods ended March 31, 2020, are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in MidAmerican Funding's Annual Report on Form 10-K for the year ended December 31, 2019, describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in MidAmerican Funding's assumptions regarding significant accounting estimates and policies during the three-month period ended March 31, 2020.

Coronavirus Disease 2019 ("COVID-19")

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by MidAmerican Funding. While the rapid outbreak of COVID-19 has not had a material impact on MidAmerican Funding's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. The duration and extent of COVID-19 and its future impact on MidAmerican Funding's business cannot be reasonably estimated at this time. Accordingly, significant estimates used in the preparation of MidAmerican Funding's unaudited Consolidated Financial Statements, including those associated with evaluations of certain long-lived assets and goodwill for impairment, expected credit losses on amounts owed to MidAmerican Funding and potential regulatory recovery of certain costs may be subject to significant adjustments in future periods.

(2) Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, United States Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, consist substantially of funds restricted for the purpose of constructing solid waste facilities under tax-exempt bond obligation agreements and for wildlife preservation. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, as presented in the Consolidated Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Consolidated Balance Sheets (in millions):

	As of	
	March 31 2020	December 31 2019
Cash and cash equivalents	$ 100	$ 288
Restricted cash and cash equivalents in other current assets	28	43
Total cash and cash equivalents and restricted cash and cash equivalents	$ 128	$ 331

(3) Property, Plant and Equipment, Net

Refer to Note 3 of MidAmerican Energy's Notes to Financial Statements. In addition to MidAmerican Energy's property, plant and equipment, net, MidAmerican Funding had as of March 31, 2020 and December 31, 2019, nonregulated property gross of $1 million and $3 million, respectively, and related accumulated depreciation and amortization of $- million and $1 million, respectively.

(4) Income Taxes

A reconciliation of the federal statutory income tax rate to MidAmerican Funding's effective income tax rate applicable to income before income tax benefit is as follows:

	Three-Month Periods Ended March 31,	
	2020	2019
Federal statutory income tax rate	21 %	21 %
Income tax credits	(463)	(118)
State income tax, net of federal income tax benefit	(31)	(22)
Effects of ratemaking	(3)	(9)
Other, net	(1)	(1)
Effective income tax rate	(477)%	(129)%

Income tax credits relate primarily to production tax credits ("PTCs") from MidAmerican Energy's wind-powered generating facilities. Federal renewable electricity PTCs are earned as energy from qualifying wind-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. MidAmerican Energy recognizes its renewable electricity PTCs throughout the year based on when the credits are earned and excludes them from the annual effective tax rate that is the basis for the interim recognition of other income tax expense. Wind-powered generating facilities are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service.

Berkshire Hathaway includes BHE and subsidiaries in its United States federal and Iowa state income tax returns. Consistent with established regulatory practice, MidAmerican Funding's and MidAmerican Energy's provisions for income tax have been computed on a stand-alone basis, and substantially all of their currently payable or receivable income tax is remitted to or received from BHE. MidAmerican Funding made net cash payments for income tax to BHE totaling $47 million and $- million for the three-month period ended March 31, 2020 and 2019, respectively.

(5) Employee Benefit Plans

Refer to Note 5 of MidAmerican Energy's Notes to Financial Statements.

(6) Fair Value Measurements

Refer to Note 6 of MidAmerican Energy's Notes to Financial Statements. MidAmerican Funding's long-term debt is carried at cost on the Consolidated Financial Statements. The fair value of MidAmerican Funding's long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The carrying value of MidAmerican Funding's variable-rate long-term debt approximates fair value because of the frequent repricing of these instruments at market rates. The following table presents the carrying value and estimated fair value of MidAmerican Funding's long-term debt (in millions):

	As of March 31, 2020		As of December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	$ 7,449	$ 8,590	$ 7,448	$ 8,599

(7) Commitments and Contingencies

MidAmerican Funding is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. MidAmerican Funding does not believe that such normal and routine litigation will have a material impact on its consolidated financial results.

Refer to Note 7 of MidAmerican Energy's Notes to Financial Statements.

(8) Revenue from Contracts with Customers

Refer to Note 8 of MidAmerican Energy's Notes to Financial Statements. Additionally, MidAmerican Funding had other Accounting Standards Codification Topic 606 revenue of $5 million and $- million for the three-month periods ended March 31, 2020 and 2019, respectively.

(9) Segment Information

MidAmerican Funding has identified two reportable segments: regulated electric and regulated natural gas. The regulated electric segment derives most of its revenue from regulated retail sales of electricity to residential, commercial, and industrial customers and from wholesale sales. The regulated natural gas segment derives most of its revenue from regulated retail sales of natural gas to residential, commercial, and industrial customers and also obtains revenue by transporting natural gas owned by others through its distribution system. Pricing for regulated electric and regulated natural gas sales are established separately by regulatory agencies; therefore, management also reviews each segment separately to make decisions regarding allocation of resources and in evaluating performance. Common operating costs, interest income, interest expense and income tax expense are allocated to each segment based on certain factors, which primarily relate to the nature of the cost. "Other" in the tables below consists of the financial results and assets of nonregulated operations, MHC and MidAmerican Funding.

The following tables provide information on a reportable segment basis (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Operating revenue:		
Regulated electric	$ 471	$ 542
Regulated natural gas	209	295
Other	6	5
Total operating revenue	$ 686	$ 842
Operating income:		
Regulated electric	$ 59	$ 66
Regulated natural gas	39	48
Other	4	2
Total operating income	102	116
Interest expense	(81)	(75)
Allowance for borrowed funds	3	6
Allowance for equity funds	8	15
Other, net	(6)	21
Income before income tax benefit	$ 26	$ 83

	As of	
	March 31, 2020	December 31, 2019
Assets[(1)]:		
Regulated electric	$ 20,375	$ 20,284
Regulated natural gas	1,486	1,547
Other	5	9
Total assets	$ 21,866	$ 21,840

(1) Assets by reportable segment reflect the assignment of goodwill to applicable reporting units.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors that have affected the consolidated financial condition and results of operations of MidAmerican Funding and its subsidiaries and MidAmerican Energy during the periods included herein. Information in Management's Discussion and Analysis related to MidAmerican Energy, whether or not segregated, also relates to MidAmerican Funding. Information related to other subsidiaries of MidAmerican Funding pertains only to the discussion of the financial condition and results of operations of MidAmerican Funding. Where necessary, discussions have been segregated under the heading "MidAmerican Funding" to allow the reader to identify information applicable only to MidAmerican Funding. Explanations include management's best estimate of the impact of weather, customer growth, usage trends and other factors. This discussion should be read in conjunction with MidAmerican Funding's historical unaudited Consolidated Financial Statements and Notes to Consolidated Financial Statements and MidAmerican Energy's historical unaudited Financial Statements and Notes to Financial Statements in Part I, Item 1 of this Form 10-Q. MidAmerican Funding's and MidAmerican Energy's actual results in the future could differ significantly from the historical results.

Results of Operations for the First Quarter of 2020 and 2019

Overview

MidAmerican Energy -

MidAmerican Energy's net income for the first quarter of 2020 was $151 million, a decrease of $42 million, or 22%, compared to 2019 primarily due to lower electric and natural gas utility margins, lower cash surrender value of corporate-owned life insurance policies, lower allowances for equity and borrowed funds of $10 million and higher interest expense of $7 million, partially offset by higher income tax benefit of $17 million due to a $22 million increase in PTCs, partially offset by the effects of ratemaking, and lower operations and maintenance expense. Electric utility margin decreased primarily due to lower recoveries through bill riders (substantially offset in cost of fuel and energy, operations and maintenance expense and income tax expense), lower wholesale revenue and lower average retail rates, partially offset by lower generation and purchased power costs. Electric retail customer volumes decreased 0.7% from lower residential and commercial volumes due to the unfavorable impact of weather, substantially offset by higher industrial volumes of 7.7%. Natural gas utility margin decreased due to lower energy efficiency program revenue (offset in operations and maintenance expense) and lower retail customer volumes of 16.2% primarily due to the unfavorable impact of weather.

MidAmerican Funding -

MidAmerican Funding's net income for the first quarter of 2020 was $150 million, a decrease of $40 million, or 21%, compared to 2019. The decrease was primarily due to the changes in MidAmerican Energy's earnings discussed above.

Non-GAAP Financial Measure

Management utilizes various key financial measures that are prepared in accordance with GAAP, as well as non-GAAP financial measures such as, electric utility margin and natural gas utility margin, to help evaluate results of operations. Electric utility margin is calculated as regulated electric operating revenue less cost of fuel and energy, which are captions presented on the Statements of Operations. Natural gas utility margin is calculated as regulated natural gas operating revenue less regulated cost of natural gas purchased for resale, which are included in regulated natural gas and other and cost of natural gas purchased for resale and other, respectively, on the Statements of Operations.

MidAmerican Energy's cost of fuel and energy and cost of natural gas purchased for resale are generally recovered from its retail customers through regulatory recovery mechanisms, and as a result, changes in MidAmerican Energy's expense included regulatory recovery mechanisms result in comparable changes to revenue. As such, management believes electric utility margin and natural gas utility margin more appropriately and concisely explain profitability rather than a discussion of revenue and cost of sales separately. Management believes the presentation of electric utility margin and natural gas utility margin provides meaningful and valuable insight into the information management considers important to running the business and a measure of comparability to others in the industry.

Electric utility margin and natural gas utility margin are not measures calculated in accordance with GAAP and should be viewed as a supplement to, and not a substitute, for operating income, which is the most comparable financial measure prepared in accordance with GAAP. The following table provides a reconciliation of utility margin to MidAmerican Energy's operating income (in millions):

	First Quarter			
	2020	2019	Change	
Electric utility margin:				
Operating revenue	$ 471	$ 542	$ (71)	(13)%
Cost of fuel and energy	80	114	(34)	(30)
Electric utility margin	391	428	(37)	(9)%
Natural gas utility margin:				
Operating revenue	209	295	(86)	(29)%
Natural gas purchased for resale	128	193	(65)	(34)
Natural gas utility margin	81	102	(21)	(21)%
Utility margin	472	530	(58)	(11)%
Other operating revenue	1	5	(4)	(80)%
Other cost of sales	—	2	(2)	*
Operations and maintenance	165	207	(42)	(20)
Depreciation and amortization	176	177	(1)	(1)
Property and other taxes	34	34	—	—
Operating income	$ 98	$ 115	$ (17)	(15)%

* Not meaningful.

Electric Utility Margin

A comparison of key operating results related to electric utility margin is as follows:

	First Quarter			
	2020	2019	Change	
Utility margin (in millions):				
Operating revenue	$ 471	$ 542	$ (71)	(13)%
Cost of fuel and energy	80	114	(34)	(30)
Utility margin	$ 391	$ 428	$ (37)	(9)%
Sales (GWhs):				
Residential	1,668	1,885	(217)	(12)%
Commercial	969	1,040	(71)	(7)
Industrial	3,524	3,271	253	8
Other	385	399	(14)	(4)
Total retail	6,546	6,595	(49)	(1)
Wholesale	2,434	3,276	(842)	(26)
Total sales	8,980	9,871	(891)	(9)%
Average number of retail customers (in thousands)	792	785	7	1 %
Average revenue per MWh:				
Retail	$ 62.75	$ 67.22	$ (4.47)	(7)%
Wholesale	$ 15.71	$ 23.37	$ (7.66)	(33)%
Heating degree days	2,952	3,601	(649)	(18)%
Sources of energy (GWhs)(1):				
Coal	1,573	3,903	(2,330)	(60)%
Nuclear	993	916	77	8
Natural gas	116	18	98	*
Wind and other(2)	4,846	4,344	502	12
Total energy generated	7,528	9,181	(1,653)	(18)
Energy purchased	1,643	849	794	94
Total	9,171	10,030	(859)	(9)%
Average cost of energy per MWh:				
Energy generated(3)	$ 5.00	$ 8.55	$ (3.55)	(42)%
Energy purchased	$ 25.59	$ 42.33	$ (16.74)	(40)%

* Not meaningful.

(1) GWh amounts are net of energy used by the related generating facilities.

(2) All or some of the renewable energy attributes associated with generation from these generating facilities may be: (a) used in future years to comply with RPS or other regulatory requirements or (b) sold to third parties in the form of RECs or other environmental commodities.

(3) The average cost per MWh of energy generated includes only the cost of fuel associated with the generating facilities.

Electric utility margin decreased $37 million for the first quarter of 2020 compared to 2019 primarily due to:

(1) Lower wholesale utility margin of $10 million due to lower sales volumes of 25.7%; and

(2) Lower retail utility margin of $26 million due to -

- a decrease of $15 million in average revenue rates due to sales mix;
- a decrease of $14 million, net of energy costs, from lower recoveries through bill riders, primarily due to a decrease of $19 million in electric energy efficiency program revenue, partially offset by recoveries related to transmission costs (both offset in operations and maintenance expense);
- a decrease of $10 million from the unfavorable impact of weather;
- a decrease of $2 million from other revenue; and
- an increase of $15 million from non-weather-related sales growth, due to higher industrial usage, partially offset by lower residential usage.

Natural Gas Utility Margin

A comparison of key operating results related to natural gas utility margin is as follows:

	First Quarter			
	2020	**2019**	**Change**	
Utility margin (in millions):				
Operating revenue	$ 209	$ 295	$ (86)	(29) %
Natural gas purchased for resale	128	193	(65)	(34)
Utility margin	$ 81	$ 102	$ (21)	(21) %
Throughput (000's Dths):				
Residential	23,910	28,569	(4,659)	(16) %
Commercial	10,951	13,284	(2,333)	(18)
Industrial	1,512	1,546	(34)	(2)
Other	35	35	—	—
Total retail sales	36,408	43,434	(7,026)	(16)
Wholesale sales	12,910	11,555	1,355	12
Total sales	49,318	54,989	(5,671)	(10)
Natural gas transportation service	34,954	30,543	4,411	14
Total throughput	84,272	85,532	(1,260)	(1) %
Average number of retail customers (in thousands)	770	763	7	1 %
Average revenue per retail Dth sold	$ 4.85	$ 5.72	$ (0.87)	(15) %
Heating degree days	3,067	3,726	(659)	(18) %
Average cost of natural gas per retail Dth sold	$ 2.91	$ 3.65	$ (0.74)	(20) %
Combined retail and wholesale average cost of natural gas per Dth sold	$ 2.60	$ 3.50	$ (0.90)	(26) %

Natural gas utility margin decreased $21 million for the first quarter of 2020 compared to 2019 primarily due to:

(1) A decrease of $10 million from lower natural gas energy efficiency program revenue (offset in operations and maintenance expense);

(2) A decrease of $8 million from the unfavorable impact of weather; and

(3) A decrease of $2 million from non-weather rate and usage variances, in part due to sales mix.

Operating Expenses

MidAmerican Energy -

Operations and maintenance decreased $42 million for the first quarter of 2020 compared to 2019 primarily due to lower energy efficiency program expense of $29 million (offset in operating revenue), lower employee-related expenses of $7 million, a nuclear property insurance premium refund of $5 million and lower electric distribution and other operations expenses, partially offset by higher wind-powered generation operations and maintenance of $8 million due to additional wind turbines and easements.

Depreciation and amortization for the first quarter of 2020 decreased $1 million compared to 2019 primarily due to lower Iowa revenue sharing accruals of $27 million, substantially offset by an increase related to new and repowered wind-powered generating facilities and other plant placed in-service.

Other Income (Expense)

MidAmerican Energy -

Interest expense increased $7 million for the first quarter of 2020 compared to 2019 primarily due to higher average long-term debt balances.

Allowance for borrowed and equity funds decreased $10 million for the first quarter of 2020 compared to 2019 primarily due to lower construction work-in-progress balances related to wind-powered generation.

Other, net decreased $25 million for the first quarter of 2020 compared to 2019 primarily due to lower cash surrender value of corporate-owned life insurance policies.

Income Tax Benefit

MidAmerican Energy -

MidAmerican Energy's income tax benefit increased $17 million for the first quarter of 2020 compared to 2019, and the effective tax rate was (439)% for 2020 and (122)% for 2019. The change in the effective tax rates for 2020 compared to 2019 was due to the higher PTCs and lower pretax income, partially offset by state income tax and the effects of ratemaking.

Federal renewable electricity PTCs are earned as energy from qualifying wind-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. Wind-powered generating facilities, including those facilities where a significant portion of the equipment was replaced, commonly referred to as repowered facilities, are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service. PTCs for the three-month periods ended March 31, 2020 and 2019 totaled $120 million and $98 million, respectively.

MidAmerican Funding -

MidAmerican Funding's income tax benefit increased $17 million for the first quarter of 2020 compared to 2019, and the effective tax rate was (477)% for 2020 and (129)% for 2019. The changes in the effective tax rates were principally due to the factors discussed for MidAmerican Energy.

Liquidity and Capital Resources

As of March 31, 2020, MidAmerican Energy's and MidAmerican Funding's total net liquidity were as follows (in millions):

MidAmerican Energy:		
Cash and cash equivalents	$	100
Credit facilities, maturing 2020 and 2022		1,305
Less:		
Short-term debt outstanding		(50)
Tax-exempt bond support		(370)
Net credit facilities		885
MidAmerican Energy total net liquidity	$	985
MidAmerican Funding:		
MidAmerican Energy total net liquidity	$	985
Cash and cash equivalents		—
MHC, Inc. credit facility, maturing 2020		4
MidAmerican Funding total net liquidity	$	989

Operating Activities

MidAmerican Energy's net cash flows from operating activities for the three-month periods ended March 31, 2020 and 2019, were $219 million and $278 million, respectively. MidAmerican Funding's net cash flows from operating activities for the three-month periods ended March 31, 2020 and 2019, were $214 million and $268 million, respectively. Cash flows from operating activities decreased primarily due to MidAmerican Energy's income tax cash flows with BHE, lower cash margins for MidAmerican Energy's regulated electric and natural gas businesses and higher interest paid due to long-term debt issued in October 2019, partially offset by lower payments to vendors. MidAmerican Energy's income tax cash flows with BHE totaled cash payments of $46 million and $- million in 2020 and 2019, respectively. The timing of MidAmerican Energy's income tax cash flows from period to period can be significantly affected by the estimated federal income tax payment methods and assumptions for each payment date.

Investing Activities

MidAmerican Energy's net cash flows from investing activities for the three-month periods ended March 31, 2020 and 2019, were $(470) million and $(575) million, respectively. MidAmerican Funding's net cash flows from investing activities for the three-month periods ended March 31, 2020 and 2019, were $(469) million and $(576) million, respectively. Net cash flows from investing activities consist almost entirely of capital expenditures, which decreased due to lower wind-powered generating facility construction and repowering expenditures. Purchases and proceeds related to marketable securities substantially consist of activity within the Quad Cities Generating Station nuclear decommissioning trust and other trust investments.

Financing Activities

MidAmerican Energy's net cash flows from financing activities for the three-month periods ended March 31, 2020 and 2019 were $49 million and $720 million, respectively. MidAmerican Funding's net cash flows from financing activities for the three-month periods ended March 31, 2020 and 2019, were $52 million and $731 million, respectively. In January 2019, MidAmerican Energy issued $600 million of its 3.65% First Mortgage Bonds due April 2029 and $900 million of its 4.25% First Mortgage Bonds due July 2049. In February 2019, MidAmerican Energy redeemed $500 million of its 2.40% First Mortgage Bonds due in March 2019 at a redemption price of 100% of the principal amount plus accrued interest. Through its commercial paper program, MidAmerican Energy received $50 million in 2020 and paid $240 million in 2019. MidAmerican Funding received $3 million and $11 million in 2020 and 2019, respectively, through its note payable with BHE.

Debt Authorizations and Related Matters

MidAmerican Energy has authority from the FERC to issue, through April 2, 2022, commercial paper and bank notes aggregating $1.5 billion at interest rates not to exceed the applicable London Interbank Offered Rate plus a spread of 400 basis points. MidAmerican Energy has a $900 million unsecured credit facility expiring in June 2022. The credit facility, which supports MidAmerican Energy's commercial paper program and its variable-rate tax-exempt bond obligations and provides for the issuance of letters of credit, has a variable interest rate based on the Eurodollar rate or a base rate, at MidAmerican Energy's option, plus a spread that varies based on MidAmerican Energy's credit ratings for senior unsecured long-term debt securities. MidAmerican Energy has a $400 million unsecured credit facility, which expires in August 2020 and has a variable interest rate based on the Eurodollar rate or a base rate, at MidAmerican Energy's option, plus a spread. Additionally, MidAmerican Energy has a $5 million unsecured credit facility for general corporate purposes.

MidAmerican Energy currently has an effective automatic shelf registration statement with the SEC to issue an indeterminate amount of long-term debt securities through June 26, 2021. Additionally, MidAmerican Energy has authorization from the FERC to issue, through June 30, 2021, long-term debt securities up to an aggregate of $850 million at interest rates not to exceed the applicable United States Treasury rate plus a spread of 175 basis points and preferred stock up to an aggregate of $500 million and from the ICC to issue long-term debt securities up to an aggregate of $850 million through August 20, 2022, and preferred stock up to an aggregate of $500 million through November 1, 2020.

Future Uses of Cash

MidAmerican Energy and MidAmerican Funding have available a variety of sources of liquidity and capital resources, both internal and external, including net cash flows from operating activities, public and private debt offerings, the issuance of commercial paper, the use of unsecured revolving credit facilities and other sources. These sources are expected to provide funds required for current operations, capital expenditures, debt retirements and other capital requirements. The availability and terms under which MidAmerican Energy and MidAmerican Funding have access to external financing depends on a variety of factors, including regulatory approvals, their credit ratings, investors' judgment of risk and conditions in the overall capital markets, including the condition of the utility industry.

Capital Expenditures

MidAmerican Energy has significant future capital requirements. Capital expenditure needs are reviewed regularly by management and may change significantly as a result of these reviews, which may consider, among other factors, impacts to customers' rates; changes in environmental and other rules and regulations; outcomes of regulatory proceedings; changes in income tax laws; general business conditions; load projections; system reliability standards; the cost and efficiency of construction labor, equipment and materials; commodity prices; and the cost and availability of capital.

MidAmerican Energy's historical and forecast capital expenditures, each of which exclude amounts for non-cash equity AFUDC and other non-cash items, are as follows (in millions):

	Three-Month Periods Ended March 31,		Annual Forecast
	2019	**2020**	**2020**
Wind-powered generation under ratemaking principles	$ 159	$ 71	$ 377
Renewable generation not under ratemaking principles	—	83	420
Wind-powered generation repowering	27	6	157
Other	387	312	949
Total	$ 573	$ 472	$ 1,903

MidAmerican Energy's historical and forecast capital expenditures for 2020 include the following:

- The construction of wind-powered generating facilities in Iowa. Wind XI, a 2,000-MW project constructed over several years, was completed in January 2020. Wind XII is a 592-MW project, including 202 MWs placed in-service as of March 31, 2020 and facilities expected to be placed in-service by the end of 2020. MidAmerican Energy obtained pre-approved ratemaking principles for both of these projects and expects all of these wind-powered generating facilities to qualify for 100% of PTCs available. PTCs from these projects are excluded from MidAmerican Energy's Iowa energy adjustment clause until these generation assets are reflected in base rates.

  Additionally, MidAmerican Energy continues to evaluate wind-powered and other renewable generating facilities that will not be subject to pre-approved ratemaking principles. MidAmerican Energy currently has two such wind-powered generation projects under construction totaling 319 MWs that are expected to be placed in-service by the end of 2020 and to qualify for 100% of PTCs available. In the three-month period ended March 31, 2020, MidAmerican Energy purchased 80 MWs (nominal ratings) of wind-powered generating facilities that began commercial operation in 2012 and are not eligible for PTCs.

- The repowering of the oldest of MidAmerican Energy's wind-powered generating facilities in Iowa. The repowering projects entail the replacement of significant components of the facilities, which is expected to qualify such facilities for the re-establishment of PTCs for ten years following each facility's return to service at rates that depend upon the year in which construction begins. Of the 1,001 MWs of current repowering projects not in-service as of March 31, 2020, 594 MWs are currently expected to qualify for 80% of the PTCs available for ten years following each facility's return to service and 407 MWs are expected to qualify for 60% of such credits.

- Remaining costs primarily relate to routine expenditures for generation, transmission, distribution and other infrastructure needed to serve existing and expected demand.

Contractual Obligations

As of March 31, 2020, there have been no material changes outside the normal course of business in MidAmerican Energy's and MidAmerican Funding's contractual obligations from the information provided in Item 7 of their Annual Report on Form 10-K for the year ended December 31, 2019.

COVID-19

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by MidAmerican Energy. While the rapid outbreak of COVID-19 has not had a material impact on MidAmerican Energy's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. All states in which MidAmerican Energy operates have instituted varying levels of "stay-at-home" orders and other measures, which have collectively impacted MidAmerican Energy's customers and, therefore, their needs for electricity and natural gas. As the impacts of COVID-19 and related customer and governmental responses are uncertain, a reduction in the consumption of electricity or natural gas, and related operating revenue, may occur, particularly in the commercial and industrial classes. Due to regulatory requirements and voluntary actions taken by MidAmerican Energy related to customer collection activity and suspension of disconnections for non-payment, MidAmerican Energy could see delays or reductions in cash receipts, including potentially higher than normal bad debt expense, from retail customers related to the impacts of COVID-19. The amount of such reductions in cash receipts is unknown at this time. Regulatory jurisdictions may allow for recovery of certain costs incurred in responding to COVID-19.

MidAmerican Energy has construction and repowering of wind-powered generation projects in progress. While MidAmerican Energy does not currently anticipate any delays that would jeopardize the completion of these projects, potential delays could result in their completion past certain in-service date guidance provided by the Internal Revenue Service in order to qualify the investments in such wind-powered generation facilities for the maximum federal PTCs. Such disruptions could adversely affect MidAmerican Energy's future financial results.

MidAmerican Energy's business has been deemed essential and its employees have been identified as "critical infrastructure employees" allowing them to move within communities and across jurisdictional boundaries as necessary to maintain its electric generation, transmission and distribution system and its natural gas distribution system. In response to the effects of COVID-19, MidAmerican Energy has implemented its business continuity plan to protect its employees and customers. Such plans include a variety of actions, including situational use of personal protective equipment by employees when interacting with customers and implementing practices to enhance social distancing at the workplace. Such practices have included work-from-home, staggered work schedules, rotational work location assignments, increased cleaning and sanitation of work spaces and providing general health reminders intended to help lower the risk of spreading COVID-19.

Quad Cities Generating Station Operating Status

Exelon Generation Company, LLC ("Exelon Generation"), the operator of Quad Cities Generating Station Units 1 and 2 ("Quad Cities Station") of which MidAmerican Energy has a 25% ownership interest, announced on June 2, 2016, its intention to shut down Quad Cities Station on June 1, 2018. In December 2016, Illinois passed legislation creating a zero emission standard, which went into effect June 1, 2017. The zero emission standard requires the Illinois Power Agency to purchase zero emission credits ("ZECs") and recover the costs from certain ratepayers in Illinois, subject to certain limitations. The proceeds from the ZECs will provide Exelon Generation additional revenue through 2027 as an incentive for continued operation of Quad Cities Station. MidAmerican Energy will not receive additional revenue from the subsidy.

The PJM Interconnection, L.L.C. ("PJM") capacity market includes a Minimum Offer Price Rule ("MOPR"). If a generation resource is subjected to a MOPR, its offer price in the market is adjusted to effectively remove the revenues it receives through a government-provided financial support program, resulting in a higher offer that may not clear the capacity market. Prior to December 19, 2019, the PJM MOPR applied only to certain new gas-fired resources. An expanded PJM MOPR to include existing resources would require exclusion of ZEC compensation when bidding into future capacity auctions, resulting in an increased risk of Quad Cities Station not receiving capacity revenues in future auctions.

On December 19, 2019, the FERC issued an order in the PJM MOPR proceeding that broadly applies the MOPR to all new and existing resources, including nuclear, greatly expanding the breadth and scope of PJM's MOPR, effective as of PJM's next capacity auction. While the FERC included some limited exemptions in its order, no exemptions were available to state-supported nuclear resources, such as Quad Cities Station. In addition, the FERC provided no new mechanism for accommodating state-supported resources other than the existing Fixed Resource Requirement ("FRR") mechanism under which an entire utility zone would be removed from PJM's capacity auction along with sufficient resources to support the load in such zone. The FERC directed the PJM to make a compliance filing within 90 days. In its filing made March 18, 2020, the PJM proposed tariff language reflecting the FERC's directives and proposed a schedule for resuming capacity auctions that is contingent on the timing of the FERC's action on the compliance filing. The FERC has no deadline for such action, and could accept, reject or direct further revisions to all or part of the PJM's proposed tariff revisions and auction schedule. In addition, on April 16, 2020, the FERC issued orders largely denying requests for rehearing of the FERC's December 2019 order and another order in this proceeding. In those orders, the FERC also granted a few clarifications that will require an additional PJM compliance filing, which could also delay the timing for the FERC to issue its compliance order(s) and the PJM to resume its capacity auctions.

Exelon Generation is currently working with the PJM and other stakeholders to pursue the FRR option prior to the next capacity auction in the PJM. If Illinois implements the FRR option, Quad Cities Station could be removed from the PJM's capacity auction and instead supply capacity and be compensated under the FRR program. If Illinois cannot implement an FRR program in its PJM zones, then the MOPR will apply to Quad Cities Station, resulting in higher offers for its units that may not clear the capacity market. Implementing the FRR program in Illinois will require both legislative and regulatory changes. MidAmerican Energy cannot predict whether such legislative and regulatory changes can be implemented prior to the next capacity auction in the PJM or their potential impact on the continued operation of Quad Cities Station.

Regulatory Matters

MidAmerican Energy is subject to comprehensive regulation. Refer to "Regulatory Matters" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for discussion regarding MidAmerican Energy's current regulatory matters.

Environmental Laws and Regulations

MidAmerican Energy is subject to federal, state and local laws and regulations regarding climate change, RPS, air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact its current and future operations. In addition to imposing continuing compliance obligations and capital expenditure requirements, these laws and regulations provide regulators with the authority to levy substantial penalties for noncompliance including fines, injunctive relief and other sanctions. These laws and regulations are administered by the EPA and various state and local agencies. All such laws and regulations are subject to a range of interpretation, which may ultimately be resolved by the courts. Environmental laws and regulations continue to evolve, and MidAmerican Energy is unable to predict the impact of the changing laws and regulations on its operations and consolidated financial results. MidAmerican Energy believes it is in material compliance with all applicable laws and regulations.

Refer to "Environmental Laws and Regulations" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for additional information regarding environmental laws and regulations.

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, derivatives, impairment of goodwill and long-lived assets, pension and other postretirement benefits, income taxes and revenue recognition - unbilled revenue. For additional discussion of MidAmerican Energy's and MidAmerican Funding's critical accounting estimates, see Item 7 of their Annual Report on Form 10-K for the year ended December 31, 2019. There have been no significant changes in MidAmerican Energy's and MidAmerican Funding's assumptions regarding critical accounting estimates since December 31, 2019.

Nevada Power Company and its subsidiaries
Consolidated Financial Section

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of
Nevada Power Company

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Nevada Power Company and subsidiaries ("Nevada Power") as of March 31, 2020, the related consolidated statements of operations and changes in shareholder's equity for the three-month periods ended March 31, 2020 and 2019, and of cash flows for the three-month periods ended March 31, 2020 and 2019, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of Nevada Power as of December 31, 2019, and the related consolidated statements of operations, changes in shareholder's equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2020, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2019, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of Nevada Power's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to Nevada Power in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
May 1, 2020

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

	As of	
	March 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 121	$ 15
Trade receivables, net	169	215
Inventories	62	62
Prepayments	57	42
Other current assets	32	30
Total current assets	441	364
Property, plant and equipment, net	6,585	6,538
Finance lease right of use assets, net	440	441
Regulatory assets	819	800
Other assets	61	59
Total assets	$ 8,346	$ 8,202
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	$ 150	$ 194
Accrued interest	35	30
Accrued property, income and other taxes	25	25
Current portion of long-term debt	—	575
Regulatory liabilities	95	93
Customer deposits	63	62
Derivative contracts	30	5
Other current liabilities	59	53
Total current liabilities	457	1,037
Long-term debt	2,495	1,776
Finance lease obligations	430	430
Regulatory liabilities	1,173	1,163
Deferred income taxes	710	714
Other long-term liabilities	287	285
Total liabilities	5,552	5,405
Commitments and contingencies (Note 8)		
Shareholder's equity:		
Common stock - $1.00 stated value; 1,000 shares authorized, issued and outstanding	—	—
Additional paid-in capital	2,308	2,308
Retained earnings	490	493
Accumulated other comprehensive loss, net	(4)	(4)
Total shareholder's equity	2,794	2,797
Total liabilities and shareholder's equity	$ 8,346	$ 8,202

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

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

	Three-Month Periods Ended March 31,	
	2020	**2019**
Operating revenue	$ 389	$ 395
Operating expenses:		
Cost of fuel and energy	170	173
Operations and maintenance	82	76
Depreciation and amortization	90	89
Property and other taxes	12	12
Total operating expenses	354	350
Operating income	35	45
Other income (expense):		
Interest expense	(42)	(47)
Allowance for borrowed funds	1	1
Allowance for equity funds	2	1
Other, net	(1)	8
Total other income (expense)	(40)	(37)
(Loss) income before income tax expense	(5)	8
Income tax (benefit) expense	(1)	2
Net (loss) income	$ (4)	$ 6

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

NEVADA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (Unaudited)
(Amounts in millions, except shares)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net	Total Shareholder's Equity
	Shares	Amount				
Balance, December 31, 2018	1,000	$ —	$ 2,308	$ 600	$ (4)	$ 2,904
Net income	—	—	—	6	—	6
Dividends declared	—	—	—	(75)	—	(75)
Balance, March 31, 2019	1,000	$ —	$ 2,308	$ 531	$ (4)	$ 2,835
Balance, December 31, 2019	1,000	$ —	$ 2,308	$ 493	$ (4)	$ 2,797
Net loss	—	—	—	(4)	—	(4)
Other equity transactions	—	—	—	1	—	1
Balance, March 31, 2020	1,000	$ —	$ 2,308	$ 490	$ (4)	$ 2,794

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

NEVADA POWER COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31,	
	2020	**2019**
Cash flows from operating activities:		
Net income	$ (4)	$ 6
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	90	89
Allowance for equity funds	(2)	(1)
Changes in regulatory assets and liabilities	3	28
Deferred income taxes and amortization of investment tax credits	(4)	2
Deferred energy	4	(33)
Amortization of deferred energy	—	3
Other, net	8	(5)
Changes in other operating assets and liabilities:		
Trade receivables and other assets	32	48
Inventories	(1)	(2)
Accrued property, income and other taxes	(6)	(11)
Accounts payable and other liabilities	(41)	11
Net cash flows from operating activities	79	135
Cash flows from investing activities:		
Capital expenditures	(111)	(113)
Other, net	—	2
Net cash flows from investing activities	(111)	(111)
Cash flows from financing activities:		
Proceeds from long-term debt	719	495
Repayments of long-term debt	(575)	(500)
Dividends paid	—	(75)
Other, net	(4)	(3)
Net cash flows from financing activities	140	(83)
Net change in cash and cash equivalents and restricted cash and cash equivalents	108	(59)
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	25	121
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 133	$ 62

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

NEVADA POWER COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) General

Nevada Power Company, together with its subsidiaries ("Nevada Power"), is a wholly owned subsidiary of NV Energy, Inc. ("NV Energy"), a holding company that also owns Sierra Pacific Power Company ("Sierra Pacific") and certain other subsidiaries. Nevada Power is a United States regulated electric utility company serving retail customers, including residential, commercial and industrial customers, primarily in the Las Vegas, North Las Vegas, Henderson and adjoining areas. NV Energy is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company ("BHE"). BHE is a holding company based in Des Moines, Iowa that owns subsidiaries principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway").

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2020 and for the three-month periods ended March 31, 2020 and 2019. The Consolidated Statements of Comprehensive Income have been omitted as net income equals comprehensive income for the three-month periods ended March 31, 2020 and 2019. The results of operations for the three-month period ended March 31, 2020 are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in Nevada Power's Annual Report on Form 10-K for the year ended December 31, 2019 describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in Nevada Power's assumptions regarding significant accounting estimates and policies during the three-month period ended March 31, 2020.

Coronavirus Disease 2019 ("COVID-19")

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by Nevada Power. While the rapid outbreak of COVID-19 has not had a material impact on Nevada Power's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. Such impacts may include, among others, potential declines in operating revenue from reductions in the consumption of electricity by retail utility customers as the longer-term impacts of COVID-19 and related customer and governmental responses are uncertain, including the duration of casino closures, which is evidenced by the reduction experienced by Nevada Power in April 2020 compared to the same period in 2019, and higher credit loss expenses resulting from a higher than average level of write-offs of uncollectible accounts associated with the suspension of disconnections and late payment fees to assist customers facing unprecedented economic pressures. The duration and extent of COVID-19 and its future impact on Nevada Power's business cannot be reasonably estimated at this time. Accordingly, significant estimates used in the preparation of Nevada Power's unaudited Consolidated Financial Statements, including those associated with evaluations of certain long-lived assets for impairment, expected credit losses on amounts owed to Nevada Power and potential regulatory recovery of certain costs may be subject to significant adjustments in future periods.

In March 2020, the PUCN issued an emergency order for Nevada Power to establish a regulatory asset account related to the costs of maintaining service to customers affected by COVID-19 whose services would have been terminated or disconnected under normally-applicable terms of service.

(2) Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, United States Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, consist of funds restricted by the Public Utilities Commission of Nevada ("PUCN") for a certain renewable energy contract. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, as presented in the Consolidated Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Consolidated Balance Sheets (in millions):

	As of	
	March 31, 2020	December 31, 2019
Cash and cash equivalents	$ 121	$ 15
Restricted cash and cash equivalents included in other current assets	12	10
Total cash and cash equivalents and restricted cash and cash equivalents	$ 133	$ 25

(3) Property, Plant and Equipment, Net

Property, plant and equipment, net consists of the following (in millions):

		As of	
	Depreciable Life	March 31, 2020	December 31, 2019
Utility plant:			
Generation	30 - 55 years	$ 3,551	$ 3,541
Transmission	45 - 70 years	1,456	1,444
Distribution	20 - 65 years	3,603	3,567
General and intangible plant	5 - 65 years	744	741
Utility plant		9,354	9,293
Accumulated depreciation and amortization		(3,020)	(2,951)
Utility plant, net		6,334	6,342
Other non-regulated, net of accumulated depreciation and amortization	45 years	1	1
Plant, net		6,335	6,343
Construction work-in-progress		250	195
Property, plant and equipment, net		$ 6,585	$ 6,538

(4) Regulatory Matters

Deferred Energy

Nevada statutes permit regulated utilities to adopt deferred energy accounting procedures. The intent of these procedures is to ease the effect on customers of fluctuations in the cost of purchased natural gas, fuel and electricity and are subject to annual prudency review by the PUCN. Under deferred energy accounting, to the extent actual fuel and purchased power costs exceed fuel and purchased power costs recoverable through current rates that excess is not recorded as a current expense on the Consolidated Statements of Operations but rather is deferred and recorded as a regulatory asset on the Consolidated Balance Sheets. Conversely, a regulatory liability is recorded to the extent fuel and purchased power costs recoverable through current rates exceed actual fuel and purchased power costs. These excess amounts are reflected in quarterly adjustments to rates and recorded as cost of fuel and energy in future time periods.

2017 Tax Reform

In February 2018, Nevada Power made a filing with the PUCN proposing a tax rate reduction rider for the lower annual income tax expense anticipated to result from 2017 Tax Reform for 2018 and beyond. In March 2018, the PUCN issued an order approving the rate reduction proposed by Nevada Power. The new rates were effective April 1, 2018. The order extended the procedural schedule to allow parties additional discovery relevant to 2017 Tax Reform and a hearing was held in July 2018. In September 2018, the PUCN issued an order directing Nevada Power to record the amortization of any excess protected accumulated deferred income tax arising from the 2017 Tax Reform as a regulatory liability effective January 1, 2018. Subsequently, Nevada Power filed a petition for reconsideration relating to the amortization of protected excess accumulated deferred income tax balances resulting from the 2017 Tax Reform. In November 2018, the PUCN issued an order granting reconsideration and reaffirming the September 2018 order. In December 2018, Nevada Power filed a petition for judicial review. The judicial review occurred in January 2020 and the district court issued an order in March 2020 denying the petition and affirming the PUCN's order.

Natural Disaster Protection Plan

In May 2019, Senate Bill 329 ("SB 329"), Natural Disaster Mitigation Measures, was signed into law, which requires Nevada Power to submit a natural disaster protection plan to the PUCN. The PUCN adopted natural disaster protection plan regulations in January 2020, that require Nevada Power to file their natural disaster protection plan for approval on or before March 1 of every third year, with the first filing due on March 1, 2020. The regulations also require annual updates to be filed on or before September 1 of the second and third years of the plan. The plan must include procedures, protocols and other certain information as it relates to the efforts of Nevada Power to prevent or respond to a fire or other natural disaster. The expenditures incurred by Nevada Power in developing and implementing the natural disaster protection plan are required to be held in a regulatory asset account, with Nevada Power filing an application for recovery on or before March 1 of each year. Nevada Power submitted their initial natural disaster protection plan to the PUCN and filed their first application seeking recovery of 2019 expenditures in February 2020. The hearings are scheduled for June 2020.

(5) Recent Financing Transactions

Long-Term Debt

In January 2020, Nevada Power issued $425 million of 2.40% General and Refunding Mortgage Notes, Series DD, due 2030 and $300 million of its 3.125% General and Refunding Mortgage Notes, Series EE, due 2050. Nevada Power used the net proceeds for the early redemption of $575 million of its 2.75% General and Refunding Mortgage Notes, Series BB, due April 2020 and for general corporate purposes.

(6) Employee Benefit Plans

Nevada Power is a participant in benefit plans sponsored by NV Energy. The NV Energy Retirement Plan includes a qualified pension plan ("Qualified Pension Plan") and a supplemental executive retirement plan and a restoration plan (collectively, "Non-Qualified Pension Plans") that provide pension benefits for eligible employees. The NV Energy Comprehensive Welfare Benefit and Cafeteria Plan provides certain postretirement health care and life insurance benefits for eligible retirees ("Other Postretirement Plans") on behalf of Nevada Power. Amounts attributable to Nevada Power were allocated from NV Energy based upon the current, or in the case of retirees, previous, employment location. Offsetting regulatory assets and liabilities have been recorded related to the amounts not yet recognized as a component of net periodic benefit costs that will be included in regulated rates. Net periodic benefit costs not included in regulated rates are included in accumulated other comprehensive loss, net.

Amounts payable to NV Energy are included on the Consolidated Balance Sheets and consist of the following (in millions):

	As of	
	March 31, 2020	December 31, 2019
Qualified Pension Plan:		
Other long-term liabilities	$ 18	$ 18
Non-Qualified Pension Plans:		
Other current liabilities	1	1
Other long-term liabilities	9	9
Other Postretirement Plans:		
Other long-term liabilities	2	2

(7) Fair Value Measurements

The carrying value of Nevada Power's cash, certain cash equivalents, receivables, payables, accrued liabilities and short-term borrowings approximates fair value because of the short-term maturity of these instruments. Nevada Power has various financial assets and liabilities that are measured at fair value on the Consolidated Balance Sheets using inputs from the three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 — Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that Nevada Power has the ability to access at the measurement date.
- Level 2 — Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 — Unobservable inputs reflect Nevada Power's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. Nevada Power develops these inputs based on the best information available, including its own data.

The following table presents Nevada Power's assets and liabilities recognized on the Consolidated Balance Sheets and measured at fair value on a recurring basis (in millions):

	Input Levels for Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
As of March 31, 2020				
Assets:				
Money market mutual funds[1]	$ 117	$ —	$ —	$ 117
Investment funds	2	—	—	2
	$ 119	$ —	$ —	$ 119
Liabilities - commodity derivatives	$ —	$ —	$ (38)	$ (38)
As of December 31, 2019				
Assets:				
Money market mutual funds[1]	$ 10	$ —	$ —	$ 10
Investment funds	2	—	—	2
	$ 12	$ —	$ —	$ 12
Liabilities - commodity derivatives	$ —	$ —	$ (8)	$ (8)

(1) Amounts are included in cash and cash equivalents on the Consolidated Balance Sheets. The fair value of these money market mutual funds approximates cost.

Derivative contracts are recorded on the Consolidated Balance Sheets as either assets or liabilities and are stated at estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. When available, the fair value of derivative contracts is estimated using unadjusted quoted prices for identical contracts in the market in which Nevada Power transacts. When quoted prices for identical contracts are not available, Nevada Power uses forward price curves. Forward price curves represent Nevada Power's estimates of the prices at which a buyer or seller could contract today for delivery or settlement at future dates. Nevada Power bases its forward price curves upon internally developed models, with internal and external fundamental data inputs. Market price quotations for certain electricity and natural gas trading hubs are not as readily obtainable due to markets that are not active. Given that limited market data exists for these contracts, Nevada Power uses forward price curves derived from internal models based on perceived pricing relationships to major trading hubs that are based on unobservable inputs. The model incorporates a mid-market pricing convention (the mid-point price between bid and ask prices) as a practical expedient for valuing its assets and liabilities measured and reported at fair value. The determination of the fair value for derivative contracts not only includes counterparty risk, but also the impact of Nevada Power's nonperformance risk on its liabilities, which as of March 31, 2020 and December 31, 2019, had an immaterial impact to the fair value of its derivative contracts. As such, Nevada Power considers its derivative contracts to be valued using Level 3 inputs.

Nevada Power's investments in money market mutual funds and equity securities are stated at fair value. When available, a readily observable quoted market price or net asset value of an identical security in an active market is used to record the fair value.

The following table reconciles the beginning and ending balances of Nevada Power's commodity derivative assets and liabilities measured at fair value on a recurring basis using significant Level 3 inputs (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Beginning balance	$ (8)	3
Changes in fair value recognized in regulatory assets	(31)	(9)
Settlements	1	1
Ending balance	$ (38)	$ (5)

Nevada Power's long-term debt is carried at cost on the Consolidated Balance Sheets. The fair value of Nevada Power's long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The carrying value of Nevada Power's variable-rate long-term debt approximates fair value because of the frequent repricing of these instruments at market rates. The following table presents the carrying value and estimated fair value of Nevada Power's long-term debt (in millions):

	As of March 31, 2020		As of December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	$ 2,495	$ 2,837	$ 2,351	$ 2,848

(8) Commitments and Contingencies

Legal Matters

Nevada Power is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. Nevada Power does not believe that such normal and routine litigation will have a material impact on its consolidated financial results. Nevada Power is also involved in other kinds of legal actions, some of which assert or may assert claims or seek to impose fines, penalties and other costs in substantial amounts.

Environmental Laws and Regulations

Nevada Power is subject to federal, state and local laws and regulations regarding climate change, renewable portfolio standards ("RPS"), air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact Nevada Power's current and future operations. Nevada Power believes it is in material compliance with all applicable laws and regulations.

(9) Revenue from Contracts with Customers

The following table summarizes Nevada Power's revenue from contracts with customers ("Customer Revenue") by customer class (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Customer Revenue:		
Retail:		
Residential	$ 193	$ 200
Commercial	94	90
Industrial	70	70
Other	3	5
Total fully bundled	360	365
Distribution only service	7	7
Total retail	367	372
Wholesale, transmission and other	16	17
Total Customer Revenue	383	389
Other revenue	6	6
Total revenue	$ 389	$ 395

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors that have affected the consolidated financial condition and results of operations of Nevada Power during the periods included herein. Explanations include management's best estimate of the impact of weather, customer growth, usage trends and other factors. This discussion should be read in conjunction with Nevada Power's historical unaudited Consolidated Financial Statements and Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q. Nevada Power's actual results in the future could differ significantly from the historical results.

Results of Operations for the First Quarter of 2020 and 2019

Overview

Net loss for the first quarter of 2020 was $4 million, a decrease of $10 million, compared to 2019 primarily due to $6 million of higher operations and maintenance, primarily due to regulatory-directed deferrals relating to the retirement of the Navajo generating station in 2019 of $5 million, $3 million of lower utility margin and $3 million of unfavorable other income (expense), partially offset by $3 million of lower income tax expense due to lower income before income tax expense.

Non-GAAP Financial Measure

Management utilizes various key financial measures that are prepared in accordance with GAAP, as well as non-GAAP financial measures such as, utility margin, to help evaluate results of operations. Utility margin is calculated as electric operating revenue less cost of fuel and energy, which are captions presented on the Consolidated Statements of Operations.

Nevada Power's cost of fuel and energy are directly recovered from its customers through regulatory recovery mechanisms and as a result, changes in Nevada Power's expenses result in comparable changes to revenue. As such, management believes utility margin more appropriately and concisely explains profitability rather than a discussion of revenue and cost of sales separately. Management believes the presentation of utility margin provides meaningful and valuable insight into the information management considers important to running the business and a measure of comparability to others in the industry.

Utility margin is not a measure calculated in accordance with GAAP and should be viewed as a supplement to, and not a substitute for, operating income which is the most directly comparable financial measure prepared in accordance with GAAP. The following table provides a reconciliation of utility margin to operating income (in millions):

	First Quarter			
	2020	2019	Change	
Utility margin:				
Operating revenue	$ 389	$ 395	$ (6)	(2)%
Cost of fuel and energy	170	173	(3)	(2)
Utility margin	219	222	(3)	(1)
Operations and maintenance	82	76	6	8
Depreciation and amortization	90	89	1	1
Property and other taxes	12	12	—	—
Operating income	$ 35	$ 45	$ (10)	(22)

A comparison of Nevada Power's key operating results is as follows:

	First Quarter			
	2020	2019	Change	
Utility margin (in millions):				
Operating revenue	$ 389	$ 395	$ (6)	(2)%
Cost of fuel and energy	170	173	(3)	(2)
Utility margin	$ 219	$ 222	$ (3)	(1)%
Sales (GWhs):				
Residential	1,544	1,608	(64)	(4)%
Commercial	1,011	992	19	2
Industrial	1,151	1,160	(9)	(1)
Other	48	47	1	2
Total fully bundled[1]	3,754	3,807	(53)	(1)
Distribution only service	611	528	83	16
Total retail	4,365	4,335	30	1
Wholesale	153	144	9	6
Total GWhs sold	4,518	4,479	39	1 %
Average number of retail customers (in thousands)	961	945	16	2 %
Average revenue per MWh:				
Retail - fully bundled[1]	$ 96.01	$ 95.87	$ 0.14	— %
Wholesale	$ 31.58	$ 42.27	$ (10.69)	(25)%
Heating degree days	942	1,083	(141)	(13)%
Cooling degree days	2	12	(10)	(83)%
Sources of energy (GWhs)[2][3]:				
Natural gas	2,622	2,169	453	21 %
Coal	—	342	(342)	*
Renewables	16	12	4	33
Total energy generated	2,638	2,523	115	5
Energy purchased	1,240	1,475	(235)	(16)
Total	3,878	3,998	(120)	(3)%
Average total cost of energy per MWh[4]	$ 43.89	$ 43.32	$ 0.57	1 %

* Not meaningful

(1) Fully bundled includes sales to customers for combined energy, transmission and distribution services.

(2) The average total cost of energy per MWh and sources of energy excludes - and 81 GWhs of coal and 710 and 497 GWhs of gas generated energy that is purchased at cost by related parties for the first quarter of 2020 and 2019, respectively.

(3) GWh amounts are net of energy used by the related generating facilities.

(4) The average total cost of energy per MWh includes the cost of fuel, purchased power and deferrals and does not include other costs.

Utility margin decreased $3 million, or 1%, for the first quarter of 2020 compared to 2019 primarily due to $3 million of lower customer volumes primarily from unfavorable impacts of weather and $2 million of higher revenue reductions related to customer service agreements, offset by $2 million of higher wholesale revenue.

Operations and maintenance increased $6 million, or 8%, for the first quarter of 2020 compared to 2019 primarily due to higher regulatory-directed debits relating to the deferral of the non-labor cost saving from the Navajo generating station retirement in 2019 of $5 million and regulatory-directed debits relating to the deferral of costs for the ON Line lease to be returned to customers (offset in other income (expense)) of $2 million, partially offset by a lower accrual for earnings sharing of $1 million.

Other income (expense) is unfavorable $3 million, or 8%, for the first quarter of 2020 compared to 2019 primarily due to lower cash surrender value of corporate-owned life insurance policies of $7 million and lower other income due to a licensing agreement with a third party in 2019 of $2 million, offset by lower interest expense on long-term debt of $4 million due to lower interest rates and lower interest expense on the ON Line finance lease due to the regulatory-directed reallocation of costs between Nevada Power and Sierra Pacific (offset in operations and maintenance) of $2 million.

Income tax expense decreased $3 million, or 150%, for the first quarter of 2020 compared to 2019 due to lower pre-tax income. The effective tax rate was 20% in 2020 and 21% in 2019.

Liquidity and Capital Resources

As of March 31, 2020, Nevada Power's total net liquidity was as follows (in millions):

Cash and cash equivalents	$	121
Credit facility		400
Total net liquidity	$	521
Credit facility:		
Maturity date		2022

Operating Activities

Net cash flows from operating activities for the three-month periods ended March 31, 2020 and 2019 were $79 million and $135 million, respectively. The change was primarily due to the timing of payments for operating costs, higher payments for generation long-term service agreements, lower collections from customers due to the unfavorable impacts of weather, lower proceeds from a licensing agreement with a third party in 2019, decreased collections of customer advances and higher payments of customer service agreements, partially offset by a decrease in payments for fuel costs and lower interest payments for long-term debt.

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2020 and 2019 were $(111) million and $(111) million, respectively. Refer to "Future Uses of Cash" for further discussion of capital expenditures.

Financing Activities

Net cash flows from financing activities for the three-month periods ended March 31, 2020 and 2019 were $140 million and $(83) million, respectively. The change was primarily due to greater proceeds from the issuance of long-term debt and lower dividends paid to NV Energy, Inc., partially offset by higher repayments of long-term debt.

Long-Term Debt

In January 2020, Nevada Power issued $425 million of 2.40% General and Refunding Mortgage Notes, Series DD, due 2030 and $300 million of 3.125% General and Refunding Mortgage Notes, Series EE, due 2050. Nevada Power used the net proceeds for the early redemption of $575 million of its 2.75% General and Refunding Mortgage Notes, Series BB, due April 2020 and for general corporate purposes.

Debt Authorizations

Nevada Power currently has financing authority from the PUCN consisting of the ability to: (1) establish debt issuances limited to a debt ceiling of $3.2 billion (excluding borrowings under Nevada Power's $400 million secured credit facility); and (2) maintain a revolving credit facility of up to $1.3 billion. Nevada Power currently has an effective automatic shelf registration statement with the SEC to issue an indeterminate amount of general and refunding mortgage securities through October 2022.

Future Uses of Cash

Nevada Power has available a variety of sources of liquidity and capital resources, both internal and external, including net cash flows from operating activities, public and private debt offerings, the use of its secured revolving credit facility, capital contributions and other sources. These sources are expected to provide funds required for current operations, capital expenditures, debt retirements and other capital requirements. The availability and terms under which Nevada Power has access to external financing depends on a variety of factors, including regulatory approvals, Nevada Power's credit ratings, investors' judgment of risk and conditions in the overall capital markets, including the condition of the utility industry.

Capital Expenditures

Capital expenditure needs are reviewed regularly by management and may change significantly as a result of these reviews, which may consider, among other factors, changes in environmental and other rules and regulations; impacts to customers' rates; outcomes of regulatory proceedings; changes in income tax laws; general business conditions; load projections; system reliability standards; the cost and efficiency of construction labor, equipment and materials; commodity prices; and the cost and availability of capital. Prudently incurred expenditures for compliance-related items such as pollution control technologies, replacement generation and associated operating costs are generally incorporated into Nevada Power's regulated retail rates. Expenditures for certain assets may ultimately include acquisition of existing assets.

Historical and forecast capital expenditures, each of which exclude amounts for non-cash equity AFUDC and other non-cash items are as follows (in millions):

	Three-Month Periods Ended March 31,		**Annual Forecast**
	2019	**2020**	**2020**
Generation development	$ —	$ 11	$ 20
Distribution	43	64	210
Transmission system investment	4	4	23
Other	66	32	199
Total	$ 113	$ 111	$ 452

Nevada Power's forecast capital expenditures include investments related to operating projects that consist of routine expenditures for generation, transmission, distribution and other infrastructure needed to serve existing and expected demand.

Contractual Obligations

As of March 31, 2020, there have been no material changes outside the normal course of business in contractual obligations from the information provided in Item 7 of Nevada Power's Annual Report on Form 10-K for the year ended December 31, 2019.

COVID-19

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by Nevada Power. While the rapid outbreak of COVID-19 has not had a material impact on Nevada Power's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. The state of Nevada has instituted a "stay-at-home" order, which has impacted Nevada Power's customers and, therefore, their needs for electricity. As the impacts of COVID-19 and related customer and governmental responses are uncertain, including the duration of casino closures, a reduction in the consumption of electricity, and related operating revenue, may occur, particularly in the commercial and industrial classes as well as distribution only service customers, as evidenced by the reduction experienced by Nevada Power in April 2020 compared to the same period in 2019. Due to regulatory requirements and voluntary actions taken by Nevada Power related to customer collection activity and suspension of disconnections for non-payment, Nevada Power could see delays or reductions in cash receipts, including potentially higher than normal bad debt expense, from retail customers related to the impacts of COVID-19. The amount of such reductions in cash receipts is unknown at this time. The PUCN has approved recovery of certain costs incurred in responding to COVID-19. Refer to "Regulatory Matters" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for further discussion.

Nevada Power's business has been deemed essential and its employees have been identified as "critical infrastructure employees" allowing them to move within communities and across jurisdictional boundaries as necessary to maintain its electric generation, transmission and distribution system. In response to the effects of COVID-19, Nevada Power has implemented its business continuity plan to protect its employees and customers. Such plans include a variety of actions, including situational use of personal protective equipment by employees when interacting with customers and implementing practices to enhance social distancing at the workplace. Such practices have included work-from-home, staggered work schedules, rotational work location assignments, increased cleaning and sanitation of work spaces and providing general health reminders intended to help lower the risk of spreading COVID-19.

Regulatory Matters

Nevada Power is subject to comprehensive regulation. Refer to "Regulatory Matters" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for discussion regarding Nevada Power's current regulatory matters.

Environmental Laws and Regulations

Nevada Power is subject to federal, state and local laws and regulations regarding climate change, RPS, air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact Nevada Power's current and future operations. In addition to imposing continuing compliance obligations and capital expenditure requirements, these laws and regulations provide regulators with the authority to levy substantial penalties for noncompliance including fines, injunctive relief and other sanctions. These laws and regulations are administered by the EPA and various state and local agencies. All such laws and regulations are subject to a range of interpretation, which may ultimately be resolved by the courts. Environmental laws and regulations continue to evolve, and Nevada Power is unable to predict the impact of the changing laws and regulations on its operations and consolidated financial results. Nevada Power believes it is in material compliance with all applicable laws and regulations.

Refer to "Environmental Laws and Regulations" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for additional information regarding environmental laws and regulations.

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Consolidated Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, derivatives, impairment of long-lived assets, income taxes and revenue recognition - unbilled revenue. For additional discussion of Nevada Power's critical accounting estimates, see Item 7 of Nevada Power's Annual Report on Form 10-K for the year ended December 31, 2019. There have been no significant changes in Nevada Power's assumptions regarding critical accounting estimates since December 31, 2019.

Sierra Pacific Power Company
Financial Section

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of
Sierra Pacific Power Company

Results of Review of Interim Financial Information

We have reviewed the accompanying balance sheet of Sierra Pacific Power Company ("Sierra Pacific") as of March 31, 2020, the related statements of operations and changes in shareholder's equity for the three-month periods ended March 31, 2020 and 2019, and of cash flows for the three-month periods ended March 31, 2020 and 2019, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the balance sheet of Sierra Pacific as of December 31, 2019, and the related statements of operations, changes in shareholder's equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2020, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of December 31, 2019, is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

Basis for Review Results

This interim financial information is the responsibility of Sierra Pacific's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to Sierra Pacific in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
May 1, 2020

SIERRA PACIFIC POWER COMPANY
BALANCE SHEETS (Unaudited)
(Amounts in millions, except share data)

	As of	
	March 31, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 27	$ 27
Trade receivables, net	97	109
Income taxes receivable	7	14
Inventories	60	57
Regulatory assets	18	12
Other current assets	27	20
Total current assets	236	239
Property, plant and equipment, net	3,075	3,075
Regulatory assets	295	283
Other assets	80	74
Total assets	$ 3,686	$ 3,671
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	$ 93	$ 103
Accrued interest	11	14
Accrued property, income and other taxes	14	12
Regulatory liabilities	64	49
Customer deposits	20	21
Other current liabilities	32	21
Total current liabilities	234	220
Long-term debt	1,135	1,135
Regulatory liabilities	463	489
Deferred income taxes	348	347
Other long-term liabilities	161	160
Total liabilities	2,341	2,351
Commitments and contingencies (Note 8)		
Shareholder's equity:		
Common stock - $3.75 stated value, 20,000,000 shares authorized and 1,000 issued and outstanding	—	—
Additional paid-in capital	1,111	1,111
Retained earnings	235	210
Accumulated other comprehensive loss, net	(1)	(1)
Total shareholder's equity	1,345	1,320
Total liabilities and shareholder's equity	$ 3,686	$ 3,671

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

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

	Three-Month Periods Ended March 31,	
	2020	**2019**
Operating revenue:		
Regulated electric	$ 184	$ 182
Regulated natural gas	48	37
Total operating revenue	232	219
Operating expenses:		
Cost of fuel and energy	80	82
Cost of natural gas purchased for resale	30	19
Operations and maintenance	42	44
Depreciation and amortization	34	31
Property and other taxes	6	6
Total operating expenses	192	182
Operating income	40	37
Other income (expense):		
Interest expense	(14)	(12)
Allowance for equity funds	1	1
Other, net	1	2
Total other income (expense)	(12)	(9)
Income before income tax expense	28	28
Income tax expense	3	6
Net income	$ 25	$ 22

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

SIERRA PACIFIC POWER COMPANY
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (Unaudited)
(Amounts in millions, except shares)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net	Total Shareholder's Equity
	Shares	Amount				
Balance, December 31, 2018	1,000	$ —	$ 1,111	$ 153	$ —	$ 1,264
Net income	—	—	—	22	—	22
Balance, March 31, 2019	1,000	$ —	$ 1,111	$ 175	$ —	$ 1,286
Balance, December 31, 2019	1,000	$ —	$ 1,111	$ 210	$ (1)	$ 1,320
Net income	—	—	—	25	—	25
Balance, March 31, 2020	1,000	$ —	$ 1,111	$ 235	$ (1)	$ 1,345

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

SIERRA PACIFIC POWER COMPANY
STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three-Month Periods Ended March 31,	
	2020	**2019**
Cash flows from operating activities:		
Net income	$ 25	$ 22
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	34	31
Allowance for equity funds	(1)	(1)
Changes in regulatory assets and liabilities	(10)	11
Deferred income taxes and amortization of investment tax credits	(3)	5
Deferred energy	14	(22)
Amortization of deferred energy	4	(5)
Other, net	1	(1)
Changes in other operating assets and liabilities:		
Trade receivables and other assets	1	7
Inventories	(3)	—
Accrued property, income and other taxes	4	(2)
Accounts payable and other liabilities	(12)	(1)
Net cash flows from operating activities	54	44
Cash flows from investing activities:		
Capital expenditures	(52)	(52)
Net cash flows from investing activities	(52)	(52)
Cash flows from financing activities:		
Other, net	(1)	—
Net cash flows from financing activities	(1)	—
Net change in cash and cash equivalents and restricted cash and cash equivalents	1	(8)
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	32	76
Cash and cash equivalents and restricted cash and cash equivalents at end of period	$ 33	$ 68

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

SIERRA PACIFIC POWER COMPANY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(1) General

Sierra Pacific Power Company ("Sierra Pacific"), is a wholly owned subsidiary of NV Energy, Inc. ("NV Energy"), a holding company that also owns Nevada Power Company ("Nevada Power") and certain other subsidiaries. Sierra Pacific is a United States regulated electric utility company serving retail customers, including residential, commercial and industrial customers and regulated retail natural gas customers primarily in northern Nevada. NV Energy is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company ("BHE"). BHE is a holding company based in Des Moines, Iowa that owns subsidiaries principally engaged in energy businesses. BHE is a consolidated subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway").

The unaudited Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Financial Statements as of March 31, 2020 and for the three-month periods ended March 31, 2020 and 2019. The Statements of Comprehensive Income have been omitted as net income equals comprehensive income for the three-month periods ended March 31, 2020 and 2019. The results of operations for the three-month period ended March 31, 2020 are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Financial Statements. Note 2 of Notes to Financial Statements included in Sierra Pacific's Annual Report on Form 10-K for the year ended December 31, 2019 describes the most significant accounting policies used in the preparation of the unaudited Financial Statements. There have been no significant changes in Sierra Pacific's assumptions regarding significant accounting estimates and policies during the three-month period ended March 31, 2020.

Coronavirus Disease 2019 ("COVID-19")

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by Sierra Pacific. While the rapid outbreak of COVID-19 has not had a material impact on Sierra Pacific's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. Such impacts may include, among others, potential declines in operating revenue from reductions in the consumption of electricity by retail utility customers as the longer-term impacts of COVID-19 and related customer and governmental responses are uncertain, including the duration of casino closures, which is evidenced by the reduction experienced by Sierra Pacific in April 2020 compared to the same period in 2019, and higher credit loss expenses resulting from a higher than average level of write-offs of uncollectible accounts associated with the suspension of disconnections and late payment fees to assist customers facing unprecedented economic pressures. The duration and extent of COVID-19 and its future impact on Sierra Pacific's business cannot be reasonably estimated at this time. Accordingly, significant estimates used in the preparation of Sierra Pacific's unaudited Financial Statements, including those associated with evaluations of certain long-lived assets for impairment, expected credit losses on amounts owed to Sierra Pacific and potential regulatory recovery of certain costs may be subject to significant adjustments in future periods.

In March 2020, the PUCN issued an emergency order for Sierra Pacific to establish a regulatory asset account related to the costs of maintaining service to customers affected by COVID-19 whose services would have been terminated or disconnected under normally-applicable terms of service.

(2) Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, United States Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, consist of funds restricted by the Public Utilities Commission of Nevada ("PUCN") for a certain renewable energy contract. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as of March 31, 2020 and December 31, 2019, as presented in the Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Balance Sheets (in millions):

	As of	
	March 31, 2020	December 31, 2019
Cash and cash equivalents	$ 27	$ 27
Restricted cash and cash equivalents included in other current assets	6	5
Total cash and cash equivalents and restricted cash and cash equivalents	$ 33	$ 32

(3) Property, Plant and Equipment, Net

Property, plant and equipment, net consists of the following (in millions):

		As of	
	Depreciable Life	March 31, 2020	December 31, 2019
Utility plant:			
Electric generation	25 - 60 years	$ 1,129	$ 1,133
Electric transmission	50 - 100 years	874	840
Electric distribution	20 - 100 years	1,690	1,669
Electric general and intangible plant	5 - 70 years	182	178
Natural gas distribution	35 - 70 years	421	417
Natural gas general and intangible plant	5 - 70 years	14	14
Common general	5 - 70 years	335	338
Utility plant		4,645	4,589
Accumulated depreciation and amortization		(1,673)	(1,629)
Utility plant, net		2,972	2,960
Other non-regulated, net of accumulated depreciation and amortization	70 years	2	2
Plant, net		2,974	2,962
Construction work-in-progress		101	113
Property, plant and equipment, net		$ 3,075	$ 3,075

(4) Regulatory Matters

Deferred Energy

Nevada statutes permit regulated utilities to adopt deferred energy accounting procedures. The intent of these procedures is to ease the effect on customers of fluctuations in the cost of purchased natural gas, fuel and electricity and are subject to annual prudency review by the PUCN. Under deferred energy accounting, to the extent actual fuel and purchased power costs exceed fuel and purchased power costs recoverable through current rates that excess is not recorded as a current expense on the Statements of Operations but rather is deferred and recorded as a regulatory asset on the Balance Sheets. Conversely, a regulatory liability is recorded to the extent fuel and purchased power costs recoverable through current rates exceed actual fuel and purchased power costs. These excess amounts are reflected in quarterly adjustments to rates and recorded as cost of fuel and energy in future time periods.

Regulatory Rate Review

In June 2019, Sierra Pacific filed an electric regulatory rate review with the PUCN. The filing supported an annual revenue increase of $5 million but requested an annual revenue reduction of $5 million. In September 2019, Sierra Pacific filed an all-party settlement for the electric regulatory rate review. The settlement resolved all cost of capital and revenue requirement issues and provided for an annual revenue reduction of $5 million and required Sierra Pacific to share 50% of regulatory earnings above 9.7% with its customers. The rate design portion of the regulatory rate review was not a part of the settlement and a hearing on rate design was held in November 2019. In December 2019, the PUCN issued an order approving the stipulation but made some adjustments to the methodology for the weather normalization component of historical sales in rates, which resulted in an additional annual revenue reduction of $3 million. The new rates were effective January 1, 2020. In January 2020, Sierra Pacific filed a petition for rehearing challenging the PUCN's adjustments to the weather normalization methodology. In February 2020, the PUCN issued an order granting the petition for rehearing. In April 2020, the PUCN issued a final order approving a weather normalization methodology that changed the additional annual revenue reduction from $3 million to $2 million with an effective date of January 1, 2020.

2017 Tax Reform

In February 2018, Sierra Pacific made a filing with the PUCN proposing a tax rate reduction rider for the lower annual income tax expense anticipated to result from 2017 Tax Reform for 2018 and beyond. In March 2018, the PUCN issued an order approving the rate reduction proposed by Sierra Pacific. The new rates were effective April 1, 2018. The order extended the procedural schedule to allow parties additional discovery relevant to 2017 Tax Reform and a hearing was held in July 2018. In September 2018, the PUCN issued an order directing Sierra Pacific to record the amortization of any excess protected accumulated deferred income tax arising from the 2017 Tax Reform as a regulatory liability effective January 1, 2018. Subsequently, Sierra Pacific filed a petition for reconsideration relating to the amortization of protected excess accumulated deferred income tax balances resulting from the 2017 Tax Reform. In November 2018, the PUCN issued an order granting reconsideration and reaffirming the September 2018 order. In December 2018, Sierra Pacific filed a petition for judicial review. The judicial review occurred in January 2020 and the district court issued an order in March 2020 denying the petition and affirming the PUCN's order.

Natural Disaster Protection Plan

In May 2019, Senate Bill 329 ("SB 329"), Natural Disaster Mitigation Measures, was signed into law, which requires Sierra Pacific to submit a natural disaster protection plan to the PUCN. The PUCN adopted natural disaster protection plan regulations in January 2020, that require Sierra Pacific to file their natural disaster protection plan for approval on or before March 1 of every third year, with the first filing due on March 1, 2020. The regulations also require annual updates to be filed on or before September 1 of the second and third years of the plan. The plan must include procedures, protocols and other certain information as it relates to the efforts of Sierra Pacific to prevent or respond to a fire or other natural disaster. The expenditures incurred by Sierra Pacific in developing and implementing the natural disaster protection plan are required to be held in a regulatory asset account, with Sierra Pacific filing an application for recovery on or before March 1 of each year. Sierra Pacific submitted their initial natural disaster protection plan to the PUCN and filed their first application seeking recovery of 2019 expenditures in February 2020. The hearings are scheduled for June 2020.

(5) Income Taxes

A reconciliation of the federal statutory income tax rate to the effective income tax rate applicable to income before income tax expense is as follows:

	Three-Month Periods Ended March 31,	
	2020	**2019**
Federal statutory income tax rate	21%	21%
Effects of ratemaking	(8)	—
Other	(2)	—
Effective income tax rate	11%	21%

Effects of ratemaking is primarily attributable to the recognition of excess deferred income taxes related to the 2017 Tax Cuts and Jobs Act pursuant to an order issued by the PUCN effective January 1, 2020.

(6) Employee Benefit Plans

Sierra Pacific is a participant in benefit plans sponsored by NV Energy. The NV Energy Retirement Plan includes a qualified pension plan ("Qualified Pension Plan") and a supplemental executive retirement plan and a restoration plan (collectively, "Non-Qualified Pension Plans") that provide pension benefits for eligible employees. The NV Energy Comprehensive Welfare Benefit and Cafeteria Plan provides certain postretirement health care and life insurance benefits for eligible retirees ("Other Postretirement Plans") on behalf of Sierra Pacific. Amounts attributable to Sierra Pacific were allocated from NV Energy based upon the current, or in the case of retirees, previous, employment location. Offsetting regulatory assets and liabilities have been recorded related to the amounts not yet recognized as a component of net periodic benefit costs that will be included in regulated rates. Net periodic benefit costs not included in regulated rates are included in accumulated other comprehensive loss, net.

Amounts payable to NV Energy are included on the Balance Sheets and consist of the following (in millions):

	As of	
	March 31, 2020	**December 31, 2019**
Qualified Pension Plan:		
Other long-term liabilities	$ 3	$ 4
Non-Qualified Pension Plans:		
Other current liabilities	1	1
Other long-term liabilities	8	8
Other Postretirement Plans:		
Other long-term liabilities	7	7

(7) Fair Value Measurements

The carrying value of Sierra Pacific's cash, certain cash equivalents, receivables, payables, accrued liabilities and short-term borrowings approximates fair value because of the short-term maturity of these instruments. Sierra Pacific has various financial assets and liabilities that are measured at fair value on the Balance Sheets using inputs from the three levels of the fair value hierarchy. A financial asset or liability classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The three levels are as follows:

- Level 1 — Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that Sierra Pacific has the ability to access at the measurement date.
- Level 2 — Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
- Level 3 — Unobservable inputs reflect Sierra Pacific's judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. Sierra Pacific develops these inputs based on the best information available, including its own data.

The following table presents Sierra Pacific's assets and liabilities recognized on the Balance Sheets and measured at fair value on a recurring basis (in millions):

	Input Levels for Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
As of March 31, 2020				
Assets - money market mutual funds[1]	$ 25	$ —	$ —	$ 25
Liabilities - commodity derivatives	$ —	$ —	$ (9)	$ (9)
As of December 31, 2019				
Assets - money market mutual funds[1]	$ 25	$ —	$ —	$ 25
Liabilities - commodity derivatives	$ —	$ —	$ (1)	$ (1)

(1) Amounts are included in cash and cash equivalents on the Balance Sheets. The fair value of these money market mutual funds approximates cost.

Sierra Pacific's investments in money market mutual funds and equity securities are stated at fair value. When available, a readily observable quoted market price or net asset value of an identical security in an active market is used to record the fair value.

Sierra Pacific's long-term debt is carried at cost on the Balance Sheets. The fair value of Sierra Pacific's long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The carrying value of Sierra Pacific's variable-rate long-term debt approximates fair value because of the frequent repricing of these instruments at market rates. The following table presents the carrying value and estimated fair value of Sierra Pacific's long-term debt (in millions):

	As of March 31, 2020		As of December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	$ 1,135	$ 1,226	$ 1,135	$ 1,258

(8) Commitments and Contingencies

Legal Matters

Sierra Pacific is party to a variety of legal actions arising out of the normal course of business. Plaintiffs occasionally seek punitive or exemplary damages. Sierra Pacific does not believe that such normal and routine litigation will have a material impact on its financial results. Sierra Pacific is also involved in other kinds of legal actions, some of which assert or may assert claims or seek to impose fines, penalties and other costs in substantial amounts.

Environmental Laws and Regulations

Sierra Pacific is subject to federal, state and local laws and regulations regarding climate change, renewable portfolio standards ("RPS"), air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact Sierra Pacific's current and future operations. Sierra Pacific believes it is in material compliance with all applicable laws and regulations.

(9) Revenue from Contracts with Customers

The following table summarizes Sierra Pacific's revenue from contracts with customers ("Customer Revenue") by customer class, including a reconciliation to Sierra Pacific's reportable segment information included in Note 10 (in millions):

	Three-Month Periods Ended March 31,					
	2020			2019		
	Electric	Natural Gas	Total	Electric	Natural Gas	Total
Customer Revenue:						
Retail:						
Residential	$ 69	$ 30	$ 99	$ 68	$ 24	$ 92
Commercial	57	13	70	54	10	64
Industrial	41	4	45	39	3	42
Other	1	—	1	2	—	2
Total fully bundled	168	47	215	163	37	200
Distribution only service	1	—	1	1	—	1
Total retail	169	47	216	164	37	201
Wholesale, transmission and other	14	—	14	17	—	17
Total Customer Revenue	183	47	230	181	37	218
Other revenue	1	1	2	1	—	1
Total revenue	$ 184	$ 48	$ 232	$ 182	$ 37	$ 219

(10) Segment Information

Sierra Pacific has identified two reportable operating segments: regulated electric and regulated natural gas. The regulated electric segment derives most of its revenue from regulated retail sales of electricity to residential, commercial, and industrial customers and from wholesale sales. The regulated natural gas segment derives most of its revenue from regulated retail sales of natural gas to residential, commercial, and industrial customers and also obtains revenue by transporting natural gas owned by others through its distribution system. Pricing for regulated electric and regulated natural gas sales are established separately by the PUCN; therefore, management also reviews each segment separately to make decisions regarding allocation of resources and in evaluating performance.

The following tables provide information on a reportable segment basis (in millions):

	Three-Month Periods Ended March 31,	
	2020	2019
Operating revenue:		
Regulated electric	$ 184	$ 182
Regulated natural gas	48	37
Total operating revenue	$ 232	$ 219
Operating income:		
Regulated electric	$ 33	$ 29
Regulated natural gas	7	8
Total operating income	40	37
Interest expense	(14)	(12)
Allowance for equity funds	1	1
Other, net	1	2
Income before income tax expense	$ 28	$ 28

	As of	
	March 31, 2020	December 31, 2019
Assets:		
Regulated electric	$ 3,332	$ 3,319
Regulated natural gas	314	308
Other[(1)]	40	44
Total assets	$ 3,686	$ 3,671

(1) Consists principally of cash and cash equivalents not included in either the regulated electric or regulated natural gas segments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors that have affected the financial condition and results of operations of Sierra Pacific during the periods included herein. Explanations include management's best estimate of the impact of weather, customer growth, usage trends and other factors. This discussion should be read in conjunction with Sierra Pacific's historical unaudited Financial Statements and Notes to Financial Statements in Part I, Item 1 of this Form 10-Q. Sierra Pacific's actual results in the future could differ significantly from the historical results.

Results of Operations for the First Quarter of 2020 and 2019

Overview

Net income for the first quarter of 2020 was $25 million, an increase of $3 million, or 14%, compared to 2019 primarily due to $4 million of higher electric utility margin, primarily due to higher wholesale revenue and residential customer growth and $3 million of lower income tax expense, partially offset higher depreciation and amortization mainly due to higher plant in service.

Non-GAAP Financial Measure

Management utilizes various key financial measures that are prepared in accordance with GAAP, as well as non-GAAP financial measures such as, electric utility margin and natural gas utility margin, to help evaluate results of operations. Electric utility margin is calculated as electric operating revenue less cost of fuel and energy while natural gas utility margin is calculated as natural gas operating revenue less cost of natural gas purchased for resale, which are captions presented on the Statements of Operations.

Sierra Pacific's cost of fuel and energy and cost of natural gas purchased for resale are generally recovered from its customers through regulatory recovery mechanisms and as a result, changes in Sierra Pacific's expenses result in comparable changes to revenue. As such, management believes electric utility margin and natural gas utility margin more appropriately and concisely explain profitability rather than a discussion of revenue and cost of sales separately. Management believes the presentation of electric utility margin and natural gas utility margin provides meaningful and valuable insight into the information management considers important to running the business and a measure of comparability to others in the industry.

Electric utility margin and natural gas utility margin are not measures calculated in accordance with GAAP and should be viewed as a supplement to, and not a substitute for, operating income which is the most directly comparable financial measure prepared in accordance with GAAP. The following table provides a reconciliation of utility margin to operating income (in millions):

	First Quarter			
	2020	2019	Change	
Electric utility margin:				
Operating revenue	$ 184	$ 182	$ 2	1 %
Cost of fuel and energy	80	82	(2)	(2)
Electric utility margin	104	100	4	4
Natural gas utility margin:				
Operating revenue	48	37	11	30 %
Natural gas purchased for resale	30	19	11	58
Natural gas utility margin	18	18	—	—
Utility margin	122	118	4	3 %
Operations and maintenance	42	44	(2)	(5)%
Depreciation and amortization	34	31	3	10
Property and other taxes	6	6	—	—
Operating income	$ 40	$ 37	$ 3	8 %

Electric Utility Margin

A comparison of key operating results related to electric utility margin is as follows:

	First Quarter			
	2020	2019	Change	
Electric utility margin (in millions):				
Electric operating revenue	$ 184	$ 182	$ 2	1 %
Cost of fuel and energy	80	82	(2)	(2)
Electric utility margin	$ 104	$ 100	$ 4	4 %
Sales (GWhs):				
Residential	635	655	(20)	(3)%
Commercial	701	700	1	—
Industrial	909	924	(15)	(2)
Other	4	4	—	—
Total fully bundled[1]	2,249	2,283	(34)	(1)
Distribution only service	412	391	21	5
Total retail	2,661	2,674	(13)	—
Wholesale	193	219	(26)	(12)
Total GWhs sold	2,854	2,893	(39)	(1)%
Average number of retail customers (in thousands)	356	351	5	1 %
Average revenue per MWh:				
Retail - fully bundled[1]	$ 74.76	$ 71.50	$ 3.26	5 %
Wholesale	$ 49.05	$ 52.52	$ (3.47)	(7)%
Heating degree days	2,066	2,244	(178)	(8)%
Sources of energy (GWhs)[2]:				
Natural gas	1,215	1,094	121	11 %
Coal	66	340	(274)	(81)
Renewables[3]	6	5	1	20
Total energy generated	1,287	1,439	(152)	(11)
Energy purchased	1,325	1,179	146	12
Total	2,612	2,618	(6)	— %
Average total cost of energy per MWh[4]	$ 30.81	$ 31.50	$ (0.69)	(2)%

(1) Fully bundled includes sales to customers for combined energy, transmission and distribution services.

(2) GWh amounts are net of energy used by the related generating facilities.

(3) Includes the Fort Churchill Solar Array which is under lease by Sierra Pacific.

(4) The average total cost of energy per MWh includes the cost of fuel, purchased power and deferrals and does not include other costs.

Natural Gas Utility Margin

A comparison of key operating results related to natural gas utility margin is as follows:

	First Quarter			
	2020	2019	Change	
Utility margin (in millions):				
Operating revenue	$ 48	$ 37	$ 11	30 %
Natural gas purchased for resale	30	19	11	58
Natural gas utility margin	$ 18	$ 18	$ —	— %
Sold (000's Dths):				
Residential	4,386	5,013	(627)	(13)%
Commercial	2,167	2,497	(330)	(13)
Industrial	653	670	(17)	(3)
Total retail	7,206	8,180	(974)	(12)%
Average number of retail customers (in thousands)	173	169	4	2 %
Average revenue per retail Dth sold	$ 6.58	$ 4.52	$ 2.06	46 %
Heating degree days	2,066	2,244	(178)	(8)%
Average cost of natural gas per retail Dth sold	$ 4.22	$ 2.32	$ 1.90	82 %

Electric utility margin increased $4 million, or 4%, for the first quarter of 2020 compared to 2019 primarily due to higher wholesale revenue and residential customer growth.

Operations and maintenance decreased $2 million, or 5%, for the first quarter of 2020 compared to 2019 primarily due to regulatory-directed credits relating to the deferral of costs for the ON Line lease to be collected from customers (offset in other income (expense)).

Depreciation and amortization increased $3 million, or 10%, for the first quarter of 2020 compared to 2019 primarily due to higher plant placed in service.

Other income (expense) is unfavorable $3 million, or 33%, for the first quarter of 2020 compared to 2019 primarily due to lower cash surrender value of corporate-owned life insurance policies of $2 million and higher interest expense on the ON Line finance lease due to the regulatory-directed reallocation of costs between Nevada Power and Sierra Pacific (offset in operations and maintenance) of $2 million, offset by lower non-service pension costs of $1 million.

Income tax expense decreased $3 million, or 50%, for the first quarter of 2020 compared to 2019. The effective tax rate was 11% in 2020 and 21% in 2019 and decreased due to the recognition of amortization of excess deferred income taxes related to the 2017 Tax Cuts and Jobs Act following regulatory approval effective January 1, 2020.

Liquidity and Capital Resources

As of March 31, 2020, Sierra Pacific's total net liquidity was as follows (in millions):

Cash and cash equivalents	$	27
Credit facility		250
Total net liquidity	$	277
Credit facility:		
Maturity date		2022

Operating Activities

Net cash flows from operating activities for the three-month periods ended March 31, 2020 and 2019 were $54 million and $44 million, respectively. The change was primarily due to higher collections from customers and a decrease in payments for fuel costs, partially offset by decreased collections of customer advances, higher inventory purchases, higher payments of customer service agreements and higher payments for operating costs.

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2020 and 2019 were $(52) million and $(52) million, respectively. Refer to "Future Uses of Cash" for further discussion of capital expenditures.

Financing Activities

Net cash flows from financing activities for the three-month periods ended March 31, 2020 and 2019 remained constant.

Debt Authorizations

Sierra Pacific currently has financing authority from the PUCN consisting of the ability to: (1) establish debt issuances limited to a debt ceiling of $1.6 billion (excluding borrowings under Sierra Pacific's $250 million secured credit facility); and (2) maintain a revolving credit facility of up to $600 million.

Future Uses of Cash

Sierra Pacific has available a variety of sources of liquidity and capital resources, both internal and external, including net cash flows from operating activities, public and private debt offerings, the use of its secured revolving credit facility, capital contributions and other sources. These sources are expected to provide funds required for current operations, capital expenditures, debt retirements and other capital requirements. The availability and terms under which Sierra Pacific has access to external financing depends on a variety of factors, including regulatory approvals, Sierra Pacific's credit ratings, investors' judgment of risk and conditions in the overall capital markets, including the condition of the utility industry.

Capital Expenditures

Capital expenditure needs are reviewed regularly by management and may change significantly as a result of these reviews, which may consider, among other factors, changes in environmental and other rules and regulations; impacts to customers' rates; outcomes of regulatory proceedings; changes in income tax laws; general business conditions; load projections; system reliability standards; the cost and efficiency of construction labor, equipment and materials; commodity prices; and the cost and availability of capital. Prudently incurred expenditures for compliance-related items such as pollution-control technologies, replacement generation and associated operating costs are generally incorporated into Sierra Pacific's regulated retail rates. Expenditures for certain assets may ultimately include acquisition of existing assets.

Historical and forecast capital expenditures, each of which exclude amounts for non-cash equity AFUDC and other non-cash items are as follows (in millions):

	Three-Month Periods Ended March 31,		Annual Forecast
	2019	2020	2020
Distribution	$ 34	$ 39	$ 117
Transmission system investment	2	7	22
Other	16	6	54
Total	$ 52	$ 52	$ 193

Sierra Pacific's forecast capital expenditures include investments related to operating projects that consist of routine expenditures for generation, transmission, distribution and other infrastructure needed to serve existing and expected demand.

Contractual Obligations

As of March 31, 2020, there have been no material changes outside the normal course of business in contractual obligations from the information provided in Item 7 of Sierra Pacific's Annual Report on Form 10-K for the year ended December 31, 2019.

COVID-19

In March 2020, COVID-19 was declared a global pandemic and containment and mitigation measures were recommended worldwide, which has had an unprecedented impact on society in general and many of the customers served by Sierra Pacific. While the rapid outbreak of COVID-19 has not had a material impact on Sierra Pacific's financial results or operations through March 31, 2020, impacts are likely to occur that affect future financial results. The state of Nevada has instituted a "stay-at-home" order, which has impacted Sierra Pacific's customers and, therefore, their needs for electricity and natural gas. As the impacts of COVID-19 and related customer and governmental responses are uncertain, including the duration of casino closures, a reduction in the consumption of electricity or natural gas, and related operating revenue, may occur, particularly in the commercial and industrial classes as well as distribution only service customers, as evidenced by the reduction experienced by Sierra Pacific in April 2020 compared to the same period in 2019. Due to regulatory requirements and voluntary actions taken by Sierra Pacific related to customer collection activity and suspension of disconnections for non-payment, Sierra Pacific could see delays or reductions in cash receipts, including potentially higher than normal bad debt expense, from retail customers related to the impacts of COVID-19. The amount of such reductions in cash receipts is unknown at this time. The PUCN has approved recovery of certain costs incurred in responding to COVID-19. Refer to "Regulatory Matters" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for further discussion.

Sierra Pacific's business has been deemed essential and its employees have been identified as "critical infrastructure employees" allowing them to move within communities and across jurisdictional boundaries as necessary to maintain its electric generation, transmission and distribution system and its natural gas distribution system. In response to the effects of COVID-19, Sierra Pacific has implemented its business continuity plan to protect its employees and customers. Such plans include a variety of actions, including situational use of personal protective equipment by employees when interacting with customers and implementing practices to enhance social distancing at the workplace. Such practices have included work-from-home, staggered work schedules, rotational work location assignments, increased cleaning and sanitation of work spaces and providing general health reminders intended to help lower the risk of spreading COVID-19.

Regulatory Matters

Sierra Pacific is subject to comprehensive regulation. Refer to "Regulatory Matters" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for discussion regarding Sierra Pacific's current regulatory matters.

Environmental Laws and Regulations

Sierra Pacific is subject to federal, state and local laws and regulations regarding climate change, RPS, air and water quality, emissions performance standards, coal combustion byproduct disposal, hazardous and solid waste disposal, protected species and other environmental matters that have the potential to impact Sierra Pacific's current and future operations. In addition to imposing continuing compliance obligations and capital expenditure requirements, these laws and regulations provide regulators with the authority to levy substantial penalties for noncompliance including fines, injunctive relief and other sanctions. These laws and regulations are administered by the EPA and various state and local agencies. All such laws and regulations are subject to a range of interpretation, which may ultimately be resolved by the courts. Environmental laws and regulations continue to evolve, and Sierra Pacific is unable to predict the impact of the changing laws and regulations on its operations and financial results. Sierra Pacific believes it is in material compliance with all applicable laws and regulations.

Refer to "Environmental Laws and Regulations" in Berkshire Hathaway Energy's Part I, Item 2 of this Form 10-Q for additional information regarding environmental laws and regulations.

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, derivatives, impairment of long-lived assets, income taxes and revenue recognition - unbilled revenue. For additional discussion of Sierra Pacific's critical accounting estimates, see Item 7 of Sierra Pacific's Annual Report on Form 10-K for the year ended December 31, 2019. There have been no significant changes in Sierra Pacific's assumptions regarding critical accounting estimates since December 31, 2019.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk affecting the Registrants, see Item 7A of each Registrant's Annual Report on Form 10-K for the year ended December 31, 2019. Each Registrant's exposure to market risk and its management of such risk has not changed materially since December 31, 2019. Refer to Note 7 of the Notes to Consolidated Financial Statements of PacifiCorp in Part I, Item 1 of this Form 10-Q for disclosure of the respective Registrant's derivative positions as of March 31, 2020.

Item 4. Controls and Procedures

At the end of the period covered by this Quarterly Report on Form 10-Q, each of Berkshire Hathaway Energy Company, PacifiCorp, MidAmerican Funding, LLC, MidAmerican Energy Company, Nevada Power Company and Sierra Pacific Power Company carried out separate evaluations, under the supervision and with the participation of each such entity's management, including its Chief Executive Officer (principal executive officer) and its Chief Financial Officer (principal financial officer), or persons performing similar functions, of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended). Based upon these evaluations, management of each such entity, including its Chief Executive Officer (principal executive officer) and its Chief Financial Officer (principal financial officer), or persons performing similar functions, in each case, concluded that the disclosure controls and procedures for such entity were effective to ensure that information required to be disclosed by such entity in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the United States Securities and Exchange Commission's rules and forms, and is accumulated and communicated to its management, including its Chief Executive Officer (principal executive officer) and its Chief Financial Officer (principal financial officer), or persons performing similar functions, in each case, as appropriate to allow timely decisions regarding required disclosure by it. Each such entity hereby states that there has been no change in its internal control over financial reporting during the quarter ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II

Item 1. Legal Proceedings

Not applicable.

Item 1A. Risk Factors

There has been no material change to each Registrant's risk factors from those disclosed in Item 1A of each Registrant's Annual Report on Form 10-K for the year ended December 31, 2019, except as disclosed below.

Each Registrant's business could be adversely affected by COVID-19 or other pathogens, or similar crises.

Each Registrant's business could be adversely affected by the worldwide outbreak of COVID-19 generally and more specifically in the markets in which we operate, including, without limitation, if each Registrant's utility customers experience decreases in demand for their products and services and thereby reduce their consumption of electricity or natural gas that the respective Registrant supplies, or if such Registrant experiences material payment defaults by its customers. For example, if the tourism industry in Nevada experiences a significant and extended decrease as a result of changes in customer behavior, demand for electricity sold by Nevada Power and Sierra Pacific could decrease. In addition, each Registrant's results and financial condition may be adversely affected by federal, state or local legislation related to COVID-19 (or other similar laws, regulations, orders or other governmental or regulatory actions) that would impose a moratorium on terminating electric or natural gas utility services, including related assessment of late fees, due to non-payment or other circumstances. Certain Registrants have already temporarily implemented certain of these measures, either voluntarily or in accordance with requirements of the respective Registrant's public utility commissions. These requirements will likely remain for the duration of the COVID-19 emergency. Additionally, HomeServices' residential real estate brokerage business could experience a decline (which could be significant) in residential property transactions if potential customers elect to defer purchases in reaction to any substantial outbreak, or fear of such outbreak, of COVID-19 or other pathogen, or due to general economic uncertainty such as high unemployment levels, in some or all of the real estate markets in which HomeServices operates. The government and regulators could impose other requirements on each Registrant's business that could have an adverse impact on such Registrant's financial results.

Further, the recent outbreak of COVID-19, or another pathogen, could disrupt supply chains (including supply chains for energy generation, steel or transmission wire) relating to the markets each Registrant serves, which could adversely impact such Registrant's ability to generate or supply power. In addition, such disruptions to the supply chain could delay certain construction and other capital expenditure projects, including construction and repowering of PacifiCorp's and MidAmerican Energy's wind-powered generation projects. Potential delays could result in their completion past certain in-service date guidance provided by the Internal Revenue Service in order to qualify the investments in such wind-powered generation facilities for the maximum federal PTCs. Such disruptions could adversely affect the impacted Registrant's future financial results.

Such declines in demand, any inability to generate or supply power or delays in capital projects could also significantly reduce cash flows at BHE's subsidiaries, thereby reducing the availability of distributions to BHE, which could adversely affect its financial results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Information regarding Berkshire Hathaway Energy's and PacifiCorp's mine safety violations and other legal matters disclosed in accordance with Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is included in Exhibit 95 to this Form 10-Q.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following is a list of exhibits filed as part of this Quarterly Report.

Exhibit No.	Description
BERKSHIRE HATHAWAY ENERGY	
4.1	Fifteenth Supplemental Indenture, dated as of March 27, 2020, by and between Berkshire Hathaway Energy Company and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 3.70% Senior Notes due 2030 and the 4.25% Senior Notes due 2050 (incorporated by reference to Exhibit 4.1 to the Berkshire Hathaway Energy Company Current Report on Form 8-K dated March 27, 2020).
4.2	Fourteenth Supplemental Indenture, dated as of March 24, 2020, by and between Berkshire Hathaway Energy Company and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 4.05% Senior Notes due 2025 (incorporated by reference to Exhibit 4.1 to the Berkshire Hathaway Energy Company Current Report on Form 8-K dated March 25, 2020).
15.1	Awareness Letter of Independent Registered Public Accounting Firm.
31.1	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
PACIFICORP	
15.2	Awareness Letter of Independent Registered Public Accounting Firm.
31.3	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.3	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.4	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
BERKSHIRE HATHAWAY ENERGY AND PACIFICORP	
4.3	Thirty-First Supplemental Indenture, dated as of April 1, 2020, to PacifiCorp's Mortgage and Deed of Trust dated as of January 9, 1989 (incorporated by reference to Exhibit 4.1 to the PacifiCorp Current Report on Form 8-K dated April 8, 2020).
95	Mine Safety Disclosures Required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.
MIDAMERICAN ENERGY	
15.3	Awareness Letter of Independent Registered Public Accounting Firm.
31.5	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.6	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.5	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.6	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit No.	Description
MIDAMERICAN FUNDING	
31.7	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.8	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.7	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.8	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
NEVADA POWER	
15.4	Awareness Letter of Independent Registered Public Accounting Firm.
31.9	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.10	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.9	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.10	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
SIERRA PACIFIC	
31.11	Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.12	Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.11	Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.12	Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
ALL REGISTRANTS	
101	The following financial information from each respective Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, is formatted in XBRL (eXtensible Business Reporting Language) and included herein: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Changes in Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements, tagged in summary and detail.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BERKSHIRE HATHAWAY ENERGY COMPANY

Date: May 1, 2020

/s/ Calvin D. Haack

Calvin D. Haack
Senior Vice President and Chief Financial Officer
(principal financial and accounting officer)

PACIFICORP

Date: May 1, 2020

/s/ Nikki L. Kobliha

Nikki L. Kobliha
Vice President, Chief Financial Officer and Treasurer
(principal financial and accounting officer)

MIDAMERICAN FUNDING, LLC
MIDAMERICAN ENERGY COMPANY

Date: May 1, 2020

/s/ Thomas B. Specketer

Thomas B. Specketer
Vice President and Controller
of MidAmerican Funding, LLC and
Vice President and Chief Financial Officer
of MidAmerican Energy Company
(principal financial and accounting officer)

NEVADA POWER COMPANY

Date: May 1, 2020

/s/ Michael E. Cole

Michael E. Cole
Vice President and Chief Financial Officer
(principal financial and accounting officer)

SIERRA PACIFIC POWER COMPANY

Date: May 1, 2020

/s/ Michael E. Cole

Michael E. Cole
Vice President and Chief Financial Officer
(principal financial and accounting officer)

EXHIBIT 15.1

May 1, 2020

To the Board of Directors and Shareholders of
Berkshire Hathaway Energy Company
Des Moines, Iowa

We are aware that our report dated May 1, 2020, on our review of the interim financial information of Berkshire Hathaway Energy Company appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, is incorporated by reference in Registration Statement No. 333-228511 on Form S-8.

/s/ Deloitte & Touche LLP

Des Moines, Iowa

EXHIBIT 15.2

May 1, 2020

To the Board of Directors and Shareholders of
PacifiCorp
Portland, Oregon

We are aware that our report dated May 1, 2020, on our review of the interim financial information of PacifiCorp and subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, is incorporated by reference in Registration Statement No. 333-227592 on Form S-3.

/s/ Deloitte & Touche LLP

Portland, Oregon

EXHIBIT 15.3

May 1, 2020

To the Board of Directors and Shareholder of
MidAmerican Energy Company
Des Moines, Iowa

We are aware that our report dated May 1, 2020, on our review of the interim financial information of MidAmerican Energy Company appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, is incorporated by reference in Registration Statement No. 333-225916 on Form S-3.

/s/ Deloitte & Touche LLP

Des Moines, Iowa

EXHIBIT 15.4

May 1, 2020

To the Board of Directors and Shareholder of
Nevada Power Company
Las Vegas, Nevada

We are aware that our report dated May 1, 2020 on our review of the interim financial information of Nevada Power Company and subsidiaries appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, is incorporated by reference in Registration Statement No. 333-234207 on Form S-3.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada

EXHIBIT 31.1

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, William J. Fehrman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Berkshire Hathaway Energy Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ William J. Fehrman
William J. Fehrman
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Calvin D. Haack, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Berkshire Hathaway Energy Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Calvin D. Haack
Calvin D. Haack
Senior Vice President and Chief Financial Officer
(principal financial officer)

EXHIBIT 31.3

CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, William J. Fehrman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PacifiCorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ William J. Fehrman
William J. Fehrman
Chairman of the Board of Directors and Chief Executive Officer
(principal executive officer)

EXHIBIT 31.4

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Nikki L. Kobliha, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PacifiCorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Nikki L. Kobliha
Nikki L. Kobliha
Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

EXHIBIT 31.5

CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Adam L. Wright, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MidAmerican Energy Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Adam L. Wright
Adam L. Wright
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 31.6

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Thomas B. Specketer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MidAmerican Energy Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Thomas B. Specketer
Thomas B. Specketer
Vice President and Chief Financial Officer
(principal financial officer)

EXHIBIT 31.7

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Adam L. Wright, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MidAmerican Funding, LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Adam L. Wright
Adam L. Wright
President
(principal executive officer)

EXHIBIT 31.8

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Thomas B. Specketer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MidAmerican Funding, LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Thomas B. Specketer
Thomas B. Specketer
Vice President and Controller
(principal financial officer)

EXHIBIT 31.9

CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Douglas A. Cannon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nevada Power Company (dba NV Energy);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Douglas A. Cannon
Douglas A. Cannon
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 31.10

CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Michael E. Cole, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nevada Power Company (dba NV Energy);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Michael E. Cole
Michael E. Cole
Vice President and Chief Financial Officer
(principal financial officer)

EXHIBIT 31.11

CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Douglas A. Cannon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sierra Pacific Power Company (dba NV Energy);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Douglas A. Cannon
Douglas A. Cannon
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 31.12

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Michael E. Cole, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sierra Pacific Power Company (dba NV Energy);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2020

/s/ Michael E. Cole
Michael E. Cole
Vice President and Chief Financial Officer
(principal financial officer)

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, William J. Fehrman, President and Chief Executive Officer of Berkshire Hathaway Energy Company (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o (d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 1, 2020

/s/ William J. Fehrman
William J. Fehrman
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Calvin D. Haack, Senior Vice President and Chief Financial Officer of Berkshire Hathaway Energy Company (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o (d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 1, 2020

/s/ Calvin D. Haack
Calvin D. Haack
Senior Vice President and Chief Financial Officer
(principal financial officer)

EXHIBIT 32.3

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, William J. Fehrman, Chairman of the Board of Directors and Chief Executive Officer of PacifiCorp, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of PacifiCorp for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o (d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of PacifiCorp.

Date: May 1, 2020

/s/ William J. Fehrman
William J. Fehrman
Chairman of the Board of Directors and Chief Executive Officer
(principal executive officer)

EXHIBIT 32.4

CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Nikki L. Kobliha, Vice President, Chief Financial Officer and Treasurer of PacifiCorp, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of PacifiCorp for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o (d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of PacifiCorp.

Date: May 1, 2020

/s/ Nikki L. Kobliha
Nikki L. Kobliha
Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

EXHIBIT 32.5

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Adam L. Wright, President and Chief Executive Officer of MidAmerican Energy Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of MidAmerican Energy Company for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of MidAmerican Energy Company.

Date: May 1, 2020

/s/ Adam L. Wright
Adam L. Wright
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 32.6

CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Thomas B. Specketer, Vice President and Chief Financial Officer of MidAmerican Energy Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of MidAmerican Energy Company for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of MidAmerican Energy Company.

Date: May 1, 2020

/s/ Thomas B. Specketer
Thomas B. Specketer
Vice President and Chief Financial Officer
(principal financial officer)

EXHIBIT 32.7

CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Adam L. Wright, President of MidAmerican Funding, LLC, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of MidAmerican Funding, LLC for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of MidAmerican Funding, LLC.

Date: May 1, 2020

/s/ Adam L. Wright
Adam L. Wright
President
(principal executive officer)

EXHIBIT 32.8

CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Thomas B. Specketer, Vice President and Controller of MidAmerican Funding, LLC, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of MidAmerican Funding, LLC for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of MidAmerican Funding, LLC.

Date: May 1, 2020

/s/ Thomas B. Specketer
Thomas B. Specketer
Vice President and Controller
(principal financial officer)

EXHIBIT 32.9

CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Douglas A. Cannon, President and Chief Executive Officer of Nevada Power Company (dba NV Energy), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of Nevada Power Company for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Nevada Power Company.

Date: May 1, 2020

/s/ Douglas A. Cannon
Douglas A. Cannon
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 32.10

CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Michael E. Cole, Vice President and Chief Financial Officer of Nevada Power Company (dba NV Energy), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of Nevada Power Company for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Nevada Power Company.

Date: May 1, 2020

/s/ Michael E. Cole
Michael E. Cole
Vice President and Chief Financial Officer
(principal financial officer)

EXHIBIT 32.11

CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Douglas A. Cannon, President and Chief Executive Officer of Sierra Pacific Power Company (dba NV Energy), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of Sierra Pacific Power Company for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Sierra Pacific Power Company.

Date: May 1, 2020

/s/ Douglas A. Cannon
Douglas A. Cannon
President and Chief Executive Officer
(principal executive officer)

EXHIBIT 32.12

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Michael E. Cole, Vice President and Chief Financial Officer of Sierra Pacific Power Company (dba NV Energy), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of Sierra Pacific Power Company for the quarterly period ended March 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Sierra Pacific Power Company.

Date: May 1, 2020

/s/ Michael E. Cole
Michael E. Cole
Vice President and Chief Financial Officer
(principal financial officer)

EXHIBIT 95

MINE SAFETY VIOLATIONS AND OTHER LEGAL MATTER DISCLOSURES PURSUANT TO SECTION 1503(a) OF THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT

PacifiCorp and its subsidiaries operate certain coal mines and coal processing facilities (collectively, the "mining facilities") that are regulated by the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Safety Act"). MSHA inspects PacifiCorp's mining facilities on a regular basis. The total number of reportable Mine Safety Act citations, orders, assessments and legal actions for the three-month period ended March 31, 2020 are summarized in the table below and are subject to contest and appeal. The severity and assessment of penalties may be reduced or, in some cases, dismissed through the contest and appeal process. Amounts are reported regardless of whether PacifiCorp has challenged or appealed the matter. Mines that are closed or idled are not included in the information below as no reportable events occurred at those locations during the three-month period ended March 31, 2020. There were no mining-related fatalities during the three-month period ended March 31, 2020. PacifiCorp has not received any notice of a pattern, or notice of the potential to have a pattern, of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under Section 104(e) of the Mine Safety Act during the three-month period ended March 31, 2020.

	Mine Safety Act						Legal Actions		
Mining Facilities	Section 104 Significant and Substantial Citations[1]	Section 104(b) Orders[2]	Section 104(d) Citations/ Orders[3]	Section 110(b)(2) Violations[4]	Section 107(a) Imminent Danger Orders[5]	Total Value of Proposed MSHA Assessments (in thousands)	Pending as of Last Day of Period[6]	Instituted During Period	Resolved During Period
Bridger (surface)	—	—	—	—	—	$ 1	—	—	—
Bridger (underground)	—	—	—	—	—	5	—	—	1
Wyodak Coal Crushing Facility	—	—	—	—	—	—	—	—	—

(1) Citations for alleged violations of mandatory health and safety standards that could significantly or substantially contribute to the cause and effect of a safety or health hazard under Section 104 of the Mine Safety Act.

(2) For alleged failures to totally abate the subject matter of a Mine Safety Act Section 104(a) citation within the period specified in the citation.

(3) For alleged unwarrantable failures (i.e., aggravated conduct constituting more than ordinary negligence) to comply with a mandatory health or safety standard.

(4) For alleged flagrant violations (i.e., reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury).

(5) For the existence of any condition or practice in a coal or other mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated.

(6) For the existence of any proposed penalties under Subpart C of the Federal Mine Safety and Health Review Commission's procedural rules. The pending legal actions are not exclusive to citations, notices, orders and penalties assessed by MSHA during the reporting period.

Appendix B

Statement of Present and Proposed Rates

PacifiCorp
State of California
ECAC/GHG Application
Statement of Present and Proposed Rates

Tariff Schedules	Present Rates	Proposed Rates	
Schedule D (Standard Residential)			
Basic Charge	$7.21	$7.21	/month
Energy Charge			
Baseline kWh	13.384	12.610	¢/kWh
Non-Baseline kWh	15.210	14.436	¢/kWh
Schedule DL-6 (Residential CARE)			
Basic Charge	$5.77	$5.77	/month
Energy Charge			
Baseline kWh	10.168	9.549	¢/kWh
Non-Baseline kWh	11.629	11.010	¢/kWh
Schedule A-25 Secondary			
Basic Charge			
1 Phase	$13.90	$13.90	/month
3 Phase	$19.07	$19.07	/month
Energy Charge	15.092	14.323	¢/kWh
Schedule A-25 Primary			
Basic Charge			
1 Phase	$13.90	$13.90	/month
3 Phase	$19.07	$19.07	/month
Energy Charge	14.942	14.181	¢/kWh
Schedule A-32 Secondary			
Basic Charge			
1 Phase	$12.76	$12.76	/month
3 Phase	$17.52	$17.52	/month
Distribution Demand Charge	$1.60	$1.60	/kW
Generation & Transmission Demand Charge	$4.44	$4.01	/kW
Energy Charge	10.927	10.353	¢/kWh
Reactive Power	60.00	60.00	¢/kVar
Schedule A-32 Primary			
Basic Charge			
1 Phase	$12.76	$12.76	/month
3 Phase	$17.52	$17.52	/month
Distribution Demand Charge	$1.12	$1.12	/kW
Generation & Transmission Demand Charge	$4.44	$4.01	/kW
Energy Charge	10.819	10.251	¢/kWh
Reactive Power	60.00	60.00	¢/kVar
High Voltage Charge	$60.00	$60.00	/month

Reflects present rates in effect at the time of the intial filing in this docket.

PacifiCorp
State of California
ECAC/GHG Application
Statement of Present and Proposed Rates

Tariff Schedules	Present Rates	Proposed Rates	
Schedule A-36 Secondary			
Basic Charge	$227.68	$227.68	/month
Distribution Demand Charge	$2.95	$2.95	/kW
Generation & Transmission Demand Charge	$8.36	$7.47	/kW
Energy Charge	8.604	8.011	¢/kWh
Reactive Power	60.00	60.00	¢/kVar
Schedule A-36 Primary			
Basic Charge	$227.68	$227.68	/month
Distribution Demand Charge	$2.07	$2.07	/kW
Generation & Transmission Demand Charge	$8.36	$7.47	/kW
Energy Charge	8.519	7.932	¢/kWh
Reactive Power	60.00	60.00	¢/kVar
High Voltage Charge	$60.00	$60.00	/month
Schedule AT-48 Secondary			
Basic Charge	$411.94	$411.94	/month
Distribution Demand Charge	$1.76	$1.76	/kW
Generation & Transmission Demand Charge (Summer)	$6.96	$6.12	/kW
Generation & Transmission Demand Charge (Winter)	$7.54	$6.70	/kW
Energy Charge	7.534	6.922	¢/kWh
Reactive Power	60.00	60.00	¢/kVar
Schedule AT-48 Primary/Transmission			
Basic Charge	$411.94	$411.94	/month
Distribution Demand Charge	$1.23	$1.23	/kW
Generation & Transmission Demand Charge (Summer)	$6.96	$6.12	/kW
Generation & Transmission Demand Charge (Winter)	$7.54	$6.70	/kW
Energy Charge	7.460	6.854	¢/kWh
Reactive Power	60.00	60.00	¢/kVar
High Voltage Charge	$60.00	$60.00	/month
Schedule PA-20			
Basic Charge - Annually (billed in November)			
1 Phase Any Size, 3 Phase <= 50kW	$72.52	$72.52	
3 Phase Load Size > 50 kW	$149.81	$149.81	
Distribution Demand Charge - Annually (billed in November)	$15.98	$15.98	/kW
Generation & Transmission Demand Charge	$5.60	$5.11	/kW
Energy Charge	9.676	9.096	¢/kWh
Reactive Power	60.00	60.00	¢/kVar

Reflects present rates in effect at the time of the intial filing in this docket.

PacifiCorp
State of California
ECAC/GHG Application
Statement of Present and Proposed Rates

Tariff Schedules				Present Rates	Proposed Rates	
Schedule OL-15						
	lumen		*kWh*			
Mercury Vapor	7,000		76	$17.22	$16.57	/Lamp
Mercury Vapor	21,000		172	$36.27	$34.81	/Lamp
Mercury Vapor	55,000		412	$82.29	$78.79	/Lamp
High Pressure Sodium	5,800		31	$13.89	$13.62	/Lamp
High Pressure Sodium	22,000		85	$25.55	$24.83	/Lamp
High Pressure Sodium	50,000		176	$45.87	$44.36	/Lamp
Schedule OL-42						
Basic Charge						
Single Phase				$8.93	$8.93	/month
Three Phase				$12.23	$12.23	/month
All kWh				16.979	16.160	¢/kWh
Schedule LS-51						
	lumen	*Watts*	*kWh*			
HPSV - Functional						
High Pressure Sodium	5,800	70	31	$10.16	$9.93	/Lamp
High Pressure Sodium	9,500	100	44	$12.18	$11.86	/Lamp
High Pressure Sodium	16,000	150	64	$16.74	$16.27	/Lamp
High Pressure Sodium	22,000	200	85	$21.43	$20.81	/Lamp
High Pressure Sodium	27,500	250	115	$28.21	$27.36	/Lamp
High Pressure Sodium	50,000	400	176	$42.20	$40.89	/Lamp
Decorative Series 1						
High Pressure Sodium	9,500	100	44	$32.50	$32.18	/Lamp
High Pressure Sodium	16,000	150	64	$34.79	$34.32	/Lamp
Decorative Series 2						
High Pressure Sodium	9,500	100	44	$26.81	$26.49	/Lamp
High Pressure Sodium	16,000	150	64	$29.06	$28.59	/Lamp
LED - Functional						
Light Emitting Diode	4,000	50	17	$9.55	$9.44	/Lamp
Light Emitting Diode	6,200	75	25	$13.11	$12.93	/Lamp
Light Emitting Diode	13,000	135	47	$24.78	$24.43	/Lamp
Light Emitting Diode	16,800	185	64	$36.50	$36.03	/Lamp

Reflects present rates in effect at the time of the intial filing in this docket.

PacifiCorp
State of California
ECAC/GHG Application
Statement of Present and Proposed Rates

Tariff Schedules				Present Rates	Proposed Rates	
Schedule LS-53						
	lumen	*Watts*	*kWh*			
High Pressure Sodium	5,800	70	31	$4.43	$4.16	/Lamp
High Pressure Sodium	9,500	100	44	$6.29	$5.92	/Lamp
High Pressure Sodium	16,000	150	64	$9.12	$8.58	/Lamp
High Pressure Sodium	22,000	200	85	$12.16	$11.43	/Lamp
High Pressure Sodium	27,500	250	115	$16.43	$15.44	/Lamp
High Pressure Sodium	50,000	400	176	$25.16	$23.64	/Lamp
Non-Listed Luminaire				14.292	13.434	¢/kWh
Schedule LS-58						
Class A	*lumen*		*kWh*			
Incandescent	2,500		73	$12.38	$11.82	/Lamp
Mercury Vapor	7,000		76	$12.92	$12.32	/Lamp
Mercury Vapor	21,000		172	$29.21	$27.88	/Lamp

Appendix C

Summary of PacifiCorp's Earnings

Appendix C
PacifiCorp
Summary of Earnings
Twelve Months Ended December 31, 2019

Line	Item	California
1	Operating Revenue	$104,152,805
2	Operating Expenses	$88,176,514
3	Operating Revenue for Return	$15,976,291
4	Total Rate Base	$288,914,577
5	Return on Rate Base	5.53%

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of PacifiCorp (U 901 E) for Approval of its 2021 Energy Cost Adjustment Clause and Greenhouse Gas-Related Forecast and Reconciliation of Costs and Revenue	Application No. 20-08-___ (Filed August 3, 2020)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served, the following document in A.20-08-___, **APPLICATION OF PACIFICORP (U 901 E) FOR APPROVAL OF ITS 2021 ENERGY COST ADJUSTMENT CLAUSE AND GREENHOUSE GAS-RELATED FORECAST AND RECONCILIATION OF COSTS AND REVENUE** on all known parties to the attached service list A.19-08-002 (the service list for last year's proceeding) by transmitting an e-mail message with the document attached to each person named in the official service list.

(See the attached Service List A.19-08-002)

Executed on August 3, 2020, at Portland, Oregon.

Katie Savarin

Katie Savarin
Coordinator, Regulatory Operations

CPUC Home

CALIFORNIA PUBLIC UTILITIES COMMISSION
Service Lists

PROCEEDING: A1908002 - PACIFICORP - FOR APP
FILER: PACIFICORP
LIST NAME: LIST
LAST CHANGED: MAY 7, 2020

Download the Comma-delimited File
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Back to Service Lists Index

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Application No. 20-08-___
Exhibit No. PAC/100
Witness: David G. Webb

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Direct Testimony of David G. Webb

Energy Cost Adjustment Clause Balancing Rate and Offset Rate Calculations

August 2020

Table of Contents

Attached Exhibits

I. Witness Qualifications

Q. Please state your name, business address, and present position with PacifiCorp d/b/a Pacific Power (PacifiCorp or company).

A. My name is David G. Webb and my business address is 825 NE Multnomah Street, Suite 600, Portland, Oregon 97232. My title is Manager, Net Power Costs.

Q. Briefly describe your education and business experience.

A. I received a Master of Accountancy degree from Southern Utah University in 1999 and a Bachelor of Science degree in Business Management from Brigham Young University in 1994. I am a Certified Public Accountant licensed in the state of Nevada. I have been employed by PacifiCorp since 2005 and have held various positions in the regulation, finance, fuels, and mining departments. I assumed my current role managing the regulatory net power cost group in 2019.

Q. Have you testified in previous regulatory proceedings?

A. Yes. I have previously provided testimony to the public utility commissions in Utah, Wyoming, Idaho, Oregon, and Washington.

II. Summary of Testimony

Q. Please summarize your direct testimony.

A. I present the company's proposed Energy Cost Adjustment Clause (ECAC) Balancing Rate and Offset Rate calculations for calendar year 2021 (2021 ECAC). In addition, my testimony:

- Presents the updated 2019 adjusted actual and 2020 adjusted actual/projected net power costs (NPC), which are used to develop the 2021 Balancing Rate;
- Includes a discussion about the company's participation in the energy

imbalance market (EIM) with the California Independent System Operator (CAISO) and the benefits from EIM that are passed through to customers;

- Presents the 2021 projected NPC, which are used to develop the 2021 Offset Rate;
- Describes the determination of NPC using the company's production cost model, Generation and Regulation Initiatives Decision Tool (GRID); and
- Describes the treatment of fuel stock carrying charges, costs for implementation and reporting verification under the California Air Resources Board (ARB) Mandatory Reporting Rule and Cap and Trade Program (ARB administrative costs), net metering surplus costs, purchases of renewable energy certificates (RECs) for renewables portfolio standard (RPS) compliance, renewable energy production tax credits (PTCs), and start-up fuel costs.

Q. Please provide an overview of the ECAC filing.

A. In this 2021 ECAC filing, the company is requesting recovery of approximately $0.8 million through the Balancing Rate to true-up collection of actual NPC during 2019 and 2020. The change in the Balancing Rate results in a $1.9 million decrease compared to rates currently in effect. The company is also proposing to adjust the Offset Rate for 2021 resulting in a rate decrease of approximately $4.8 million. Compared to total-company NPC in the 2020 ECAC, projected NPC in the 2021 ECAC are lower by 6.7 percent. However, the 2021 projected PTC benefits are more than double the projected 2020 PTCs, primarily due to the company's new wind facilities that are anticipated to begin operating in the fourth quarter of 2020. As shown in Exhibit PAC/101, Line 14, the proposed 2021 Offset Rate is $23.88 per megawatt-hour (MWh), which is a reduction of 18.2 percent from the rate of $29.21 per MWh, which the company proposed in its 2020 ECAC Application, A.19-08-002.[1] With the change in the Offset Rate greater than the five percent threshold, the company proposes to change the rate for 2021 and decrease the 2021 Balancing Rate.

In addition to NPC, the Balancing Rate and Offset Rate include changes to ARB administrative costs, net metering surplus compensation, fuel stock carrying charges, REC purchases for RPS compliance, PTCs, and start-up fuel costs. Renewable energy PTCs and start-up fuel costs have been included in accordance with the company's 2019 Rate Case filing (A.18-04-002).

Summary calculations of the Balancing Rate and Offset Rate are provided in Exhibit PAC/101. If approved, the proposed rates would take effect January 1, 2021. Ms. Judith M. Ridenour provides testimony describing the impact on customers' rates (Exhibit PAC/500).

Q. Please explain the status of the company's 2020 ECAC application.

A. The 2020 ECAC application filed by the company in A.19-08-002 is still pending approval from the Commission. The case has been fully heard and briefed and awaits a final decision. In preparing the 2021 ECAC Offset and Balancing Rates, PacifiCorp has assumed that the Offset and Balancing rates proposed in A.19-08-002 will be approved by the Commission.[2] To the extent that those rates are modified in any way by a final decision in the case, PacifiCorp will true up its 2021 ECAC application to

[1] A Commission decision regarding the company's 2020 ECAC in A.19-08-002 is still pending.
[2] However, the present rates and rate impact calculation presented in Exhibit PAC/500 do not reflect the pending rates proposed in A.19-08-002, but rather rates that are currently in place.

reflect such changes. This could be done by supplemental testimony, or by an amendment to the 2021 ECAC application, and PacifiCorp will consider the appropriate procedural means for an adjustment to reflect a final decision in the 2020 ECAC after it has been issued.

Q. Please explain the impact of the 2019 Rate Case on the 2021 ECAC.

A. In Decision (D.) 20-02-025 issued in the company's 2019 Rate Case, the Commission approved the company's proposed modification to the ECAC to include PTCs and start-up fuel costs. The Commission also approved the company's proposed update to its inter-jurisdictional allocation method.

In accordance with D.20-02-025, the company is implementing rates from the 2019 Rate Case effective as of February 1, 2020. The changes to PTCs and start-up fuel costs were included in the 2020 Offset Rate in the company's 2020 ECAC. PTCs and start-up fuel were included in the Balancing Rate for the first time as part of the 2020 ECAC. Beginning in February 2020 with the 2021 ECAC, the impact of the variance between projected and actual PTCs and projected and actual start-up fuel costs are also now trued-up. In the 2021 ECAC, all costs before February 1, 2020 were allocated using the former approved allocation methodology, and all costs on or after February 1, 2020 were allocated using the updated allocation methodology from the 2019 Rate Case.

Q. Please describe Exhibit PAC/101.

A. Exhibit PAC/101 shows the calculation of the proposed Offset and Balancing Rates for the 2021 rate effective period. Lines 1 through 14 are used to develop the Offset Rate. Lines 15 through 61 are used to develop the Balancing Rate.

III. Adjusted Actual Net Power Costs

Q. Please explain adjusted actual NPC.

A. NPC are defined as the sum of the company's fuel expenses, wholesale purchase power expenses, and wheeling expenses, less wholesale sales revenue. Adjusted actual NPC are the sum of total-company amounts recorded in Federal Energy Regulatory Commission Accounts 501, 503 and 547 (Steam Production Fuel Expense) for the company's coal, geothermal, and natural gas resources; 555 (Purchased Power); and 565 (Wheeling); less Account 447 (Sales for Resale). These amounts are adjusted to: (1) align booked NPC in those accounts with NPC used in the rate setting process, ensuring only comparable costs are used in the deferral calculation; and (2) remove prior-period accounting entries, if any, recorded during the deferral period that are not applicable to the current period.

Q. Why are the 2019 adjusted actual NPC different from what the company included in its 2020 ECAC filing?

A. At the time of the 2020 ECAC filing, actual NPC were only available for January through May 2019. As a result, the data used to calculate the 2020 Balancing Rate included five months of adjusted actual NPC (January through May 2019) and seven months of projected NPC (June through December 2019). In the current filing, the company updated its 2019 data to incorporate the actual NPC for the entire 12-month period. The 2019 adjusted actual NPC are shown in Exhibit PAC/102.

Q. Which months in 2020 reflect adjusted actual NPC in the current filing?

A. January through May 2020 reflect adjusted actual NPC while June through December 2020 are a projection of the company's NPC for the balance of the year.

Consistent with the design of the ECAC, these are combined to reflect the overall expected NPC for 2020. The 2020 adjusted actual/projected NPC are shown in Exhibit PAC/103.

Q. How will the projected NPC be reconciled to actual NPC?

A. In its annual ECAC filings, the company compares adjusted actual NPC to amounts previously projected. The difference between adjusted actual NPC and the projected amount on a California-allocated basis is tracked in the ECAC balancing account where it accrues interest based on the nonfinancial commercial paper rate. Amounts included in the ECAC balancing account are recovered from or refunded to customers through the Balancing Rate.

IV. 2021 Balancing Rate

Q. Please describe the components included in the 2021 Balancing Rate.

A. The Balancing Rate is the rate that returns to or recovers from customers the actual deferred NPC accumulated in the ECAC balancing account. Table 1 shows the individual components making up the Balancing Rate for 2021.

Table 1

	ECAC Balancing Rate			
	Balancing Account			
1	Balancing Account Balance 12/31/2019		$	27,531
2	2019 NPC Variance			1,498,235
3	2020 NPC Variance			(1,078,480)
4	Fuel Stock Carrying Charge, ARB Admin Costs, Net Metering Costs, REC Purchases, PTCs, and Start-Up Fuel Costs			297,243
5	Interest			27,232
6	**Total Balancing Account**	Sum of Lines 1 - 5	**$**	**771,761**
7	California Projected Sales (MWh)			747,460
8	Balancing Rate $/MWh	Line 6 / Line 7	$	1.03
9	Billing Factor (Franchise Fees & Uncollectible Accounts)			102.1%
10	**Balancing Rate with Billing Factor $/MWh**	Line 8 x Line 9	**$**	**1.05**

As shown in Table 1, the 2021 Balancing Rate is calculated by:

(1) Determining the total amount in the ECAC balancing account (Table 1, Line 6) by accumulating the sum of:

- the unrecovered amount from previous ECAC filings remaining in the ECAC balancing account as of December 31, 2019;
- the variance between the 2019 adjusted actual NPC and the amount projected in the 2020 ECAC filing;
- the variance between 2020 adjusted actual/projected NPC and the NPC projected in the 2020 ECAC filing;

- the fuel stock carrying charge, the ARB administrative costs, net metering surplus compensation, REC purchases for RPS compliance, PTCs, and Start-Up Fuel costs; and,
- interest accumulated on the balance of the ECAC balancing account.

(2) Dividing the total balance of the ECAC balancing account (Table 1, Line 6) by the California projected retail sales (Table 1, Line 7) included in the company's 2019 Rate Case.

(3) Grossing-up the result for the ECAC Billing Factor (Table 1, Line 9) to account for franchise fees and uncollectible accounts expense, as included in the company's 2019 Rate Case.

Q. What is the company's proposed Balancing Rate?

A. As shown in Table 1 and in Exhibit PAC/101, Line 60, the proposed Balancing Rate is $1.05 per MWh.

Q. What is the total dollar amount to be collected through the Balancing Rate in 2021?

A. Accumulating the 2019 residual balance and the incremental deferrals for 2019 and 2020, plus interest, results in a total of approximately $0.8 million to be collected from customers through the Balancing Rate. The total includes amounts for the fuel stock carrying charges, net metering surplus compensation, ARB administrative costs, REC purchases for RPS compliance, PTCs, and start-up fuel costs.

Q. Please explain the difference between the amount of NPC anticipated to be deferred during 2019 and the actual NPC deferred during 2019.

A. In its 2020 ECAC filing, the 2019 deferral was calculated using actual information from January through May 2019 and a projection of NPC and related collections from customers for the remainder of the year. The company anticipated that during 2019 it would accumulate an under-recovery of approximately $1.3 million to collect from customers. The actual amount deferred for 2019 was an under-recovery of $2.8 million, or a difference of $1.5 million from projected levels, as shown on Line 49 of Exhibit PAC/101.

The $1.5 million under-recovery consists of two components: (1) actual NPC for 2019 was approximately $2.8 million higher than projected on a California-allocated basis; and (2) collections from customers through the Offset Rate in effect during 2019 were approximately $64,000 less than projected, causing the deferred balance to increase. Adjusted Actual NPC were higher than anticipated NPC, in part due to higher purchased power costs, but partially offset by lower coal costs.

Q. Please describe the changes that caused an increase in NPC during 2019.

A. Purchased power costs were two percent higher than projected in the 2019 ECAC, primarily due to above normal market prices. Higher purchased power costs were partially offset by lower coal costs.

Q. Please describe why collections from customers through the offset rate was less than expected during 2019.

A. Collections through the offset rate are based on customer usage. The offset rate for 2019 was determined using the California retail sales included in the company's 2019 Rate Case. In 2019, customer usage was approximately 6,500 MWh below the level set in the 2019 Rate Case.

Q. Please explain the amount the company expects to defer to the ECAC balancing account during 2020.

A. Based on actual NPC data for five months (January through May 2020) and projected NPC for seven months (June through December 2020), the company anticipates it will defer approximately a $1.1 million reduction to the ECAC balancing account during 2020. The residual balance of approximately $28,000 in the balancing account at the end of 2019 is added to the expected 2020 deferral and the net result is approximately $1.1 million to be refunded to customers as shown on line 49 of Exhibit PAC/101.

V. <u>2021 Offset Rate</u>

Q. Please explain the 2021 Offset Rate.

A. The Offset Rate is the amount of California-allocated 2021 NPC, fuel stock carrying charges, ARB administrative costs, net metering surplus compensation, REC purchases for RPS compliance, PTCs, and start-up fuel costs that will be recovered from customers for the forecast test year (2021). According to the Commission-approved terms of the ECAC mechanism, if the change in NPC exceeds five percent, the rate is updated for the upcoming rate effective period. Compared to NPC in the 2020 ECAC, forecast NPC in the 2021 ECAC are lower by 6.7 percent. Additionally, the inclusion of PTCs in the 2021 ECAC decrease net power cost even further and thereby decrease the Offset Rate. The proposed Offset Rate is $23.88 per MWh, which is a reduction of 18.2 percent from the rate of $29.21 per MWh, as proposed in the company’s 2020 ECAC, A.19-08-002. With the change in the Offset Rate greater than the five percent threshold, the company proposes to change the Offset Rate for

2021.

Q. Please explain the calculation of the Offset Rate for 2021.

A. The Offset Rate is calculated by:

(1) summing the projected California-allocated 2021 NPC, fuel stock carrying charges, ARB administrative costs, net metering surplus compensation, REC purchases for RPS compliance, PTCs, and start-up fuel costs;

(2) dividing by the projected California retail sales; and

(3) grossing up the amount by the ECAC Billing Factor to account for franchise fees and uncollectible accounts expense.

As shown in Exhibit PAC/101, Line 14, the calculated 2021 Offset Rate is $23.88 per MWh. The rate is composed of approximately $21.4 million in California-allocated NPC, $0.01 million of fuel stock carrying charges, $0.08 million in ARB administrative costs, $0.08 million of REC purchases for RPS compliance, a credit of $4.1 million for PTCs, and $0.06 million of start-up fuel costs. Net metering surplus compensation is currently not a material charge, so the company has not included a projection for these costs in 2021. In the future, these costs may increase and the company may include a forecast as part of future Offset Rate calculations. All components of the 2021 Offset Rate are calculated based on the 2019 Rate Case.

VI. <u>2021 Projected Net Power Costs</u>

Q. How does the company calculate its projected NPC?

A. NPC are calculated for a future period based on projected data using GRID, which is a production cost model that simulates the operation of the company's power system on an hourly basis.

Q. Is the company's general approach to the calculation of NPC using the GRID model the same in this case as in previous ECAC filings?

A. Yes. The company has used the GRID model in all previous ECAC filings.

Q. What GRID inputs were updated for this filing?

A. GRID model inputs were updated to include:

- The company's March 31, 2020 official forward price curve for electricity and natural gas prices;
- New wholesale electricity sales and purchase transactions, both physical and financial;
- New natural gas purchase and sales transactions, both physical and financial;
- New wheeling contracts and updates to transmission paths and capacity, including on company-owned transmission;
- Updates to existing contracts for wholesale sales and purchases of electricity and natural gas and for wheeling;
- New and updated coal supply and transportation contracts and costs at the company's captive mines;
- Updates to the capabilities of the company's owned generation resources and the cost to integrate wind generation and load on the company's system; and
- Updates to forecast loads.

Q. What reports does the GRID model produce?

A. The major output from the GRID model is the NPC report. The 2021 report is attached as Exhibit PAC/104.

Q. Does the GRID model appropriately reflect the company's projected NPC over the 2021 test period?

A. Yes. The GRID model is a reasonable simulation of the operation of the company's system load and resource portfolio, consistent with the company's system operation constraints and requirements. Any variances from projected NPC are handled through the ECAC balancing account, where projected NPC are trued up to adjusted actual NPC on a monthly basis.

Q. What are the projected NPC for 2021?

A. The company's projected NPC for calendar year 2021 are $1.403 billion, or approximately $21.4 million on a California-allocated basis. The company's 2021 NPC study is provided as Exhibit PAC/104, and the allocation of the company's NPC to California is provided as Exhibit PAC/105.

Q. Does the 2021 NPC include any new purchase contracts that exceed more than one percent of the expense associated with wholesale power?

A. Yes. The company has included one new purchase contract with a qualifying facility (as defined by the Public Utility Regulatory Policies Act of 1978) that was not included in the 2020 ECAC. This contract accounts for $11.7 million of purchased power expense in 2021 on a total-company basis which accounts for more than one percent of total purchased power load and has been provided as a separate workpaper.[3]

[3] The ECAC settlement approved in PacifiCorp's 2005 general rate case (A.05-11-022) stipulates that the company will provide copies of all new purchase contracts that account for more than one percent of total purchased power load.

VII. Fuel Stock Carrying Charge

Q. Does the 2021 Offset Rate include the forecast carrying charges on fuel stock balances?

A. Yes. The 2021 Offset Rate includes a forecast carrying charge of $13,255.

Q. Does the 2021 Balancing Rate also include a true up of actual fuel stock carrying charges?

A. Yes. The 2021 Balancing Rate includes a credit of $11,629 (including interest) to true up fuel stock carrying charges to actual costs in 2019 and 2020. Actual carrying charges for 2019 and 2020 were higher than projected due to differences in fuel stock balances and interest rates used to determine the carrying charges previously.

VIII. ARB Administrative Costs

Q. Does the 2021 Offset Rate include ARB administrative costs?

A. Yes. The 2021 Offset Rate includes $82,419 of ARB administrative costs.

Q. Does the 2021 Balancing Rate include ARB administrative costs that were booked to the memorandum account authorized in the company's 2012 ECAC?

A. Yes. The proposed Balancing Rate includes a surcharge of $6,019 (including interest) to account for the difference between actual and forecast ARB administrative costs. Confidential Exhibit PAC/106 provides a summary of the costs booked in 2019 and 2020, as well as a projection of 2021 costs.

IX. Net Metering Surplus Costs

Q. Does the 2021 Offset Rate include the forecast net metering surplus costs?

A. No. Net metering surplus compensation is currently an immaterial charge, so the company has not included a projection for this cost in 2021.

Q. Does the 2021 Balancing Rate also include a true up of actual net metering surplus costs?

A. Yes. The 2021 Balancing Rate includes $1,514 (including interest) to true up net metering surplus costs to actual costs in 2019 and 2020.

X. Renewable Energy Credits

Q. Does the company's 2021 ECAC filing include any revenue from the sale of RECs?

A. No. The company has not sold any of its California-allocated RECs; rather, these RECs have been retained for compliance with California's RPS.

Q. Does the 2021 Offset Rate include the forecast of any costs from the purchase of RECs?

A. Yes. The 2021 Offset Rate includes a forecast of $75,487.

Q. Does the 2021 Balancing Rate include a true up of actual REC purchases for RPS Compliance?

A. Yes. The 2021 Balancing Rate includes $223,451 (including interest) to true up REC purchases to actual purchases for RPS Compliance in 2019 and 2020.

XI. Production Tax Credits

Q. Does the 2021 Offset Rate include the forecast of renewable energy PTCs?

A. Yes. The 2021 Offset Rate includes a credit of $4,138,141 based on the forecasted wind generation attributed to PTCs.

Q. Does the 2021 Balancing Rate include a true up of actual PTCs?

A. Yes. The 2021 Offset Rate includes a surcharge of $120,703 (including interest) to true up forecasted PTCs to actual PTCs in 2020.

XII. Start-up Fuel Costs

Q. Does the 2021 Offset Rate include the forecast of any start-up fuel costs?

A. Yes. The 2021 Offset Rate includes a forecast of $61,701 for start-up fuel costs.

Q. Does the 2021 Balancing Rate include a true up of actual start-up fuel costs?

A. Yes. The 2021 Offset Rate includes a credit of $36,404 (including interest) to true up start-up fuel costs to actual costs in 2020.

XIII. Energy Imbalance Market

Q. Are the actual benefits from participating in the EIM with CAISO included in the ECAC deferral?

A. Yes. Participation in the EIM provides benefits to customers in the form of reduced Actual NPC. The EIM benefits are embedded in Actual NPC through lower fuel and purchased power costs. The company is able to calculate the margin realized on its EIM imports and exports, or the total inter-regional benefit. The company's EIM inter-regional benefit for the deferral period was approximately $57.2 million.

Q. How does the company calculate its actual EIM benefits?

A. Using actual information from the EIM, including five- and 15-minute pricing, the company identifies the incremental resource that could have facilitated the transfer to an adjacent EIM area or the CAISO in each five-minute interval. The benefit is then calculated as the difference between the revenue received less the expense of generation assumed to supply the transfer. In the event of an import, the benefit is equal to the cost of the import minus the avoided expense of the generation that would have otherwise been dispatched.

Q. Does this conclude your direct testimony?

A. Yes.

Application No. 20-08-___
Exhibit No. PAC/101
Witness: David G. Webb

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

David G. Webb

California ECAC Offset/Balancing Rate Calculation

August 2020

Exhibit PAC/101
PacifiCorp
California ECAC Offset / Balancing Rate Calculation
August 3, 2020

Line		2019 Projected	2020 Projected	2021 Projected
	ECAC Implementation			
	ECAC Offset Rate			
1	Total Company Projected ECAC NPC	$ 1,491,055,143	$ 1,503,542,250	$ 1,403,343,385
2	California Allocated Projected NPC	22,671,203	22,829,800	21,394,283
3	California Allocated Carrying Charge of Fuel Stock	70,190	31,340	13,255
4	California ARB Administrative Costs	59,724	47,845	82,419
5	California Net Metering Surplus Costs	-	-	-
6	California Allocated Renewable Energy Credits Purchases	134,953	112,189	75,487
7	California Allocated Production Tax Credits	(826,601)	(1,691,766)	(4,138,141)
8	California Allocated Start-Up Fuel Costs	65,125	65,673	61,701
9	California Projected Sales in MWh	747,460	747,460	747,460
10	Projected ECAC Offset Rate $/MWh	$ 29.67	$ 28.62	$ 23.40
11	Offset Rate Percentage Change	-5.4%	-3.5%	-18.2%
12	**ECAC Offset Rate $/MWh**	$ 29.67	$ 28.62	$ 23.40
13	**Billing Factor (Franchise Fees & Uncollectible Accounts)**	102.1%	102.1%	102.1%
14	**ECAC Offset Rate with Billing Factor $/MWh**	$ 30.28	$ 29.21	$ 23.88

Line		2019 Actual	2020 Actual/Projected
	ECAC Balancing Rate		
15	Total Company Projected NPC	$ 1,491,055,143	$ 1,503,542,250
16	Total Company Adjusted Actual NPC	1,649,351,475	1,459,187,547
17	Variance (Line 16 - Line 15)	$ 158,296,332	$ (44,354,702)
	Total Company Component Variance		
	Wholesale Sales Revenue		
18	Firm	$ (121,829,843)	$ (40,363,048)
19	Non-Firm	-	-
	Purchase Power Expense		
20	Seasonal	-	-
21	Existing Demand	(4,013,838)	(1,616,294)
22	Existing Energy	(13,886,709)	3,406,853
23	QF	(3,440,423)	2,407,220
24	Firm	27,098,294	2,930,707
25	Non-Firm	18,670	1,700
	Wheeling		
26	Firm	3,250,208	4,113,392
27	Non-Firm	6,803,430	3,905,790
	Generation		
28	Coal	13,350,381	(75,109,270)
29	Seasonal Gas	(1,225,160)	(665,131)
30	Gas	8,933,723	(18,870,190)
31	Other	(105,556)	1,458,671
	Other		
32	Cholla/APS	(316,532)	(6,681,198)
	Total	$ 158,296,332	$ (44,354,702)
	California Allocated Component Variance		
	Wholesale Sales Revenue		
33	Firm	$ (2,139,095)	$ (674,761)
34	Non-Firm	-	-
	Purchase Power Expense		
35	Seasonal	-	-
36	Existing Demand	(70,475)	(29,332)
37	Existing Energy	(227,132)	49,145
38	QF	(60,407)	45,051
39	Firm	475,793	22,252
40	Non-Firm	305	25
	Wheeling		
41	Firm	57,067	64,938
42	Non-Firm	111,277	59,336
	Generation		
43	Coal	218,359	(1,148,824)
44	Seasonal Gas	146,120	(272,427)
45	Gas	(19,978)	(9,879)
46	Other	(1,726)	21,615
	Other		
47	Cholla/APS	(5,146)	(100,760)
48	**Total - California Energy Cost Account**	$ 2,763,154	$ (624,101)
49	Under (Over) Collection of California NPC	$ 1,498,235	$ (1,050,950)
50	California Energy Cost Adjustment Account Interest	9,473	11,348
51	California Deferred Fuel Stock Carrying Charges	(392)	(11,237)
52	California ARB Administrative Costs	1,873	4,146
53	California Net Metering Surplus Compensation	1,136	378
54	California Renewable Energy Credits Purchases	(109,559)	333,010
55	California Production Tax Credits	461,036	(340,333)
56	California Start-Up Fuel Costs	(23,246)	(13,158)
57	Total California Balancing Account	$ 1,838,555	$ (1,066,794)

Line		2019	2020	2021
58	**ECAC Balancing Rate $/MWh**	$ 3.55	$ 7.35	$ 1.03
59	**Billing Factor (Franchise Fees & Uncollectible Accounts)**	102.1%	102.1%	102.1%
60	**Balancing Rate w Billing Factor $/MWh**	$ 3.62	$ 7.50	$ 1.05
61	Balancing Rate Percentage Change			-86.0%

Application No. 20-08-___
Exhibit No. PAC/102
Witness: David G. Webb

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

David G. Webb

Net Power Cost Analysis—Adjusted Actual 2019 Net Power Costs

August 2020

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total 2019
Special Sales For Resale													
Long Term Firm Sales													
Black Hills	$ 266,597	$ 113,933	$ 244,286	$ 311,093	$ 353,300	$ 344,108	$ 285,862	$ 655,584	$ 534,802	$ 196,624	$ 228,434	$ 152,066	$ 3,686,689
BPA Wind	274,877	275,612	164,257	231,271	157,904	109,250	4,122,106	-	-	-	-	-	5,335,277
Hurricane Sale	1,000	1,129	1,032	1,007	1,118	372	-	-	-	-	-	-	5,658
Leaning Juniper Revenue	1,506	4,995	3,765	2,692	1,741	5,596	11,434	9,051	7,451	7,429	5,957	2,718	64,336
Total Long Term Firm Sales	$ 543,980	$ 395,670	$ 413,340	$ 546,062	$ 514,063	$ 459,326	$ 4,419,402	$ 664,635	$ 542,253	$ 204,053	$ 234,391	$ 154,784	$ 9,091,959
Total Short Term Firm Sales	$ 26,294,555	$ 22,245,562	$ 15,353,356	$ 11,675,339	$ 11,233,804	$ 7,977,194	$ 7,944,516	$ 5,969,089	$ 11,039,705	$ 15,468,704	$ 17,104,345	$ 16,406,048	$ 168,712,218
Total Secondary Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Special Sales For Resale	$ 26,838,536	$ 22,641,232	$ 15,766,696	$ 12,221,401	$ 11,747,868	$ 8,436,520	$ 12,363,918	$ 6,633,724	$ 11,581,957	$ 15,672,758	$ 17,338,736	$ 16,560,832	$ 177,804,177
	-	-	-	-	-	-	-	-	-	-	-	-	
Purchased Power & Net Interchange													
Long Term Firm Purchases													
APS Supplemental	$ 58,760	$ 391,758	$ 560,765	$ 170,825	$ 267,136	$ 116,843	$ 210,575	$ 105,771	$ 58,329	$ -	$ 155,620	$ 87,194	$ 2,183,574
Cedar Springs Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
Cedar Springs Wind III	-	-	-	-	-	-	-	-	-	-	-	-	-
Combine Hills Wind	311,460	165,009	212,696	547,422	392,972	557,817	482,244	434,231	448,704	430,423	177,412	239,452	4,399,842
Cove Mountain Solar	-	-	-	-	-	-	-	-	-	-	-	-	-
Cove Mountain Solar II	-	-	-	-	-	-	-	-	-	-	-	-	-
Deseret Purchase	3,495,870	3,288,707	3,547,498	2,662,351	2,393,317	2,319,118	2,669,028	2,797,861	2,741,022	2,748,623	3,275,359	3,475,339	35,414,092
Eagle Mountain - UAMPS/UMPA	200,110	182,309	164,535	146,988	174,654	353,152	509,979	492,416	269,740	174,394	173,292	253,356	3,094,924
Gemstate	146,164	146,164	146,164	146,164	146,164	146,164	146,164	146,164	146,164	143,152	143,152	143,152	1,744,932
Hunter Solar	-	-	-	-	-	-	-	-	-	-	-	-	-
Hurricane Purchase	16,776	17,813	16,624	12,091	9,026	8,314	11,801	17,451	17,514	12,915	10,017	12,663	163,006
MagCorp Reserves	468,441	452,999	454,264	448,377	448,335	485,847	445,564	435,002	432,479	423,784	450,421	466,622	5,412,135
Monsanto Reserves	1,663,220	1,666,980	1,666,980	1,493,202	1,666,980	1,666,980	1,666,980	1,322,635	1,666,980	1,666,980	1,640,720	1,666,980	19,455,618
Nucor	600,100	600,100	600,100	600,100	600,100	600,100	600,100	600,100	600,100	600,100	600,100	600,100	7,201,200
Old Mill Solar	14,111	41,985	72,053	13,173	16,995	27,314	47,253	45,366	30,771	30,517	19,161	9,304	368,003
Pavant III Solar	60,808	161,440	112,657	68,381	59,587	118,119	215,419	234,778	148,575	114,855	83,487	46,871	1,424,978
PGE Cove	8,595	8,595	(80,729)	7,472	8,315	8,315	8,315	8,315	8,315	8,315	8,315	8,315	10,450
Rock River Wind	484,624	506,858	303,558	477,796	306,760	232,458	189,332	222,018	367,775	616,626	574,552	551,587	4,833,945
Sigurd Solar	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Purchases east	3,272	3,178	3,021	3,001	2,951	2,937	3,099	3,236	3,069	2,903	1,400	3,044	35,112
Small Purchases west	-	-	-	-	-	-	-	-	-	-	-	-	-
Amor IX - Univ of Utah	-	-	-	-	-	-	-	-	-	-	379,726	374,417	754,143
Three Buttes Wind	2,998,376	1,916,408	1,278,556	1,663,726	1,330,678	751,982	1,011,767	851,140	1,568,741	2,290,624	2,072,801	2,946,845	20,681,645
Top of the World Wind	5,453,277	3,725,662	2,570,359	3,331,348	2,666,353	1,371,493	1,914,890	1,777,025	3,265,210	4,515,699	3,488,473	5,408,833	39,488,622
Tri-State Purchase	739,006	761,943	801,636	727,878	734,866	735,124	861,451	908,262	815,773	877,723	865,107	893,995	9,722,764
Wolverine Creek Wind	866,684	1,182,253	623,642	1,053,689	651,403	694,162	790,832	790,133	818,712	1,036,053	695,912	728,622	9,932,096
Long Term Firm Purchases Total	$ 17,589,655	$ 15,220,161	$ 13,054,379	$ 13,573,984	$ 11,876,590	$ 10,196,240	$ 11,784,791	$ 11,191,904	$ 13,407,971	$ 15,693,686	$ 14,815,026	$ 17,916,690	$ 166,321,078

August 3, 2020

Exhibit PAC/102

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total 2019
Qualifying Facilities													
QF California	$ 274,424	$ 400,049	$ 557,352	$ 729,554	$ 774,958	$ 442,588	$ 108,631	$ 77,502	$ 127,469	$ 134,317	$ 130,509	$ 226,105	$ 3,983,459
QF Idaho	529,897	534,902	568,975	698,675	818,120	865,427	866,760	743,475	599,830	685,222	624,376	679,207	8,214,865
QF Oregon	2,759,817	2,246,421	3,400,413	4,844,625	4,541,166	4,656,345	4,454,900	4,122,878	3,478,586	3,020,887	2,336,622	2,179,823	42,042,483
QF Utah	696,546	731,849	776,945	830,586	863,019	1,000,759	972,672	885,331	912,050	889,905	676,547	557,831	9,794,041
QF Washington	-	-	-	530	35,350	41,874	56,592	54,718	20,053	200	-	-	209,316
QF Wyoming	16,765	21,434	11,021	11,647	12,580	6,458	8,412	8,898	12,428	17,279	15,578	13,639	156,138
Biomass One QF	1,586,333	1,302,569	1,351,532	895,523	987,670	926,436	1,466,864	1,610,163	1,426,203	1,501,757	1,509,451	839,466	15,403,966
Chopin Wind QF	111,790	65,655	68,918	174,331	116,859	159,715	143,491	131,962	127,865	162,364	78,958	105,091	1,446,997
DCFP QF	1,918	258	5	374	671	1,934	5,721	2,487	2,344	4,575	2,345	-	22,632
Enterprise Solar I QF	574,069	719,285	806,342	976,963	1,049,162	1,323,068	1,598,202	1,627,114	1,215,738	1,055,506	687,489	434,035	12,066,974
Escalante 1 Solar QF	532,804	617,052	701,064	889,286	1,005,349	1,252,903	1,523,602	1,458,477	1,134,486	913,151	620,130	384,678	11,032,982
Escalante 2 Solar QF	497,859	588,564	681,437	846,402	965,392	1,203,713	1,457,604	1,411,870	1,090,071	716,742	595,379	369,721	10,424,754
Escalante 3 Solar QF	479,457	570,297	668,689	815,089	926,503	1,168,607	1,395,660	1,350,644	1,038,114	797,319	538,812	338,229	10,087,420
ExxonMobil QF	417	-	-	-	-	-	6,582	239	-	-	-	-	7,239
Five Pine Wind QF	601,308	1,023,500	435,200	733,602	439,545	435,253	713,290	732,821	758,677	955,881	526,002	719,369	8,074,448
Foote Creek III Wind QF	178,706	176,650	115,239	141,506	95,357	74,524	89,214	-	-	-	-	-	871,196
Granite Mountain East Solar QF	534,698	649,641	735,836	880,803	940,828	1,224,153	1,437,955	1,315,911	1,024,225	906,317	575,414	384,490	10,610,270
Granite Mountain West Solar QF	342,726	414,357	496,333	588,203	620,848	796,797	957,898	872,274	596,941	584,235	361,452	227,608	6,859,673
Iron Springs QF	580,423	681,374	778,687	922,557	990,025	1,286,924	1,508,850	1,480,914	1,058,474	931,104	582,785	411,023	11,213,138
Kennecott Refinery QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Kennecott Smelter QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Latigo Wind QF	1,016,229	1,152,896	745,565	777,943	698,335	672,490	703,055	581,707	960,995	1,091,278	774,168	861,050	10,035,710
Mountain Wind 1 QF	1,176,507	1,000,074	334,562	630,766	516,669	475,908	522,929	595,090	679,821	1,043,627	865,350	671,527	8,512,829
Mountain Wind 2 QF	1,708,505	1,462,510	499,755	920,432	825,854	795,847	953,061	1,099,108	1,143,474	1,489,388	1,372,798	1,034,238	13,304,971
North Point Wind QF	1,309,365	2,170,563	969,279	1,663,257	975,250	999,994	1,714,233	1,733,671	1,780,010	2,115,791	1,158,943	1,510,812	18,101,168
Oregon Wind Farm QF	443,323	354,431	457,336	1,322,808	1,085,198	1,583,122	1,546,645	1,203,623	1,177,196	993,297	421,668	211,653	10,800,299
Pavant II Solar QF	149,890	190,762	253,331	315,160	342,198	359,291	465,810	484,604	329,379	318,671	184,993	115,920	3,510,009
Pioneer Wind 1 QF	1,628,621	1,214,039	769,272	922,823	611,096	565,897	511,438	482,876	765,128	1,207,978	1,120,503	1,478,815	11,278,486
Power County North Wind QF	372,024	538,095	255,151	481,625	309,183	349,785	370,129	429,122	475,571	508,827	433,205	402,480	4,925,197
Power County South Wind QF	319,004	537,030	240,762	449,603	262,614	289,998	286,517	344,852	419,777	506,567	358,112	345,718	4,360,555
Roseburg Dillard QF	13,938	14,370	10,231	22,703	16,379	24,539	172,177	106,847	32,696	18,039	18,241	23,026	473,187
Sage I Solar QF	-	-	-	-	-	-	-	63,112	108,797	159,514	114,230	54,115	499,768
Sage II Solar QF	-	-	-	-	-	-	-	203,804	139,638	167,180	135,737	64,018	710,378
Sage III Solar QF	-	-	-	-	-	-	-	178,938	125,410	152,797	134,924	64,186	656,254
Spanish Fork Wind 2 QF	288,232	257,650	88,521	165,107	167,922	195,014	313,036	363,242	251,293	216,960	255,470	287,121	2,849,569
Sunnyside QF	2,707,528	2,633,156	2,706,331	1,583,475	2,704,085	2,654,315	2,615,087	2,359,927	2,542,372	2,121,528	2,657,409	2,252,704	29,537,917
Sweetwater Solar QF	299,912	403,924	720,951	654,468	739,476	968,116	1,071,714	1,053,541	753,805	571,234	346,124	226,841	7,810,104
Tesoro QF	21,009	12,298	14,668	21,089	10,836	2,815	92	89	6,958	4,397	5,184	9,897	109,332
Threemile Canyon Wind QF	50,336	56,579	58,250	175,466	162,512	250,166	214,556	161,149	146,458	133,133	66,588	40,883	1,516,075
Three Peaks Solar QF	463,193	529,891	659,933	804,529	835,156	984,112	1,201,061	1,151,803	905,587	905,823	518,713	313,798	9,273,600
Utah Pavant Solar QF	207,657	240,060	308,576	354,507	389,578	505,905	623,810	669,122	426,970	372,292	230,265	158,361	4,487,103
Utah Red Hills Solar QF	503,521	635,964	805,069	948,647	1,048,702	1,265,296	1,666,546	1,652,772	1,528,890	1,016,257	679,509	368,101	12,119,273
Qualifying Facilities Tota	$ 22,978,754	$ 24,148,149	$ 22,051,528	$ 27,194,660	$ 26,884,446	$ 29,810,085	$ 33,724,800	$ 32,806,677	$ 29,323,777	$ 28,391,337	$ 21,713,982	$ 18,365,578	$ 317,393,772
Mid-Columbia Contracts													
Grant Reasonable	183,983	183,983	259,331	183,983	183,983	183,983	183,983	183,983	183,983	183,983	183,983	183,983	2,283,149
Grant Meaningful Priority	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Surplus	(173,787)	(173,787)	23,854	(173,787)	(173,787)	(173,787)	(173,787)	(173,787)	(173,787)	(173,787)	(173,787)	(173,787)	(1,887,802)
Mid-Columbia Contracts Total	$ 10,197	$ 10,197	$ 283,185	$ 10,197	$ 10,197	$ 10,197	$ 10,197	$ 10,197	$ 10,197	$ 10,197	$ 10,197	$ 10,197	$ 395,347
Total Long Term Firm Purchases	$ 40,578,605	$ 39,378,507	$ 35,389,092	$ 40,778,841	$ 38,771,232	$ 40,016,521	$ 45,519,788	$ 44,008,777	$ 42,741,945	$ 44,095,220	$ 36,539,205	$ 36,292,465	$ 484,110,198
Storage & Exchange													
APS Exchange	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
BPA FC IV Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
Cowlitz Swift	-	-	-	-	-	-	-	-	-	-	-	-	-
EWEB FC I	-	-	-	-	-	-	-	-	-	-	-	-	-
PSCo Exchange	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	5,400,000
SCL State Line	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Storage & Exchange	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 5,400,000
Total Short Term Firm Purchases	$ 1,737,471	$ 27,898,303	$ 27,015,073	$ 11,878,917	$ 19,107,446	$ 14,777,149	$ 31,736,636	$ 28,959,005	$ 25,783,704	$ 3,527,275	$ 6,825,624	$ 1,124,045	$ 200,370,649
Total Secondary Purchases	(0)	-	152,240	(794)	-	(0)	-	-	0	2,735	0	(135,511)	18,670
Total Purchased Power & Net Interchange	$ 42,766,077	$ 67,726,810	$ 63,006,406	$ 53,106,965	$ 58,328,679	$ 55,243,670	$ 77,706,424	$ 73,417,782	$ 68,975,649	$ 48,075,230	$ 43,814,829	$ 37,730,999	$ 689,899,517
Wheeling & U. of F. Expense													
Firm Wheeling	$ 12,119,504	$ 11,869,943	$ 11,957,801	$ 10,506,229	$ 10,175,625	$ 16,322,951	$ 10,685,579	$ 10,589,413	$ 10,516,109	$ 10,717,733	$ 11,454,620	$ 12,001,075	$ 138,916,582
Non-Firm Wheeling	203,936	162,223	166,476	98,957	133,621	429,436	688,770	985,898	1,599,364	967,726	712,628	693,678	6,842,714
Total Wheeling & U. of F. Expense	$ 12,323,440	$ 12,032,166	$ 12,124,278	$ 10,605,185	$ 10,309,247	$ 16,752,387	$ 11,374,349	$ 11,575,312	$ 12,115,473	$ 11,685,459	$ 12,167,249	$ 12,694,753	$ 145,759,296

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total 2019
Coal Fuel Burn Expense													
Cholla	6,071,834	4,891,734	150,590	-	1,558,378	563,373	3,898,220	4,301,653	4,123,705	4,831,747	3,376,132	5,873,261	39,640,626
Colstrip	1,180,339	936,761	1,259,702	1,162,865	1,122,260	1,289,130	1,369,428	2,254,021	1,282,022	1,096,450	1,419,105	1,252,117	15,624,202
Craig	1,711,705	1,759,701	1,583,695	1,266,928	1,884,297	1,506,157	1,722,097	1,608,374	1,765,061	2,013,619	2,010,982	2,035,673	20,868,289
Dave Johnston	4,385,491	3,723,359	4,018,800	3,068,631	3,375,001	3,966,482	4,614,647	4,728,481	4,237,373	4,689,640	3,882,483	3,737,032	48,427,421
Hayden	923,209	814,927	1,100,866	1,097,436	957,632	967,782	905,051	1,020,731	870,251	689,050	743,153	768,624	10,858,711
Hunter	13,197,092	11,420,422	8,470,327	7,825,439	8,397,586	9,711,550	11,913,180	12,622,527	11,802,826	12,387,054	11,705,027	12,861,111	132,314,142
Huntington	12,468,950	10,181,215	10,110,931	6,069,729	5,405,035	6,455,523	9,704,419	10,214,890	8,931,054	5,762,922	6,774,186	11,461,949	103,540,803
Jim Bridger	21,731,817	22,974,139	21,528,928	14,871,590	10,448,148	15,145,796	20,046,607	20,405,150	19,803,036	19,534,490	20,911,434	21,917,259	229,318,394
Naughton	12,184,457	5,513,451	9,918,283	5,046,572	4,165,770	5,069,938	6,326,420	6,005,149	5,562,863	5,865,382	5,905,286	6,232,087	77,795,657
Wyodak	2,565,653	1,968,602	2,092,803	1,174,877	1,147,986	1,471,725	2,093,393	2,231,414	1,739,360	1,934,757	1,813,316	1,603,438	21,837,324
Total Coal Fuel Burn Expense	$ 76,420,547	$ 64,184,311	$ 60,234,924	$ 41,584,069	$ 38,462,094	$ 46,147,455	$ 62,593,462	$ 65,392,391	$ 60,117,552	$ 58,805,109	$ 58,541,104	$ 67,742,551	$ 700,225,568
Gas Fuel Burn Expense													
Chehalis	$ 6,220,419	$ 9,545,149	$ (4,655,133)	$ 2,372,200	$ 2,451,931	$ 3,637,197	$ 7,121,464	$ 7,524,396	$ 6,466,413	$ 7,863,298	$ 8,642,678	$ 7,792,869	$ 64,982,880
Currant Creek	5,951,677	7,349,910	5,710,787	3,887,404	3,848,486	3,520,686	5,528,654	6,160,082	5,310,710	5,342,014	5,697,732	5,748,399	64,056,541
Gadsby	-	-	98,842	178,640	560,346	418,506	1,108,082	1,251,246	559,546	191,560	1,423,717	878,542	6,669,026
Gadsby CT	130,316	127,439	57,856	40,224	41,490	41,815	77,639	222,191	153,114	109,574	78,844	80,078	1,160,580
Hermiston	3,325,805	6,055,836	2,521,356	1,277,024	860,758	931,972	2,058,512	1,774,008	1,798,765	2,454,860	3,171,854	3,054,832	29,285,582
Lake Side 1	5,619,973	9,519,525	5,994,925	1,969,629	4,157,661	3,883,994	6,926,852	6,001,530	3,906,540	5,700,200	4,617,056	6,440,358	64,738,243
Lake Side 2	5,003,169	9,996,906	6,799,123	4,528,656	4,937,331	5,030,803	4,965,881	4,483,871	3,745,187	1,419,076	2,865,996	2,208,256	55,984,255
Naughton - Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Gas Fuel Burn Expense	$ 26,251,358	$ 42,594,765	$ 16,527,756	$ 14,253,777	$ 16,858,004	$ 17,464,972	$ 27,787,083	$ 27,417,324	$ 21,940,275	$ 23,080,581	$ 26,497,878	$ 26,203,335	$ 286,877,108
Other Generation													
Black Cap Solar	$ 4,445	$ 10,399	$ 28,551	$ 6,382	$ 5,209	$ 7,858	$ 13,263	$ 10,632	$ 6,987	$ 7,406	$ 5,549	$ 3,076	$ 109,755
Blundell	352,097	337,412	307,276	315,882	363,988	378,006	326,767	431,550	388,311	354,174	366,872	362,073	4,284,407
Wind Integration Charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Generation	$ 356,542	$ 347,811	$ 335,826	$ 322,264	$ 369,197	$ 385,864	$ 340,030	$ 442,181	$ 395,298	$ 361,580	$ 372,421	$ 365,149	$ 4,394,162
Net Power Cost	$ 131,279,428	$ 164,244,631	$ 136,462,493	$ 107,650,859	$ 112,579,352	$ 127,557,827	$ 167,437,430	$ 171,611,265	$ 151,962,290	$ 126,335,200	$ 124,054,744	$ 128,175,955	$ 1,649,351,475
Net Power Cost/Net System Load	$24.83	$33.34	$27.95	$24.78	$24.82	$26.52	$29.53	$30.40	$31.82	$26.80	$25.97	$24.47	

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total 2019
Net System Load	5,286,937	4,926,051	4,882,289	4,343,960	4,535,478	4,810,456	5,669,640	5,644,794	4,776,431	4,713,692	4,776,531	5,238,643	59,604,902
Special Sales For Resale													
Long Term Firm Sales													
Black Hills	8,746	1,582	7,724	10,834	12,169	12,782	9,931	28,028	22,116	5,563	7,095	3,382	129,953
BPA Wind	4,110	4,121	2,456	3,458	2,361	1,843	1,149	-	-	-	-	-	19,498
Hurricane Sale	21	19	21	21	22	8	-	-	-	-	-	-	112
Total Long Term Firm Sales	12,877	5,722	10,201	14,313	14,552	14,633	11,080	28,028	22,116	5,563	7,095	3,382	149,562
Total Short Term Firm Sales	826,400	532,531	425,084	383,085	239,398	241,323	206,949	149,365	375,258	520,080	526,427	521,397	4,947,298
Total Secondary Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Special Sales For Resale	839,278	538,253	435,285	397,398	253,950	255,956	218,029	177,393	397,374	525,643	533,523	524,779	5,096,861
Total Requirements	6,126,215	5,464,304	5,317,574	4,741,358	4,789,428	5,066,413	5,887,669	5,822,187	5,173,805	5,239,336	5,310,053	5,763,422	64,701,763
Purchased Power & Net Interchange													
Long Term Firm Purchases													
APS Supplemental	4,750	13,450	19,730	9,900	17,348	6,000	6,450	3,150	2,850	-	9,650	5,500	98,778
Cedar Springs Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
Cedar Springs Wind III	-	-	-	-	-	-	-	-	-	-	-	-	-
Combine Hills Wind	6,307	3,342	4,307	11,086	7,958	11,296	9,771	8,797	9,088	8,717	3,593	4,849	89,111
Cove Mountain Solar	-	-	-	-	-	-	-	-	-	-	-	-	-
Cove Mountain Solar II	-	-	-	-	-	-	-	-	-	-	-	-	-
Deseret Purchase	68,670	59,730	70,898	32,700	21,090	17,888	32,988	38,548	36,095	36,423	59,154	67,784	541,968
Eagle Mountain - UAMPS/UMPA	4,136	3,744	3,388	3,296	4,136	7,360	8,776	8,112	5,136	3,720	3,684	5,264	60,752
Gemstate	-	-	-	-	9,151	15,176	13,728	10,675	-	-	-	-	48,730
Hunter Solar	-	-	-	-	-	-	-	-	-	-	-	-	-
Hurricane Purchase	246	261	240	179	136	127	171	249	250	185	143	181	2,368
MagCorp Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Monsanto Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-
Nucor	-	-	-	-	-	-	-	-	-	-	-	-	-
Old Mill Solar	446	468	837	795	1,240	1,492	1,626	1,484	1,039	920	547	268	11,163
Pavant III Solar	2,221	2,698	3,539	4,198	4,886	5,670	5,627	5,915	4,896	4,342	2,556	1,585	48,133
PGE Cove	1,013	941	1,012	990	1,014	990	1,012	1,014	1,007	1,023	991	1,013	12,020
Prineville Solar	-	-	-	-	-	-	-	-	-	-	-	-	-
Rock River Wind	13,659	14,286	8,571	13,467	8,646	6,552	5,336	6,258	10,366	17,380	16,194	15,531	136,244
Sigurd Solar	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Purchases east	28	26	25	25	24	24	26	27	25	24	3	16	273
Small Purchases west	-	-	-	-	-	-	-	-	-	-	-	-	-
Amor IX - Univ of Utah	-	-	-	-	-	-	-	-	-	-	11,539	13,072	24,611
Three Buttes Wind	46,997	30,038	20,040	26,077	20,857	11,787	15,858	13,341	24,588	36,026	32,489	46,500	324,598
Top of the World Wind	74,365	49,434	38,347	47,317	38,260	19,990	28,222	26,394	47,754	64,611	52,856	67,469	555,018
Tri-State Purchase	6,824	7,533	8,760	6,480	6,696	6,704	10,609	12,056	9,197	11,112	10,722	11,615	108,308
Wolverine Creek Wind	14,302	19,509	10,291	17,388	10,749	11,455	13,050	13,038	13,510	17,097	11,484	12,023	163,896
Long Term Firm Purchases Total	243,963	205,459	189,986	173,897	152,192	122,510	153,251	149,058	165,801	201,578	215,605	252,671	2,225,970

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total 2019
Qualifying Facilities													
QF California	3,464	4,187	5,821	7,090	7,699	5,029	593	355	2,813	2,864	2,975	3,955	46,843
QF Idaho	8,954	8,841	9,711	12,677	14,017	15,290	13,449	11,199	9,938	11,179	10,424	10,504	136,182
QF Oregon	34,041	28,653	46,910	61,109	63,308	70,008	67,442	61,681	49,778	42,523	32,527	26,927	584,907
QF Utah	6,722	7,115	8,002	9,550	10,172	13,184	12,609	11,131	11,446	10,954	7,039	4,794	112,718
QF Washington	-	-	-	13	742	1,264	1,471	1,421	517	10	-	-	5,437
QF Wyoming	944	1,085	534	607	788	384	245	302	634	1,178	1,206	686	8,593
Biomass One QF	20,181	16,878	17,753	-	-	-	19,119	20,544	18,325	19,390	19,496	10,930	162,616
Chopin Wind QF	1,925	1,156	1,183	3,028	2,078	2,840	2,558	2,352	2,242	2,729	1,435	1,757	25,283
DCFP QF	66	7	0	30	78	136	226	103	162	105	82	-	995
Enterprise Solar I QF	10,600	13,290	16,769	19,688	20,960	25,077	25,343	25,452	21,789	20,191	12,770	8,116	220,046
Escalante 1 Solar QF	10,036	11,660	14,863	18,282	20,479	24,167	24,668	23,323	20,761	17,815	11,746	7,346	205,146
Escalante 2 Solar QF	9,849	11,680	15,196	18,299	20,676	24,417	24,832	23,764	20,969	14,728	11,855	7,417	203,681
Escalante 3 Solar QF	9,718	11,548	15,326	18,081	20,321	24,280	24,445	23,351	20,495	17,828	11,672	7,376	204,442
ExxonMobil QF	22	-	-	-	-	-	232	9	-	-	-	-	263
Five Pine Wind QF	7,777	12,832	6,367	10,914	7,305	7,056	8,287	8,183	9,258	10,939	6,501	7,244	102,665
Foote Creek III Wind QF	8,675	8,274	4,487	6,713	4,391	3,410	2,626	-	-	-	-	-	38,576
Granite Mountain East Solar QF	9,842	12,132	15,261	18,276	19,865	23,857	23,815	22,997	19,949	18,776	11,687	7,618	204,075
Granite Mountain West Solar QF	6,000	7,362	9,773	11,592	12,460	14,739	15,073	14,515	11,109	11,521	6,994	4,302	125,440
Iron Springs QF	10,396	12,401	15,679	18,587	20,326	24,400	24,292	23,625	20,152	18,847	11,566	7,955	208,224
Kennecott Refinery QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Kennecott Smelter QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Latigo Wind QF	16,351	19,364	13,048	14,009	13,134	11,758	9,638	7,955	15,313	18,556	12,896	13,554	165,577
Mountain Wind 1 QF	19,302	17,288	6,388	13,520	10,487	9,374	8,201	8,890	11,827	19,357	16,990	11,656	153,281
Mountain Wind 2 QF	24,826	22,511	8,234	17,477	15,000	12,385	11,026	12,997	16,780	25,477	23,472	15,855	206,041
North Point Wind QF	16,903	27,215	14,190	24,908	16,405	16,419	20,263	19,445	21,804	24,234	14,303	15,234	231,323
Oregon Wind Farm QF	5,793	4,543	5,837	16,972	14,218	20,456	19,900	15,869	15,307	12,448	5,589	2,591	139,524
Pavant II Solar QF	4,942	6,423	8,654	10,221	11,932	13,497	13,655	14,084	10,894	10,513	6,412	3,862	115,089
Pioneer Wind 1 QF	42,033	29,878	18,913	21,968	14,885	13,292	11,277	9,939	22,104	30,599	28,665	39,023	282,578
Power County North Wind QF	4,792	8,016	3,745	7,635	5,079	5,612	4,340	4,750	5,793	5,816	5,388	4,050	65,015
Power County South Wind QF	4,116	7,849	3,534	6,720	4,261	4,629	3,324	3,814	5,106	5,797	4,464	3,487	57,102
Roseburg Dillard QF	842	881	720	2,251	1,456	1,743	4,425	4,223	1,707	1,167	1,382	1,336	22,132
Sage I Solar QF	-	-	-	-	-	-	-	1,800	3,505	3,623	2,677	1,175	12,780
Sage II Solar QF	-	-	-	-	-	-	-	5,739	4,432	3,793	3,178	1,389	18,531
Sage III Solar QF	-	-	-	-	-	-	-	5,057	4,019	3,491	3,092	1,402	17,060
Spanish Fork Wind 2 QF	4,825	4,385	3,123	2,898	3,249	3,459	4,628	5,259	4,085	3,877	4,578	4,763	49,131
Sunnyside QF	38,642	32,821	38,637	18,890	38,595	37,490	36,699	31,293	34,970	25,959	37,565	29,668	401,228
Sweetwater Solar QF	6,901	9,314	16,403	16,309	18,967	23,334	23,416	22,296	16,968	13,769	8,406	5,418	181,501
Tesoro QF	1,153	690	814	1,176	541	154	6	6	373	251	305	546	6,015
Three Peaks Solar QF	11,101	12,787	16,366	19,201	21,281	25,602	25,555	24,201	20,416	20,774	12,044	7,844	217,174
Threemile Canyon Wind QF	645	708	730	2,199	2,063	3,160	2,689	2,084	1,868	1,630	866	502	19,143
Utah Pavant Solar QF	5,506	6,459	8,520	9,964	10,982	13,555	13,756	13,833	9,727	8,920	5,798	3,931	110,950
Utah Red Hills Solar QF	10,036	11,530	15,513	18,168	19,631	24,049	24,226	23,735	20,618	19,081	11,641	7,241	205,468
Qualifying Facilities Tota	377,921	391,763	387,004	459,021	467,830	519,507	528,351	511,575	487,952	480,709	369,684	291,454	5,272,773
Mid-Columbia Contracts													
Grant Reasonable	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Surplus	8,222	6,922	6,028	5,051	8,134	7,980	6,292	6,606	4,340	4,936	7,334	7,735	79,581
Mid-Columbia Contracts Total	8,222	6,922	6,028	5,051	8,134	7,980	6,292	6,606	4,340	4,936	7,334	7,735	79,581
Total Long Term Firm Purchases	630,106	604,144	583,019	637,969	628,156	649,997	687,894	667,239	658,093	687,223	592,623	551,860	7,578,324
Storage & Exchange													
APS Exchange	142,865	69,016	-	-	(74,372)	(138,240)	(142,848)	(142,848)	(68,198)	77,781	138,172	142,683	4,011
BPA FC IV Wind	422	(82)	(3,142)	1,849	(2,215)	(145)	(914)	531	1,869	1,462	298	(680)	(747)
Cowlitz Swift	(14,444)	(11,628)	1,865	9,722	6,926	9,032	(983)	(17,141)	(1,777)	(323)	8,621	8,059	(2,071)
EWEB FC I	404	(11)	(458)	161	(327)	146	(221)	-	-	-	-	-	(305)
PSCo Exchange	-	27	22	252	-	56	235	31	150	13	-	7	793
SCL State Line	(11,246)	(21,004)	(5,522)	27,979	14,585	(824)	8,230	(10,691)	(5,571)	1,577	(19,446)	(13,056)	(34,991)
Total Storage & Exchange	118,001	36,318	(7,235)	39,963	(55,403)	(129,975)	(136,501)	(170,117)	(73,527)	80,509	127,645	137,013	(33,310)
Total Short Term Firm Purchases	8,182	314,776	610,455	670,915	1,169,460	880,099	559,884	572,777	291,091	115,862	175,603	26,867	5,395,970
Total Secondary Purchases	677	(5,687)	(6,875)	7,557	(102)	2,528	(743)	1,878	(2,532)	(1,758)	999	191	(3,867)
Total Purchased Power & Net Interchange	756,966	949,551	1,179,364	1,356,404	1,742,111	1,402,651	1,110,533	1,071,776	873,126	881,836	896,870	715,931	12,937,117

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total 2019
Coal Generation													
Cholla	137,354	203,261	(3,228)	(1,827)	25,592	55,808	153,892	172,543	163,856	197,690	137,011	240,980	1,482,932
Colstrip	103,691	92,243	108,166	86,601	52,617	91,848	85,284	108,575	96,861	72,410	101,423	83,101	1,082,820
Craig	103,535	94,995	87,473	66,218	103,737	87,444	92,377	97,045	99,030	115,004	109,643	110,369	1,166,870
Dave Johnston	376,697	327,070	373,525	299,630	313,310	396,375	453,346	462,109	424,169	469,761	391,763	398,626	4,686,381
Hayden	42,745	37,862	49,932	50,066	43,209	38,631	41,791	45,071	40,225	30,231	33,055	33,651	486,469
Hunter	772,254	654,363	481,419	436,758	440,222	534,378	656,932	704,446	652,908	692,041	664,113	750,138	7,439,972
Huntington	596,719	475,661	467,152	276,958	226,394	291,880	468,903	491,853	422,705	276,860	332,496	569,960	4,897,541
Jim Bridger	884,768	903,791	845,494	562,999	342,914	565,484	781,436	795,403	781,669	742,351	885,842	920,149	9,012,300
Naughton	443,966	212,482	217,627	180,544	142,678	215,449	247,996	234,161	236,574	225,817	227,092	255,988	2,840,374
Wyodak	136,320	121,593	133,518	81,119	66,810	98,457	145,793	135,097	112,255	130,873	148,612	106,770	1,417,217
Total Coal Generation	3,598,049	3,123,321	2,761,078	2,039,066	1,757,483	2,375,754	3,127,750	3,246,303	3,030,252	2,953,038	3,031,050	3,469,732	34,512,876
Gas Generation													
Chehalis	272,997	98,033	116,308	65,446	59,558	121,302	309,826	332,125	260,777	273,285	255,820	266,059	2,431,536
Currant Creek	262,614	192,588	240,068	188,463	194,721	180,631	268,769	306,957	252,024	257,774	284,103	288,567	2,917,279
Gadsby	(296)	(351)	(191)	1,048	8,137	5,566	20,001	25,872	8,810	3,826	25,166	17,364	114,952
Gadsby CT	(156)	(146)	149	199	732	830	1,907	6,500	3,718	1,422	2,374	1,701	19,230
Hermiston	152,015	136,271	94,235	107,583	56,985	91,166	147,739	143,888	133,555	147,687	149,192	151,216	1,511,532
Lake Side 1	231,416	249,622	237,779	75,154	200,652	178,046	222,119	286,396	290,443	282,549	210,984	316,754	2,781,914
Lake Side 2	209,439	278,134	292,197	236,474	264,613	274,835	364,415	202,094	32,373	14,292	67,641	45,395	2,281,902
Naughton - Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Gas Generation	1,128,029	954,151	980,545	674,367	785,398	852,376	1,334,776	1,303,832	981,700	980,835	995,280	1,087,056	12,058,345
Hydro Generation													
West Hydro	306,909	158,085	203,882	363,766	275,619	229,123	134,354	108,392	129,857	189,827	172,240	198,068	2,470,122
East Hydro	11,580	14,087	23,298	53,460	49,251	43,236	36,666	43,170	25,884	20,638	19,618	26,213	367,102
Total Hydro Generation	318,489	172,172	227,180	417,226	324,870	272,359	171,020	151,562	155,741	210,465	191,858	224,281	2,837,224
Other Generation													
Black Cap Solar	141	114	332	384	379	427	456	350	236	223	158	88	3,289
Blundell	12,596	10,905	10,912	10,424	9,960	9,397	9,622	9,233	8,935	8,641	6,493	8,061	115,179
Cedar Springs Wind II	-	-	-	-	-	-	-	-	-	-	-	-	-
Dunlap I Wind	51,957	45,608	27,702	34,093	25,043	18,280	14,951	16,451	28,493	36,558	34,564	51,133	384,833
Ekola Flats Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
Foote Creek I Wind	10,759	10,793	6,406	9,055	6,182	4,863	4,322	6,175	9,173	13,885	12,675	13,079	107,368
Glenrock Wind	46,645	28,420	19,487	22,990	15,904	10,811	12,284	(5,616)	9,307	36,139	33,705	46,639	276,715
Glenrock III Wind	17,903	11,018	7,786	9,338	7,682	4,546	5,549	5,283	9,408	5,298	4,166	18,273	106,250
Goodnoe Wind	9,160	6,810	4,343	5,433	3,858	7,040	5,430	1,339	(3)	103	43	4,409	47,965
High Plains Wind	34,543	33,514	20,792	32,611	21,986	16,901	13,264	14,567	17,268	14,390	5,451	10,275	235,562
Leaning Juniper 1	4,149	4,695	4,908	13,630	11,262	21,946	23,415	(19,519)	13,451	18,950	11,443	7,302	115,632
Marengo I Wind	21,039	17,729	10,170	31,233	18,974	22,109	12,734	6,275	1,708	21	1,427	22	143,441
Marengo II Wind	11,482	8,281	4,554	15,256	9,239	11,394	9,432	7,533	10,593	3,602	(39)	(34)	91,293
McFadden Ridge Wind	10,169	9,907	6,310	9,816	6,690	5,400	4,168	4,020	3,681	1,395	4,245	9,403	75,204
Pryor Mountain Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
Rolling Hills Wind	42,750	26,332	17,573	22,923	18,658	11,101	13,532	10,322	10,844	20,247	30,261	42,985	267,528
Seven Mile Wind	42,926	42,777	23,300	31,001	19,981	15,828	11,807	(6,814)	8,090	44,649	41,993	45,437	320,975
Seven Mile II Wind	8,464	8,205	4,833	6,108	3,768	3,230	2,623	(885)	1,802	9,060	8,411	9,349	64,968
TB Flats Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
TB Flats Wind II	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Generation	324,683	265,108	169,408	254,295	179,566	163,273	143,590	48,714	132,986	213,161	194,996	266,421	2,356,201
Total Resources	6,126,215	5,464,304	5,317,574	4,741,358	4,789,428	5,066,413	5,887,669	5,822,187	5,173,805	5,239,336	5,310,053	5,763,422	64,701,763

Application No. 20-08-___
Exhibit No. PAC/103
Witness: David G. Webb

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

David G. Webb

Net Power Cost Analysis—Adjusted Actual/Projected 2020 Net Power Costs

August 2020

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total 2020
Special Sales For Resale													
Long Term Firm Sales													
Black Hills	$ 123,873	$ 122,300	$ 154,273	$ 245,084	$ 237,693	$ 515,551	$ 653,198	$ 679,541	$ 682,186	$ 569,619	$ 617,820	$ 711,008	$ 5,312,146
BPA Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
Hurricane Sale	-	-	-	-	-	732	732	732	732	732	732	732	5,122
Leaning Juniper Revenue	10,124	6,857	6,304	(14,714)	3,427	4,456	10,863	11,966	8,697	6,997	5,686	7,522	68,185
Total Long Term Firm Sales	$ 133,997	$ 129,157	$ 160,577	$ 230,370	$ 241,120	$ 520,739	$ 664,794	$ 692,238	$ 691,615	$ 577,348	$ 624,238	$ 719,261	$ 5,385,453
Total Short Term Firm Sales	$ 12,152,913	$ 9,452,766	$ 11,271,087	$ 9,043,570	$ 6,877,358	$ 17,806,456	$ 34,825,166	$ 39,960,790	$ 33,015,962	$ 35,167,244	$ 35,615,764	$ 34,065,446	$ 279,254,520
Total Secondary Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Special Sales For Resale	$ 12,286,909	$ 9,581,923	$ 11,431,664	$ 9,273,940	$ 7,118,478	$ 18,327,195	$ 35,489,959	$ 40,653,028	$ 33,707,577	$ 35,744,592	$ 36,240,002	$ 34,784,707	$ 284,639,974
Purchased Power & Net Interchange													
Long Term Firm Purchases													
APS Supplemental	$ 7,656	$ 129,026	$ 46,209	$ 38,115	$ 15,105	$ 53,096	$ 96,984	$ 74,358	$ 90,744	$ 59,211	$ -	$ -	$ 610,503
Cedar Springs Wind	-	-	-	-	-	-	-	-	-	-	50,006	1,341,093	1,391,099
Cedar Springs Wind III	-	-	-	-	-	-	-	-	-	-	37,992	1,018,881	1,056,873
Combine Hills Wind	771,404	627,425	494,573	530,895	438,918	391,836	442,227	370,718	350,187	364,310	446,685	554,935	5,784,112
Cove Mountain Solar	-	-	-	-	-	-	-	-	-	-	208,202	171,172	379,374
Cove Mountain Solar II	-	-	-	-	-	-	227,521	227,521	227,238	170,363	169,194	169,832	1,191,669
Deseret Purchase	1,349,498	4,110,112	2,735,686	2,243,870	2,337,323	2,663,665	2,870,063	2,870,063	2,840,578	2,840,578	2,381,093	2,732,464	31,974,991
Eagle Mountain - UAMPS/UMPA	200,110	188,937	164,535	146,988	173,905	240,245	402,632	367,412	213,183	143,145	133,684	203,311	2,578,086
Gemstate	249,614	143,152	143,152	143,152	143,152	143,152	143,152	143,152	143,152	143,152	143,152	143,152	1,824,286
Hunter Solar	-	-	-	-	-	-	-	-	-	-	-	10,537	10,537
Hurricane Purchase	17,892	18,207	15,120	12,537	10,395	13,395	13,395	13,395	13,395	13,395	13,395	13,395	167,917
MagCorp Reserves	456,648	415,376	424,897	403,523	394,001	421,050	409,020	429,070	429,070	429,070	429,070	429,070	5,069,865
Milican Solar	-	-	-	-	-	-	-	-	-	-	-	1,858	1,858
Milford Solar	-	-	-	-	-	-	-	-	-	-	13,137	312,904	326,041
Monsanto Reserves	1,666,980	2,195,172	1,207,387	1,666,980	1,666,980	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	20,070,165
Nucor	600,100	600,100	600,100	600,100	600,100	594,150	594,150	594,150	594,150	594,150	594,150	594,150	7,159,550
Old Mill Solar	7,371	13,178	20,573	22,272	13,378	-	-	-	-	-	-	-	76,771
Pavant III Solar	42,263	50,238	85,376	78,428	75,355	-	-	-	-	-	-	-	331,660
PGE Cove	14,577	14,577	14,577	44,554	14,577	12,899	12,899	12,899	12,899	12,899	12,899	12,899	193,151
Prineville Solar	-	-	-	-	-	-	-	-	-	-	-	2,264	2,264
Rock River Wind	735,911	597,620	468,819	427,061	296,343	262,621	181,185	193,222	262,771	490,382	602,699	625,673	5,144,308
Sigurd Solar													
Small Purchases east	1,797	2,296	715	1,293	1,174	1,203	1,226	1,202	1,153	1,157	1,209	1,176	15,602
Small Purchases west	-	-	-	-	-	-	-	-	-	-	-	-	-
Amor IX - Univ of Utah	265,695	213,664	288,369	186,844	149,455	-	-	-	-	-	-	-	1,104,027
Three Buttes Wind	2,995,667	2,429,761	1,890,170	1,395,577	1,248,905	1,202,984	807,052	950,561	1,186,424	1,734,559	2,352,376	2,651,346	20,845,382
Top of the World Wind	5,608,891	4,420,801	3,604,516	2,780,215	2,691,973	2,399,806	1,720,417	1,872,120	2,296,841	3,513,203	4,491,632	4,920,662	40,321,074
Tri-State Purchase	797,495	844,338	934,368	854,690	784,038	-	-	-	-	-	-	-	4,214,929
Wolverine Creek Wind	1,434,316	947,091	1,103,341	841,732	1,036,903	834,775	661,643	630,350	743,860	818,110	951,530	942,350	10,946,001
Long Term Firm Purchases Total	$ 17,223,884	$ 17,961,070	$ 14,242,482	$ 12,418,825	$ 12,091,979	$ 10,901,543	$ 10,250,233	$ 10,416,860	$ 11,072,310	$ 12,994,350	$ 14,698,772	$ 18,519,789	$ 162,792,096

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total 2020
Qualifying Facilities													
QF California	$ 183,858	$ 163,379	$ 180,603	$ 398,425	$ 325,134	$ 619,758	$ 285,229	$ 166,427	$ 146,016	$ 143,607	$ 176,905	$ 277,976	$ 3,067,317
QF Idaho	573,105	403,340	559,395	618,321	848,719	836,895	790,321	694,852	667,498	698,897	680,497	762,090	8,133,929
QF Oregon	2,421,973	3,135,836	3,403,529	4,462,036	4,439,663	5,290,403	5,348,566	4,962,472	4,413,487	3,806,643	2,775,188	2,987,887	47,447,683
QF Utah	681,063	761,694	790,027	912,520	947,528	1,072,296	1,010,065	1,001,726	942,295	897,550	790,193	721,304	10,528,261
QF Washington	-	-	50	18,464	34,592	35,251	47,696	51,152	41,464	16,255	-	-	244,924
QF Wyoming	6,771	4,728	8,967	1,011	466	8,287	13,838	12,815	9,481	11,446	11,536	15,368	104,713
Biomass One QF	1,620,090	1,407,071	1,596,324	986,526	1,015,188	479,152	1,411,537	1,400,060	1,365,742	1,405,453	1,415,003	735,569	14,837,715
Chopin Wind QF	278,752	222,808	173,957	180,669	154,061								1,010,246
DCFP QF	302	302	515	317	701	5,508	13,048	15,195	17,795	10,774	6,176	6,073	76,706
Enterprise Solar I QF	672,676	891,830	839,668	1,102,836	1,311,732	1,395,552	1,568,517	1,512,602	1,190,184	967,994	711,102	550,850	12,715,542
Escalante 1 Solar QF	559,910	780,047	792,894	1,008,612	268,234	1,318,317	1,450,340	1,395,974	1,105,760	883,480	648,919	514,177	10,726,663
Escalante 2 Solar QF	533,861	752,922	752,723	967,372	1,103,019	1,247,573	1,372,658	1,309,691	1,041,647	827,759	606,885	479,445	10,995,556
Escalante 3 Solar QF	507,843	714,588	726,861	926,324	1,033,660	1,217,505	1,333,598	1,274,724	1,012,854	758,588	555,958	439,278	10,501,779
ExxonMobil QF	-	-	5	-	-	-	-	-	-	-	-	-	5
Five Pine Wind QF	1,075,796	683,657	827,739	1,370,777	682,342	520,748	604,630	573,652	727,247	708,840	843,544	847,978	9,466,950
Foote Creek III Wind QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Granite Mountain East Solar QF	608,384	784,013	731,967	994,105	1,164,256	1,269,637	1,351,643	1,270,497	985,954	819,217	586,109	471,423	11,037,208
Granite Mountain West Solar QF	363,735	507,469	478,923	556,194	782,327	839,088	895,867	839,772	649,839	541,914	386,976	311,469	7,153,571
Iron Springs QF	629,288	826,786	777,647	1,034,115	1,192,618	1,295,049	1,358,812	1,327,280	1,014,174	825,657	582,315	503,731	11,367,472
Kennecott Refinery QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Kennecott Smelter QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Latigo Wind QF	1,143,809	989,580	1,014,021	772,840	587,251	745,979	673,722	567,152	616,686	802,754	706,758	756,240	9,376,792
Mountain Wind 1 QF	1,389,897	1,230,581	628,456	687,704	497,787	505,195	414,051	432,494	451,029	667,872	907,041	1,033,557	8,845,665
Mountain Wind 2 QF	2,235,075	1,813,668	1,010,863	941,628	682,380	911,948	771,231	715,439	751,973	1,004,062	1,407,018	1,534,770	13,780,054
North Point Wind QF	2,286,409	1,397,260	1,869,436	594,282	1,431,430	1,179,723	1,405,557	1,420,962	1,726,775	1,648,775	1,792,172	1,754,285	18,507,065
Oregon Wind Farm QF	1,238,458	1,448,974	1,128,171	1,223,967	890,758	1,223,150	1,283,884	1,112,306	912,243	724,891	799,968	1,031,901	13,018,671
Pavant II Solar QF	173,788	250,424	301,537	394,659	403,668	388,565	471,620	452,599	365,091	297,933	184,534	148,569	3,832,986
Pioneer Wind 1 QF	1,676,167	1,188,710	1,121,337	832,424	734,811	648,878	656,398	679,851	457,497	823,730	1,257,684	1,101,077	11,178,563
Power County North Wind QF	595,491	527,010	479,809	409,540	366,929	334,755	354,767	351,580	367,241	493,077	509,117	581,648	5,370,965
Power County South Wind QF	571,703	492,917	444,824	380,060	332,417	298,007	313,646	327,691	325,321	431,396	459,928	504,322	4,882,232
Roseburg Dillard QF	18,636	53,193	(20,062)	23,995	74,334	52,160	82,435	65,870	33,146	38,666	37,560	26,261	486,194
Sage I Solar QF	94,700	161,183	193,397	190,000	222,522	264,294	339,923	335,626	209,804	157,123	105,215	75,856	2,349,644
Sage II Solar QF	104,932	170,168	195,364	153,243	224,048	264,592	340,285	335,994	210,042	157,280	105,343	75,927	2,337,218
Sage III Solar QF	97,388	162,331	164,634	154,747	178,124	216,172	277,394	273,689	173,157	131,807	89,173	64,441	1,983,056
Spanish Fork Wind 2 QF	282,276	192,165	114,723	137,896	142,838	211,340	287,439	312,776	269,646	240,277	248,251	256,363	2,695,989
Sunnyside QF	-	-	1,623,689	2,687,285	2,432,422	2,699,451	2,700,075	2,655,873	2,524,018	2,324,683	2,696,609	2,490,236	24,834,341
Sweetwater Solar QF	341,212	575,966	623,390	795,188	828,649	993,452	1,130,956	1,047,054	822,457	635,392	301,437	203,764	8,298,916
Tesoro QF	4,754	58,557	39,577	12,302	2,078	6,958	8,908	14,106	12,817	14,523	14,699	31,757	221,036
Threemile Canyon Wind QF	140,538	203,650	187,948	193,870	180,312	-	-	-	-	-	-	-	906,318
Three Peaks Solar QF	488,073	676,114	667,494	914,738	1,017,161	917,726	1,051,222	1,001,862	798,468	678,436	446,270	374,120	9,031,685
Utah Pavant Solar QF	213,073	281,796	351,379	458,277	536,411	596,404	704,680	710,554	607,140	439,721	273,962	230,181	5,403,577
Utah Red Hills Solar QF	555,155	790,387	802,756	1,050,186	1,306,651	1,251,523	1,546,847	1,469,795	1,327,507	819,121	592,076	467,458	11,979,461
Qualifying Facilities Tota	$ 24,368,940	$ 24,705,103	$ 25,584,540	$ 28,547,454	$ 28,377,220	$ 31,161,291	$ 33,671,404	$ 32,092,164	$ 28,293,490	$ 25,855,594	$ 23,712,119	$ 22,367,348	$ 328,736,666
Mid-Columbia Contracts													
Grant Reasonable	173,914	173,914	59,445	173,914	173,914	(4,947)	(4,947)	(4,947)	(4,947)	(4,947)	(4,947)	(4,947)	720,476
Grant Meaningful Priority	-	-	-	-	-	2,241,564	2,241,564	2,241,564	2,241,564	2,241,564	2,241,564	2,241,564	15,690,945
Grant Surplus	(247,879)	(247,879)	(511,021)	(247,879)	(247,879)	173,914	173,914	173,914	173,914	173,914	173,914	173,914	(285,137)
Mid-Columbia Contracts Total	$ (73,964)	$ (73,964)	$ (451,576)	$ (73,965)	$ (73,965)	$ 2,410,531	$ 2,410,531	$ 2,410,531	$ 2,410,531	$ 2,410,531	$ 2,410,531	$ 2,410,531	$ 16,126,283
Total Long Term Firm Purchases	$ 41,518,860	$ 42,592,208	$ 39,375,445	$ 40,892,314	$ 40,395,235	$ 44,473,365	$ 46,332,167	$ 44,919,555	$ 41,776,332	$ 41,260,475	$ 40,821,422	$ 43,297,668	$ 507,655,045
Storage & Exchange													
APS Exchange	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
BPA FC IV Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
Cowlitz Swift	-	-	-	-	-	-	-	-	-	-	-	-	-
EWEB FC I	-	-	-	-	-	-	-	-	-	-	-	-	-
PSCo Exchange	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	5,400,000
SCL State Line	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Storage & Exchange	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 5,400,000
Total Short Term Firm Purchases	$ (143,796)	$ 9,510,714	$ 13,707,615	$ 4,796,000	$ 12,381,714	$ 11,223,371	$ 31,429,820	$ 28,596,749	$ 22,178,819	$ 14,024,936	$ 13,033,919	$ 15,319,788	$ 176,059,649
Total Secondary Purchases	0	-	1,598	102	(0)	-	-	-	-	-	-	-	1,700
Total Purchased Power & Net Interchange	$ 41,825,063	$ 52,552,922	$ 53,534,658	$ 46,138,417	$ 53,226,949	$ 56,146,737	$ 78,211,987	$ 73,966,303	$ 64,405,150	$ 55,735,411	$ 54,305,341	$ 59,067,456	$ 689,116,394
Wheeling & U. of F. Expense													
Firm Wheeling	$ 11,397,567	$ 11,175,083	$ 10,910,105	$ 10,622,931	$ 10,036,929	$ 10,914,308	$ 11,159,120	$ 11,148,084	$ 11,858,566	$ 11,710,152	$ 12,286,057	$ 12,761,487	$ 135,980,389
Non-Firm Wheeling	788,114	505,483	1,071,400	1,175,770	442,029	1,838	-	-	-	2,170	8,717	4,008	3,999,528
Total Wheeling & U. of F. Expense	$ 12,185,681	$ 11,680,566	$ 11,981,505	$ 11,798,702	$ 10,478,958	$ 10,916,145	$ 11,159,120	$ 11,148,084	$ 11,858,566	$ 11,712,322	$ 12,294,774	$ 12,765,495	$ 139,979,918

August 3, 2020 **Exhibit PAC/103**

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total 2020
Coal Fuel Burn Expense													
Cholla	$ 3,492,143	$ (8,032)	$ -	$ -	$ 2,997,317	$ 3,108,838	$ 3,225,640	$ 4,058,418	$ 3,397,346	$ 3,748,497	$ 3,754,874	$ 4,923,815	$ 32,698,855
Colstrip	1,636,443	1,589,897	1,549,366	1,482,156	795,810	1,240,229	1,599,784	1,647,700	1,454,364	727,728	1,482,237	1,485,788	16,691,502
Craig	2,888,380	1,441,534	2,219,621	2,021,008	2,117,777	1,583,483	1,661,379	1,753,737	1,474,269	1,677,141	1,657,248	1,873,367	22,368,943
Dave Johnston	3,587,676	3,682,248	4,148,522	3,804,432	3,551,438	4,347,994	4,606,899	4,988,413	4,373,739	4,405,928	2,661,439	4,876,043	49,034,770
Hayden	736,475	575,443	1,034,110	796,321	555,878	1,124,252	1,086,068	986,007	1,050,073	961,781	1,075,147	1,145,005	11,126,560
Hunter	10,780,441	8,976,185	7,158,101	8,899,789	8,452,865	6,874,955	9,771,509	10,239,604	7,116,596	9,347,008	13,743,163	13,070,527	114,430,744
Huntington	7,727,400	5,931,466	7,837,301	5,229,260	4,845,656	6,052,765	9,122,517	9,446,213	7,133,813	7,355,907	9,085,610	11,332,170	91,100,077
Jim Bridger	15,651,941	13,380,083	18,625,712	12,893,151	11,691,061	13,784,162	20,822,098	20,941,233	15,817,154	19,117,699	21,168,697	12,562,602	196,455,593
Naughton	6,295,463	5,727,684	6,025,712	4,787,853	4,085,601	5,431,877	6,358,153	6,501,063	6,394,818	5,887,559	6,101,965	6,087,392	69,685,141
Wyodak	1,484,065	1,485,973	1,617,959	1,762,593	1,753,632	2,222,193	2,713,843	2,552,932	2,388,071	2,417,082	1,707,863	1,733,132	23,839,338
Total Coal Fuel Burn Expense	$ 54,280,425	$ 42,782,482	$ 50,216,403	$ 41,676,561	$ 40,847,035	$ 45,770,747	$ 60,967,891	$ 63,115,320	$ 50,600,243	$ 55,646,331	$ 62,438,242	$ 59,089,842	$ 627,431,522
Gas Fuel Burn Expense													
Chehalis	$ 6,922,036	$ 4,540,837	$ 6,017,687	$ 3,444,006	$ 3,189,609	$ 3,208,722	$ 5,488,472	$ 5,275,952	$ 5,465,418	$ 5,088,221	$ 1,747,268	$ 984,708	$ 51,372,936
Currant Creek	5,973,766	4,383,603	441,765	3,504,739	3,920,117	4,426,809	5,210,493	4,624,782	5,026,859	5,647,775	4,695,421	3,116,907	50,973,035
Gadsby	18,641	-	-	-	74,092	499,740	818,618	832,316	481,666	331,744	212,730	211,627	3,481,173
Gadsby CT	169,237	163,592	281,151	154,506	130,616	277,718	456,594	367,422	184,871	149,981	107,724	133,037	2,576,447
Hermiston	2,503,297	1,902,753	1,975,478	1,549,099	230,308	979,796	1,932,060	2,189,941	2,144,070	2,379,707	2,468,409	2,003,050	22,257,966
Lake Side 1	6,401,528	5,047,011	4,574,420	458,073	3,669,609	5,473,481	6,563,632	6,846,449	6,409,744	6,482,010	5,395,046	4,380,917	61,701,920
Lake Side 2	4,811,225	6,716,288	8,836,213	5,057,814	2,457,163	5,459,846	6,487,427	6,787,508	6,393,507	5,728,574	5,210,304	5,157,442	69,103,311
Naughton - Gas	-	-	-	-	-	3,350,790	3,978,859	3,355,070	3,742,066	2,190,988	1,340,585	1,772,403	19,730,762
Total Gas Fuel Burn Expense	$ 26,799,729	$ 22,754,085	$ 22,126,713	$ 14,168,236	$ 13,671,515	$ 23,676,902	$ 30,936,155	$ 30,279,440	$ 29,848,200	$ 27,999,000	$ 21,177,486	$ 17,760,090	$ 281,197,549
Other Generation													
Black Cap Solar	$ 1,999	$ 3,666	$ 5,503	$ 6,034	$ 3,643	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,844
Blundell	343,791	1,740,154	774,881	355,231	336,559	396,612	385,318	397,986	414,567	420,148	232,265	283,780	6,081,293
Wind Integration Charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Generation	$ 345,790	$ 1,743,820	$ 780,384	$ 361,265	$ 340,202	$ 396,612	$ 385,318	$ 397,986	$ 414,567	$ 420,148	$ 232,265	$ 283,780	$ 6,102,138
Net Power Cost	$ 123,149,779	$ 121,931,952	$ 127,208,000	$ 104,869,241	$ 111,446,181	$ 118,579,948	$ 146,170,511	$ 138,254,105	$ 123,419,149	$ 115,768,619	$ 114,208,106	$ 114,181,957	$ 1,459,187,547
Net Power Cost/Net System Load	$ 24.06	$ 25.91	$ 25.93	$ 25.43	$ 25.73	$ 23.97	$ 25.96	$ 25.55	$ 26.37	$ 25.33	$ 24.33	$ 22.10	

Application No. 20-08-___
Exhibit No. PAC/104
Witness: David G. Webb

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

David G. Webb

Net Power Cost Analysis—Projected 2021 Net Power Cost

August 2020

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total 2021
Special Sales For Resale													
Long Term Firm Sales													
Black Hills	$ 705,225	$ 514,766	$ 461,912	$ 376,161	$ 386,616	$ 567,164	$ 707,832	$ 703,643	$ 689,908	$ 696,870	$ 678,262	$ 709,723	$ 7,198,083
BPA Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
Hurricane Sale	732	732	732	732	732	732	732	732	732	732	732	732	8,780
Leaning Juniper Revenue	6,617	6,442	7,876	4,901	5,474	5,482	14,296	13,900	10,935	8,304	6,617	7,901	98,745
Total Long Term Firm Sales	$ 712,574	$ 521,940	$ 470,520	$ 381,794	$ 392,822	$ 573,378	$ 722,859	$ 718,275	$ 701,574	$ 705,905	$ 685,611	$ 718,355	$ 7,305,609
Total Short Term Firm Sales	$ 21,106,525	$ 13,030,556	$ 11,199,807	$ 10,029,722	$ 10,489,420	$ 12,621,677	$ 20,845,650	$ 23,195,563	$ 22,452,435	$ 19,241,388	$ 17,625,122	$ 18,110,981	$ 199,948,847
Total Secondary Sales	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Special Sales For Resale	$ 21,819,099	$ 13,552,496	$ 11,670,328	$ 10,411,516	$ 10,882,242	$ 13,195,056	$ 21,568,509	$ 23,913,838	$ 23,154,009	$ 19,947,293	$ 18,310,733	$ 18,829,336	$ 207,254,456
Purchased Power & Net Interchange													
Long Term Firm Purchases													
APS Supplemental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Cedar Springs Wind	1,348,849	1,095,201	1,032,244	1,016,035	830,825	743,881	742,782	585,990	827,498	1,090,534	1,068,343	1,341,093	11,723,273
Cedar Springs Wind III	1,025,294	832,067	784,236	772,110	631,271	565,348	564,366	445,200	628,830	828,668	811,823	1,018,881	8,908,095
Combine Hills Wind	372,723	451,621	547,613	547,338	465,612	400,323	451,804	378,748	357,771	372,201	456,360	566,954	5,369,068
Cove Mountain Solar	185,318	194,698	339,380	369,458	425,244	457,335	443,628	419,763	359,961	289,769	208,202	171,150	3,863,906
Cove Mountain Solar II	28,534	28,675	28,713	28,701	28,534	28,701	28,624	28,624	28,609	28,624	28,609	28,624	343,571
Deseret Purchase	2,734,866	2,811,871	2,630,089	2,337,218	2,320,807	2,741,178	2,948,207	2,948,207	2,917,910	2,897,712	2,544,247	2,869,940	32,702,249
Eagle Mountain - UAMPS/UMPA	156,892	141,048	125,873	128,817	154,170	284,603	436,745	407,435	241,073	156,349	153,679	228,968	2,615,653
Gemstate	143,152	143,152	143,152	143,152	143,152	143,152	143,152	143,152	143,152	143,152	143,152	143,152	1,717,824
Hunter Solar	374,917	425,031	647,514	675,791	770,602	797,429	758,093	712,635	664,479	567,050	402,182	326,602	7,122,324
Hurricane Purchase	13,395	13,395	13,395	13,395	13,395	13,395	13,395	13,395	13,395	13,395	13,395	13,395	160,742
MagCorp Reserves	421,050	425,060	421,050	421,050	421,050	421,050	409,020	429,070	429,070	429,070	429,070	429,070	5,084,680
Milican Solar	68,661	138,221	204,961	257,983	306,199	333,290	375,334	331,656	266,914	174,771	111,940	76,250	2,646,179
Milford Solar	358,636	412,994	609,192	677,611	796,634	839,927	747,990	720,080	671,702	541,717	394,020	310,716	7,081,219
Monsanto Reserves	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	19,999,999
Nucor	594,150	594,150	594,150	594,150	594,150	594,150	594,150	594,150	594,150	594,150	594,150	594,150	7,129,800
Old Mill Solar	-	-	-	-	-	-	-	-	-	-	-	-	-
Pavant III Solar	-	-	-	-	-	-	-	-	-	-	-	-	-
PGE Cove	12,899	12,899	12,899	12,899	12,899	12,899	12,899	12,899	12,899	12,899	12,899	12,899	154,785
Prineville Solar	82,013	91,830	136,171	171,397	203,430	221,430	249,362	220,343	177,331	116,113	74,370	51,717	1,795,505
Rock River Wind	647,624	502,957	528,679	435,960	284,843	262,621	181,185	193,222	262,771	490,382	158,766	-	3,949,010
Sigurd Solar	-	-	-	-	-	23,671	660,236	605,234	565,052	458,516	322,228	270,634	2,905,571
Small Purchases east	1,173	1,213	1,172	1,172	1,233	1,203	1,226	1,202	1,153	1,157	1,209	1,176	14,288
Small Purchases west	-	-	-	-	-	-	-	-	-	-	-	-	-
Soda Lake Geothermal	-	-	-	-	-	-	-	-	-	-	-	-	-
Three Buttes Wind	2,790,663	1,806,921	2,135,557	1,618,738	1,425,615	1,202,984	807,052	950,561	1,186,424	1,734,559	2,352,376	2,651,346	20,662,796
Top of the World Wind	5,436,527	3,612,759	4,244,151	3,270,658	2,907,364	2,399,806	1,720,417	1,872,120	2,296,841	3,513,203	4,491,632	4,920,662	40,686,138
Tri-State Purchase	-	-	-	-	-	-	-	-	-	-	-	-	-
Wolverine Creek Wind	760,539	888,633	1,132,686	1,040,512	787,596	844,716	669,522	637,857	752,718	827,852	962,861	953,573	10,259,065
Long Term Firm Purchases Total	$ 19,224,538	$ 16,291,063	$ 17,979,542	$ 16,200,810	$ 15,191,291	$ 14,999,759	$ 14,625,854	$ 14,318,208	$ 15,066,368	$ 16,948,509	$ 17,402,179	$ 18,647,616	$ 196,895,739

August 3, 2020

Exhibit PAC/104

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total 2021
Qualifying Facilities													
QF California	$ 215,701	$ 236,633	$ 267,245	$ 312,697	$ 302,769	$ 244,243	$ 166,228	$ 138,407	$ 130,335	$ 133,735	$ 138,107	$ 173,627	$ 2,459,726
QF Idaho	664,278	621,687	628,839	689,215	765,684	863,592	800,719	691,918	665,335	685,634	672,693	737,119	8,486,714
QF Oregon	2,953,029	3,114,027	4,072,917	5,044,164	5,479,940	5,704,594	5,556,373	5,251,899	4,558,777	3,594,457	2,668,529	2,789,619	50,788,325
QF Utah	799,972	834,747	994,336	1,035,869	1,137,833	1,155,642	1,078,323	1,069,390	1,006,203	958,094	845,641	770,935	11,686,984
QF Washington	-	-	17	7,417	20,720	34,279	47,832	51,603	41,039	13,584	-	-	216,491
QF Wyoming	15,625	13,487	15,668	11,635	10,936	8,824	14,383	13,360	10,009	11,944	12,251	16,066	154,188
Biomass One QF	1,137,736	1,170,257	1,267,946	1,426,566	928,933	496,148	1,441,224	1,430,184	1,394,481	1,437,697	1,443,413	751,283	14,325,868
DCFP QF	3,234	5,370	4,809	4,672	4,536	6,740	15,411	16,735	21,124	11,881	6,916	6,589	108,018
Enterprise Solar I QF	617,060	756,870	980,643	1,117,038	1,257,240	1,382,198	1,554,604	1,501,679	1,181,692	957,986	710,651	545,749	12,563,411
Escalante 1 Solar QF	565,498	685,084	883,730	1,015,842	1,191,044	1,306,249	1,436,464	1,391,659	1,094,914	874,125	648,324	508,570	11,601,502
Escalante 2 Solar QF	531,489	645,513	832,362	955,502	1,126,572	1,235,898	1,359,761	1,304,268	1,031,738	818,007	606,453	474,150	10,921,713
Escalante 3 Solar QF	517,551	627,997	806,129	929,679	1,098,975	1,206,563	1,321,201	1,268,974	1,003,181	750,305	555,442	434,642	10,520,640
ExxonMobil QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Five Pine Wind QF	515,184	843,295	749,871	802,885	485,845	529,260	630,392	591,216	751,568	738,975	881,157	880,334	8,399,980
Foote Creek III Wind QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Granite Mountain East Solar QF	548,826	618,770	895,198	990,554	1,158,651	1,258,453	1,338,832	1,261,328	978,568	810,799	585,874	467,909	10,913,761
Granite Mountain West Solar QF	363,517	409,549	593,815	657,017	766,608	830,760	887,222	834,460	645,109	536,218	387,167	309,035	7,220,477
Iron Springs QF	634,276	666,108	897,183	1,017,893	1,130,820	1,283,100	1,346,598	1,318,721	1,006,219	817,161	582,281	500,011	11,200,371
Kennecott Refinery QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Kennecott Smelter QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Latigo Wind QF	1,007,477	917,570	1,126,955	897,120	856,897	745,979	673,722	567,152	616,686	799,252	709,690	756,240	9,674,740
Mountain Wind 1 QF	1,397,705	1,044,898	869,816	693,034	479,607	498,327	410,860	440,933	454,827	672,574	927,984	1,025,515	8,916,080
Mountain Wind 2 QF	2,038,485	1,566,199	1,352,529	1,078,715	750,861	890,296	761,455	734,168	757,712	1,009,557	1,435,299	1,519,756	13,895,033
North Point Wind QF	1,081,867	1,817,411	1,672,826	1,801,611	1,084,057	1,202,040	1,464,551	1,465,394	1,786,186	1,717,960	1,871,542	1,821,132	18,786,576
Oregon Wind Farm QF	729,863	971,742	1,115,635	1,312,368	1,260,505	1,201,740	1,261,216	1,114,406	919,426	735,727	801,716	1,044,447	12,468,790
Pavant II Solar QF	177,389	225,179	346,901	399,215	454,358	476,933	558,197	543,942	425,101	330,218	205,953	166,635	4,310,019
Pioneer Wind 1 QF	1,307,976	927,722	1,190,414	907,777	706,052	651,560	651,076	681,633	452,761	823,624	1,265,841	1,101,946	10,668,383
Power County North Wind QF	415,705	548,470	525,351	519,896	350,950	344,576	370,353	360,112	380,493	511,430	530,622	602,381	5,460,338
Power County South Wind QF	367,049	482,868	474,030	482,998	302,560	306,289	327,761	335,462	336,896	447,464	479,428	522,241	4,865,045
Roseburg Dillard QF	52,652	45,323	49,453	117,831	106,620	104,258	164,486	131,433	66,116	76,189	75,916	52,402	1,042,678
Sage I Solar QF	80,679	79,891	190,158	206,003	234,995	262,709	337,883	333,611	208,547	155,711	104,870	75,399	2,270,456
Sage II Solar QF	80,764	79,986	190,360	206,223	235,208	263,006	338,244	333,976	208,784	155,870	105,000	75,469	2,272,891
Sage III Solar QF	68,007	66,563	157,054	167,907	192,623	214,874	275,730	272,050	172,117	130,624	88,886	64,050	1,870,483
Spanish Fork Wind 2 QF	217,428	177,317	204,533	160,626	154,092	210,749	289,636	315,766	271,043	242,505	250,579	260,620	2,754,893
Sunnyside QF	2,757,966	2,577,196	2,680,631	1,719,211	2,720,081	2,750,586	2,752,683	2,714,248	2,577,478	2,367,927	2,749,169	2,537,628	30,904,807
Sweetwater Solar QF	259,240	374,746	567,022	689,492	814,366	985,566	1,121,979	1,038,739	815,928	628,052	300,112	202,134	7,797,376
Tesoro QF	47,343	20,950	25,229	22,661	42,389	7,990	10,325	16,197	14,716	16,867	16,910	36,505	278,082
Three Peaks Solar QF	411,976	477,957	625,721	834,509	860,254	911,132	1,042,848	998,463	794,907	672,624	450,022	372,466	8,452,878
Threemile Canyon Wind QF	-	-	-	-	-	-	-	-	-	-	-	-	-
Utah Pavant Solar QF	208,301	240,534	410,490	470,172	563,656	662,527	772,097	721,480	602,883	450,433	279,646	229,501	5,611,720
Utah Red Hills Solar QF	484,032	621,327	787,698	1,034,405	1,204,547	1,240,486	1,530,453	1,463,983	1,326,491	812,004	594,449	465,244	11,565,119
Qualifying Facilities Total	$ 23,274,881	$ 24,513,245	$ 28,453,509	$ 29,740,418	$ 30,241,782	$ 31,478,166	$ 34,111,121	$ 32,718,947	$ 28,709,388	$ 25,907,214	$ 23,988,532	$ 22,297,351	$ 335,434,555
Mid-Columbia Contracts													
Grant Reasonable	(23,031)	(23,031)	(23,031)	(23,031)	(23,031)	(23,031)	(23,031)	(23,031)	(23,031)	(23,031)	(23,031)	(23,031)	(276,372)
Grant Surplus	178,008	178,008	178,008	178,008	178,008	178,008	178,008	178,008	178,008	178,008	178,008	178,008	2,136,095
Mid-Columbia Contracts Total	$ 154,977	$ 154,977	$ 154,977	$ 154,977	$ 154,977	$ 154,977	$ 154,977	$ 154,977	$ 154,977	$ 154,977	$ 154,977	$ 154,977	$ 1,859,723
Total Long Term Firm Purchases	$ 42,654,396	$ 40,959,285	$ 46,588,029	$ 46,096,205	$ 45,588,050	$ 46,632,901	$ 48,891,953	$ 47,192,131	$ 43,930,733	$ 43,010,701	$ 41,545,688	$ 41,099,944	$ 534,190,017
Storage & Exchange													
APS Exchange	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
BPA FC IV Wind	-	-	-	-	-	-	-	-	-	-	-	-	-
Cowlitz Swift	-	-	-	-	-	-	-	-	-	-	-	-	-
EWEB FC I	-	-	-	-	-	-	-	-	-	-	-	-	-
PSCo Exchange	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	5,400,000
SCL State Line	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Storage & Exchange	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 450,000	$ 5,400,000
Total Short Term Firm Purchases	$ 6,458,042	$ 6,862,364	$ 5,829,775	$ 541,526	$ 8,233,953	$ 6,150,056	$ 14,911,841	$ 11,060,462	$ 5,280,246	$ 1,012,690	$ 2,294,350	$ 6,356,278	$ 74,991,582
Total Secondary Purchases													-
Total Purchased Power & Net Interchange	$ 49,562,438	$ 48,271,649	$ 52,867,804	$ 47,087,731	$ 54,272,003	$ 53,232,957	$ 64,253,793	$ 58,702,593	$ 49,660,979	$ 44,473,391	$ 44,290,038	$ 47,906,222	$ 614,581,599
Wheeling & U. of F. Expense													
Firm Wheeling	$ 12,569,049	$ 12,280,143	$ 12,290,569	$ 10,912,930	$ 10,635,550	$ 11,585,515	$ 11,385,784	$ 11,027,406	$ 11,483,280	$ 11,666,966	$ 12,576,530	$ 12,872,074	$ 141,285,796
Non-Firm Wheeling	11,590	2,623	954	-	61	1,158	5,069	4,648	3,174	1,783	7,412	3,445	41,918
Total Wheeling & U. of F. Expense	$ 12,580,639	$ 12,282,766	$ 12,291,523	$ 10,912,930	$ 10,635,611	$ 11,586,673	$ 11,390,853	$ 11,032,054	$ 11,486,454	$ 11,668,750	$ 12,583,942	$ 12,875,519	$ 141,327,714

	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total 2021
Coal Fuel Burn Expense													
Cholla	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Colstrip	1,772,594	1,529,045	1,562,304	1,436,848	1,210,858	1,368,999	1,620,424	1,667,604	1,471,932	733,622	1,500,141	1,503,736	17,378,106
Craig	1,763,231	1,562,536	1,477,903	1,338,175	1,380,100	1,399,797	1,607,933	1,675,467	1,489,810	1,575,728	1,580,398	1,793,541	18,644,619
Dave Johnston	5,096,974	4,783,048	3,981,380	4,082,440	4,706,704	4,642,569	4,909,297	5,376,881	4,762,831	5,181,269	4,266,563	5,212,782	57,002,737
Hayden	974,150	851,559	731,056	704,719	808,795	924,754	1,023,310	939,699	911,871	812,594	917,080	972,625	10,572,212
Hunter	10,379,697	8,495,717	6,168,935	3,420,170	4,393,220	5,430,569	10,125,246	9,855,934	7,585,711	6,486,173	10,400,550	11,237,064	93,978,988
Huntington	10,393,077	8,620,097	7,751,302	4,898,009	4,609,265	5,169,715	10,009,688	9,828,298	8,043,302	6,148,463	8,322,008	11,499,759	95,292,984
Jim Bridger	10,827,483	12,158,738	14,861,610	11,836,763	10,030,966	13,732,524	24,269,122	23,827,411	18,077,132	16,240,824	15,746,766	13,391,188	185,000,527
Naughton	7,283,082	6,467,550	6,232,045	5,891,417	5,186,976	6,237,248	6,807,124	6,953,968	6,857,868	6,249,767	6,507,022	6,489,846	77,163,914
Wyodak	2,243,080	2,256,688	1,777,532	1,436,129	2,183,646	1,983,430	2,741,208	2,578,246	2,400,836	2,371,337	2,040,613	1,556,999	25,569,745
Total Coal Fuel Burn Expense	$ 50,733,369	$ 46,724,978	$ 44,544,066	$ 35,044,670	$ 34,510,529	$ 40,889,606	$ 63,113,353	$ 62,703,507	$ 51,601,293	$ 45,799,778	$ 51,281,142	$ 53,657,541	$ 580,603,832
Gas Fuel Burn Expense													
Chehalis	$ 4,120,279	$ 1,135,082	$ 2,566,176	$ 3,139,174	$ 4,384,465	$ 3,331,249	$ 4,815,192	$ 4,781,973	$ 4,451,966	$ 4,981,459	$ 3,918,909	$ 5,306,668	$ 46,932,593
Currant Creek	2,525,454	1,075,928	2,118,998	3,360,351	2,848,895	4,934,817	4,633,698	4,042,483	4,167,889	5,399,930	4,376,495	4,182,336	43,667,273
Gadsby	65,866	135,607	120,214	70,775	91,689	308,032	799,362	799,701	453,486	279,686	366,939	671,828	4,163,185
Gadsby CT	51,310	74,108	67,574	54,044	43,671	112,649	397,761	345,680	171,769	166,770	166,028	435,494	2,086,857
Hermiston	2,138,602	1,587,419	1,236,607	2,069,759	995,582	1,292,264	2,412,444	2,618,325	2,535,122	2,681,785	2,193,537	2,226,385	23,987,831
Lake Side 1	5,089,889	4,651,457	4,635,416	5,341,447	5,913,166	6,206,756	6,528,962	6,469,506	5,864,387	6,082,763	5,417,476	5,559,791	67,761,018
Lake Side 2	5,624,919	4,759,103	5,085,703	4,742,549	3,862,611	4,763,723	5,255,307	5,186,583	5,087,453	5,233,109	5,081,177	5,715,871	60,398,108
Naughton - Gas	1,985,896	2,067,874	1,727,745	1,320,507	1,552,488	1,503,789	2,044,111	1,898,903	1,333,630	1,422,641	1,570,312	2,479,802	20,907,700
Total Gas Fuel Burn Expense	$ 21,602,215	$ 15,486,577	$ 17,558,433	$ 20,098,606	$ 19,692,569	$ 22,453,279	$ 26,886,838	$ 26,143,153	$ 24,065,700	$ 26,248,143	$ 23,090,873	$ 26,578,177	$ 269,904,564
Other Generation													
Black Cap Solar	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Blundell	416,397	331,461	388,606	378,531	386,440	357,121	346,951	358,358	373,289	378,314	209,138	255,524	4,180,132
Wind Integration Charge	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Generation	$ 416,397	$ 331,461	$ 388,606	$ 378,531	$ 386,440	$ 357,121	$ 346,951	$ 358,358	$ 373,289	$ 378,314	$ 209,138	$ 255,524	$ 4,180,132
Net Power Cost	$ 113,075,959	$ 109,544,935	$ 115,980,104	$ 103,110,953	$ 108,614,910	$ 115,324,580	$ 144,423,279	$ 135,025,828	$ 114,033,706	$ 108,621,082	$ 113,144,401	$ 122,443,647	$ 1,403,343,385
Net Power Cost/Net System Load	$21.70	$24.01	$24.39	$23.09	$23.26	$23.14	$25.01	$24.41	$23.90	$23.37	$23.71	$23.13	

Application No. 20-08-___
Exhibit No. PAC/105
Witness: David G. Webb

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

David G. Webb

2021 California-allocated Net Power Costs

August 2020

Exhibit PAC/105
PacifiCorp
2021 Projected Net Power Cost
August 3, 2020

Description	CY 2021 Total Company	Per Docket A.18-04-002 2017 Protocol Factor	California Factor %	CY 2021 California Allocated
Sales for Resale (Account 447)				
Existing Firm Sales PPL	7,198,083	SG	1.580%	113,761
Existing Firm Sales UPL	-	SG	1.580%	-
Post-merger Firm Sales	200,056,373	SG	1.580%	3,161,760
Total Revenue	207,254,456			**3,275,521**
	-			
Purchased Power (Account 555)				
Existing Firm Demand PPL	2,207,368	SG	1.580%	34,886
Existing Firm Demand UPL	3,564,582	SG	1.580%	56,336
Existing Firm Energy	12,564,272	SE	1.490%	187,242
Post-merger Firm	596,245,376	SG	1.580%	9,423,267
Other Generation	-	SG	1.580%	-
Seasonal Contracts	-	SG	1.580%	-
Total Purchased Power	614,581,599			**9,701,732**
	-			
Wheeling (Account 565)				
Existing Firm PPL	21,908,441	SG	1.580%	346,249
Existing Firm UPL	-	SG	1.580%	-
Post-merger Firm	116,379,167	SG	1.580%	1,839,296
Non-firm	3,040,106	SE	1.490%	45,306
Total Wheeling Expense	141,327,714			**2,230,851**
	-			
Fuel Expense (Accounts 501, 503 and 547)				
Fuel Consumed - Coal	580,603,832	SE	1.490%	8,652,602
Fuel Consumed - Gas	4,163,185	SE	1.490%	62,043
Steam From Other Sources	4,180,132	SE	1.490%	62,296
Natural Gas Consumed	263,654,522	SE	1.490%	3,929,181
Simple Cycle Combustion Turbines	2,086,857	SE	1.490%	31,100
Cholla/APS Exchange	-	SE	1.490%	-
Total Fuel Expense	854,688,528			**12,737,221**
	-			
CY 2021 Net Power Cost	**1,403,343,385**			**21,394,283**

Application No. 20-08-___
Exhibit No. PAC/106
Witness: David G. Webb

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

REDACTED
Exhibit Accompanying Direct Testimony of

David G. Webb

ARB Administrative Costs

August 2020

REDACTED

CONFIDENTIAL Exhibit PAC/106
California Air Resources Boards
Administrative Costs[1]
August 3, 2020

CONFIDENTIAL INFORMATION IS SHADED

	2019 Forecast	2019 Actual	2020 Forecast	2020 Forecast/Actual	2021 Forecast
CARB Implementation Fees	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Mandatory Reporting Verification Costs	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Total Administrative Costs[1]	$ 59,724	$ 76,735	$ 47,845	$ 51,954	$ 82,419

[1] Excludes estimated emission obligation cost from the purchase of allowances and forecast revenue from the sale of directly allocated allowances. Reference to the direct testimony and accompanying exhibits of Mary M. Wienke, Confidential Exhibit PAC/200-PAC/208 for forecasting the costs from the purchase of allowances and revenue from the sale of allowances.

Application No. 20-08-___
Exhibit No. PAC/200
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

REDACTED

Direct Testimony of Mary M. Wiencke

Greenhouse Gas Allowance Costs and Revenue

August 2020

Table of Contents

Attached Exhibits

Confidential Document Subject to PU Code Section 583 and General Order 66-D

I. Witness Qualifications

Q. Please state your name, business address, and present position with PacifiCorp d/b/a Pacific Power (PacifiCorp or company).

A. My name is Mary M. Wiencke. My business address is 825 NE Multnomah, Suite 2000, Portland, Oregon 97232. I am employed by PacifiCorp as Vice President of Market, Regulation, and Transmission Policy.

Q. Please describe your education and business experience.

A. I have a Bachelor of Arts degree in Environmental Science from Barnard College and a J.D. from Lewis & Clark Law School. I have been employed by PacifiCorp for 12 years in various positions of responsibility in both legal and policy roles.

Q. Please explain your responsibilities as PacifiCorp's Vice President of Market, Regulation, and Transmission Policy.

A. My current responsibilities include developing PacifiCorp's environmental policy, strategy, and programs as well as ensuring compliance for company-wide renewable portfolio standards (RPS), reporting of greenhouse gas (GHG) emissions for California, Oregon, and Washington, and overseeing environmental commodity transactions. Most relevant to this application, I manage PacifiCorp's compliance with the California Air Resources Board (ARB) Mandatory Reporting Regulation and Cap and Trade Program, including the purchase and sale of GHG allowances.

II. Summary of Testimony

Q. Please summarize your direct testimony.

A. My direct testimony: (1) reconciles PacifiCorp's forecast GHG allowance costs and revenues set out in the company's 2020 Energy Cost Adjustment Clause (ECAC) and

GHG Application (A.19-08-002) (2020 Application) with actual GHG allowance costs and revenues through May 31, 2020; and (2) forecasts PacifiCorp's June – December 2020 and 2021 GHG allowance costs and revenues. PacifiCorp's forecast of 2020 GHG allowance costs and revenues will be reconciled next year in the 2022 ECAC and GHG Application. The 2022 Application will also include a final reconciliation of 2019 GHG allowance costs based on ARB's 2019 verified emissions data report (Verified Emissions Report).[1]

Q. Please describe the exhibits provided in support of your direct testimony.

A. I prepared nine exhibits in support of my direct testimony.

- Confidential Exhibit PAC/201 – California Public Utilities Commission (Commission) Template C Weighted Average Cost of Compliance Instruments. This exhibit provides the company's monthly accrued compliance obligation based on the weighted average cost methodology prescribed by the Commission. This template was developed by the Commission and modified in (D.) 19-04-016 on April 25, 2019. *See* Decision (D.) 14-10-033, D.14-10-055, D.15-01-024, and D.15-04-016.

- Confidential Exhibit PAC/202 – Commission Template D-2 Annual GHG Emissions and Associated Compliance Obligation**.** This exhibit provides annual forecast and actual compliance obligation by year in metric tons of carbon dioxide equivalent (MTCO2e) and dollars. This template was developed by the Commission. *See* D.14-10-033, D.14-10-055, and D.15-01-024.

- Confidential Exhibit PAC/203 – Summary of the GHG Allowance Costs Sub-Balancing Account. This exhibit provides a reconciliation of the balance in the GHG Allowance Costs Sub-Balancing Account and shows whether there is an over-collection or under-collection from customers that is included in the calculation of the GHG allowance costs recovered from customers.

- Confidential Exhibit PAC/204 – 2021 Forecast Compliance Obligation and GHG Allowance Costs. This exhibit calculates the company's 2021 forecast monthly GHG compliance cost based on a proxy price.

[1] ARB is expected to issue its 2019 Verified Emissions Report by August 15, 2020.

- Confidential Exhibit PAC/205 – 2019 Recorded GHG Allowance Revenue. This exhibit summarizes the GHG allowances sold in 2019 at the ARB quarterly auctions.

- Confidential Exhibit PAC/206 – 2020 Recorded/Forecast GHG Allowance Revenue. This exhibit summarizes the GHG allowances sold at the ARB quarterly auctions through May 31, 2020 and the amount (if any) forecast to be sold during the remainder of the year.

- Confidential Exhibit PAC/207 – Summary of the GHG Allowance Revenue Balancing Account. This exhibit provides a reconciliation of the balance in the GHG Allowance Revenue Balancing Account and shows the remaining balance to be returned to customers in 2020.

- Confidential Exhibit PAC/208 – 2021 Forecast GHG Allowance Revenue. This exhibit calculates the company's 2021 forecast GHG allowance revenue from the ARB quarterly auctions based on a proxy price.

- Confidential Exhibit PAC/209 – Commission Template D-5 History and Forecast of Revenue, Costs, and Emissions Intensity. This exhibit summarizes the forecast and recorded GHG allowance costs and revenues over the program years. This template was developed by the Commission. *See* D.14-10-033, D.14-10-055, and D.15-01-024.

III. <u>Forecast and Actual 2018 and 2019 GHG Allowance Costs</u>

Q. Please describe the types of GHG compliance costs PacifiCorp has incurred and are forecasted to incur.

A. PacifiCorp is subject to regulation as a first jurisdictional deliverer of electricity into California under ARB's GHG Cap and Trade program. As a first jurisdictional deliverer, PacifiCorp must surrender to ARB one GHG compliance instrument (i.e., a GHG allowance or offset credit) for each metric ton of carbon dioxide emitted or its equivalent. At this time, PacifiCorp only has direct GHG costs (i.e., the costs associated with procuring GHG allowances). PacifiCorp has not incurred, and does not expect to incur, any indirect GHG costs (e.g., the embedded GHG compliance costs associated with electricity procured in the wholesale market) as part of its retail compliance obligation.

Q. What were PacifiCorp's actual final GHG allowance costs for 2018?

A. On November 4, 2019, ARB issued its 2018 Verified Emissions Report. Based on PacifiCorp's 2018 Verified Emissions Report, the actual final cost of PacifiCorp's GHG compliance obligation for 2018 is [Begin Confidential] [redacted] [End Confidential].[2] The company's 2018 actual retail compliance obligation was [Begin Confidential] [redacted] [End Confidential] allowances. *See* Confidential Exhibits PAC/201 and PAC/202. The actual final cost for 2018 is included in the reconciliation of the balance in the GHG Allowance Costs Sub-Balancing Account as shown in Confidential Exhibit PAC/203.

Q. What were PacifiCorp's forecast and actual GHG allowance costs for 2019?

A. In its 2020 GHG Application, PacifiCorp forecasted that it would incur [Begin Confidential] [redacted] [End Confidential] for 2019 GHG allowance costs. *See* Confidential Exhibit PAC/202 in the company's 2020 ECAC and GHG Application A.19-08-002 submitted on August 1, 2019, and Confidential Exhibit PAC/202 in this application. As of May 31, 2020, PacifiCorp has accrued [Begin Confidential] [redacted] [End Confidential] for 2019 GHG allowance costs in the GHG Allowance Costs Sub-Balancing Account. There will be a final true-up to the verified 2019 GHG allowance costs in the company's next ECAC and GHG application filed on August 1, 2021 based on the 2019 Verified Emissions Report.

[2] All references to GHG allowance costs are based on the weighted average cost methodology prescribed by the Commission and calculated as shown in Confidential Exhibit PAC/201.

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IV. Forecast 2020 and 2021 GHG Allowance Costs

Q. What did PacifiCorp forecast for 2020 GHG allowance costs in its 2020 ECAC and GHG Application A.19-08-002?

A. In its 2020 ECAC and GHG Application, PacifiCorp forecasted the company would incur [Begin Confidential] [redacted] [End Confidential] for GHG Allowance Costs in 2020. *See* Confidential Exhibits PAC/202 and PAC/204 in the company's 2020 ECAC and GHG Application A.19-08-002 and Confidential Exhibit PAC/202 in this application.

Q. Has PacifiCorp updated its forecast for 2020 GHG allowance costs in its 2021 Application?

A. Yes. Through May 31, 2020, PacifiCorp has accrued [Begin Confidential] [redacted] [End Confidential] for its 2020 compliance obligation in the GHG Allowance Costs Sub-Balancing Account. PacifiCorp forecasts that it will incur additional GHG allowance costs of [Begin Confidential] [redacted] [End Confidential] from June 1, 2020 through the remainder of the year, December 31, 2020. Based on the amount accrued to date and the forecast for the remainder of the year, the updated forecast GHG allowance costs for 2020 are [Begin Confidential] [redacted] [End Confidential]. *See* Confidential Exhibit PAC/203 in this application.

Q. What proxy price was used to calculate the company's forecast compliance obligation for June 1, 2020 through December 31, 2020?

A. The company used the March 31, 2020 forward Intercontinental Exchange (ICE) settlement price of $15.65 as the GHG allowance proxy price to calculate the company's forecast compliance costs for June 1, 2020 through December 31, 2020.

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See Confidential Exhibit PAC/201. The process for calculating the company's 2020 compliance obligation is described in more detail below.

Q. What GHG allowance costs does PacifiCorp forecast for 2021?

A. The 2020 GHG allowance costs are forecasted to be [Begin Confidential] [redacted] [End Confidential]. Refer to Confidential Exhibit PAC/204 for the 2021 forecast compliance obligation and GHG allowance costs.

Q. What methodology was used to forecast PacifiCorp's 2021 GHG allowance costs?

A. As a multi-jurisdictional retail provider that has a GHG compliance obligation, PacifiCorp must calculate emissions as set out in California Code of Regulations, Section 95111. PacifiCorp's calculation of GHG allowance costs is consistent with D.14-10-033 issued on October 16, 2014, and uses the straightforward methodology of multiplying its compliance obligation by the GHG allowance proxy price. PacifiCorp's compliance obligation was developed using data consistent with PacifiCorp's system generation mix forecast and California load forecast assumptions in PacifiCorp's 2021 Energy Cost Adjustment Clause (ECAC) included with this application. *See* the direct testimony and exhibits of Mr. David G. Webb in support of the company's ECAC provided as Exhibits PAC/100 through Confidential Exhibit PAC/107. Allowance costs for 2020 are based on the company's accrued compliance obligation through May 31, 2020, plus the forecasted compliance obligation from June 2020 through December 2020 multiplied by the GHG allowance proxy price. Allowance costs for 2021 are based on a forecast of the company's compliance obligation for 2021 multiplied by the GHG allowance proxy price. *See* Confidential

Exhibits PAC/201 and PAC/204.

Q. How was the 2021 proxy price developed?

A. The GHG allowance proxy price forecast of $16.47 for 2021 was developed in accordance with D.14-10-033. PacifiCorp uses a GHG allowance proxy price based on the forward ICE settlement price for GHG allowances with December delivery of the forecast year 2021, consistent with the methodology used to calculate forward prices for other commodities in its ECAC application. *See* Confidential Exhibit PAC/204 for the 2021 forecast GHG allowance costs.

Q. Does PacifiCorp procure GHG allowances for its retail compliance obligation only in the ARB quarterly auctions?

A. Yes.

Q. Has the company prepared an exhibit summarizing the balance in the GHG Allowance Costs Sub-Balancing Account?

A. Yes. A summary of the balance in the GHG Allowance Costs Sub-Balancing Account is shown in Confidential Exhibit PAC/203. The summary shows a projected [Begin Confidential] [redacted] [End Confidential] of GHG allowance costs at the end of 2020.

Q. Will the balance in the GHG Allowance Costs Sub-Balancing Account be considered in the calculation of the GHG allowance costs to be recovered in rates in 2021?

A. Yes. *See* the testimony of company witness Ms. Judith M. Ridenour, Exhibit PAC/500, and accompanying Exhibit PAC/502.

V. Forecast and Actual 2019 GHG Allowance Revenue

Q. What were PacifiCorp's forecast GHG allowance revenues for 2019?

A. In its 2020 ECAC and GHG Application, PacifiCorp forecasted $12,677,323 in GHG allowance revenues for 2019. *See* A.19-08-002, Confidential Exhibit PAC/206.

Q. What were PacifiCorp's actual GHG allowance revenues in 2019?

A. PacifiCorp's total actual GHG allowance revenues in 2019 were $12,783,641. *See* Confidential Exhibit PAC/205. The actual 2019 GHG allowance revenue has been included in the reconciliation of the balance in the GHG Allowance Revenue Balancing Account as shown on Confidential Exhibit PAC/207 and Confidential Exhibit PAC/505 to the direct testimony of Ms. Ridenour.

VI. 2020 and 2021 Forecast GHG Allowance Revenue

Q. What are the total 2020 and 2021 forecast GHG allowance revenue?

A. Forecast 2020 GHG allowance revenue is $12,604,291. Forecast 2021 GHG allowance revenue is $9,075,711. See Confidential Exhibits PAC/206 and PAC/208, respectively.

Q. What methodology was used to forecast 2020 and 2021 GHG allowance revenue?

A. PacifiCorp calculated its forecast GHG allowance revenue by multiplying its annual allowance allocation from ARB times the GHG allowance proxy price. PacifiCorp's 2020 forecast GHG allowance revenue is based on actual GHG allowance revenue received from the 2020 quarterly allowance auctions as of May 31, 2020, and the expected revenue from the sale of GHG allowances PacifiCorp expects to consign to the remaining 2020 ARB auctions, multiplied by the GHG allowance proxy price. The company has assumed that it will submit and sell 100 percent of its

2020 allowance allocation from ARB at auctions in 2020, less allowances administratively retired by CARB to account for EIM Purchaser Emissions.[3] For calendar year 2021, the forecast is based on the expected revenue from the sale of the GHG allowances PacifiCorp expects to consign to the 2021 ARB auctions multiplied by forecasted GHG allowance proxy price for 2021. *See* Confidential Exhibits PAC/206 and PAC/208.

Q. What GHG allowance proxy price was used to determine forecast GHG allowance revenues in 2020 and 2021?

A. The GHG allowance proxy prices for 2020 and 2021 are $15.65 and $16.47, respectively. Please refer to Section IV of my testimony for a more detailed discussion about the methodology used to develop the proxy prices for each year. The company used the same proxy prices for determining both forecast GHG allowance costs and GHG allowance revenue in 2020 and 2021.

Q. Do you have any concerns regarding the proxy prices used to determine the forecast GHG allowances costs and GHG allowance revenue for 2020 and 2021?

A. Yes. PacifiCorp is using the Intercontinental Exchange (ICE) proxy price as required by D.14-10-033. However, the ICE proxy price is below the 2020 auction floor price of $16.68. Unless it is adjusted mid-year, allowances sold at auction will be priced at $16.68 or higher resulting in revenue higher than what is reported in Exhibit 206. The forecasts of GHG costs and allowances may be understated due to this disconnection between the ICE proxy price and the auction floor price.

[3] PacifiCorp does not currently have a way to forecast EIM Purchaser Emissions; however, the amount is expected to be relatively small.

Confidential Document Subject to PU Code Section 583 and General Order 66-D

Q. Were all of PacifiCorp's consigned allowances sold in the February 2020 and May 2020 auctions?

A. No. All consigned allowances were sold in the February auction, however May 2020 auction was undersubscribed resulting in a partial sale. Only 158,441 of 191,933 consigned allowances were sold.

Q. What does PacifiCorp assume for the allowances that were not sold in the May 2020 auction?

A. PacifiCorp assumes that 33,492 allowances that were consigned to the May 2020 auction but not sold, will sell in the August 2020 auction.

Q. Has the company prepared an exhibit summarizing the balance in the GHG Allowance Revenue Balancing Account?

A. Yes. A summary of the GHG Allowance Revenue Balancing Account is shown in Confidential Exhibit PAC/207. The summary shows a projected balance of $216,521 at the end of 2020 which represents more GHG allowance revenue returned to eligible customers than what was available to return to customers.

Q. Will the balance in the GHG Allowance Revenue Balancing Account be included in the GHG allowance revenue to be distributed through the California Climate Credit in 2021?

A. Yes. See the testimony of company witness Ms. Ridenour, Exhibit PAC/500, and accompanying Exhibit PAC/503.

Q. Have any assumptions been made about possible impact from COVID-19 on GHG Revenue and California Climate Credit distribution?

A. No. It is too early to quantify the impact from COVID-19 at this time.

Confidential Document Subject to PU Code Section 583 and General Order 66-D

Q. Does this conclude your direct testimony?

A. Yes.

Confidential Document Subject to PU Code Section 583 and General Order 66-D

Application No. 20-08-___
Exhibit No. PAC/201
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

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Exhibit Accompanying Direct Testimony of

Mary M. Wiencke

Commission Template C
Weighted Average Cost of Compliance Instruments

August 2020

CONFIDENTIAL
Exhibit PAC/201
PacifiCorp
Commission Template D-2
Annual GHG Emissions and Associated Compliance Obligation
August 3, 2020

Month	Transaction/Activity Details								Inventory Emissions and $		WAC Pricing ($/MT)	Direct GHG Costs		True-Ups	Monthly BA Entry
Month	Transaction Date	Transaction Type	Quantity Purchased (MT)	Purchase Price ($/MT)	Total Purchase ($)	Quantity Surrendered (MT)	Surrender Price ($/MT)	Total Surrender ($)	Inventory Balance ($)	Total Qty in Inventory (MT)	WAC ($/MT)	Direct Monthly Emmissions (MT)	WAC x Direct Emmissions Qty ($)	True Up Value +/- ($)	Monthly Balancing Account Entries ($)
Jan-13	[redacted]														
Feb-13															
Mar-13															
Apr-13															
May-13															
Jun-13															
Jul-13															
Aug-13															
Sep-13															
Oct-13															
Nov-13															
Dec-13															
Jan-14															
Feb-14															
Mar-14															
Apr-14															
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Jan-16															
Feb-16															
Mar-16															
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May-17															
Jun-17															
Jul-17															
Aug-17															
Sep-17															
Oct-17															
Nov-17															
Dec-17															
Jan-18															
Feb-18															
Mar-18															
Apr-18															
May-18															

Month	Transaction/Activity Details								Inventory Emissions and $		WAC Pricing ($/MT)	Direct GHG Costs		True-Ups	Monthly BA Entry
Month	Transaction Date	Transaction Type	Quantity Purchased (MT)	Purchase Price ($/MT)	Total Purchase ($)	Quantity Surrendered (MT)	Surrender Price ($/MT)	Total Surrender ($)	Inventory Balance ($)	Total Qty in Inventory (MT)	WAC ($/MT)	Direct Monthly Emmissions (MT)	WAC x Direct Emmissions Qty ($)	True Up Value +/- ($)	Monthly Balancing Account Entries ($)
Jun-18	[redacted]														
Jul-18															
Aug-18															
Sep-18															
Oct-18															
Nov-18															
Dec-18															
Jan-19															
Feb-19															
Mar-19															
Apr-19															
May-19															
Jun-19															
Jul-19															
Aug-19															
Sep-19															
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Nov-19															
Dec-19															
Jan-20															
Feb-20															
Mar-20															
Apr-20															
May-20															
Jun-20															
Jul-20															
Aug-20															
Sep-20															
Oct-20															
Nov-20															
Dec-20															

Application No. 20-08-___
Exhibit No. PAC/202
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

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Exhibit Accompanying Direct Testimony of

Mary M. Wiencke

Commission Template D-2
Annual GHG Emissions and Associated Compliance Obligation

August 2020

Annual GHG Emissions and Associated Compliance Obligation
August 3, 2020

Line	Description	2013 Forecast	2013 Recorded (Note 1)	2014 Forecast	2014 Recorded (Note 1)	2015 Forecast	2015 Recorded (Note 1)	2016 Forecast	2016 Recorded (Note 1)	2017 Forecast	2017 Recorded (Note 1)	2018 Forecast	2018 Recorded (Note 1)	2019 Forecast	2019 Recorded	2020 Forecast	2020 Recorded
1	**Direct GHG Emissions (MTCO2e)**																
2	Utility Owned Generation (UOG)	[redacted]															
3	Tolling Agreements																
4	Energy Imports (Specified)																
5	Energy imports (Unspecified)																
6	Qualifying Facility (QF) Contracts																
7	MJRP Compliance Obligation (Note 2)																
8	**Subtotal**																
9	**Indirect GHG Emissions (MTCO2e)**																
10	In-state Market Purchases	[redacted]															
11	Contract Purchases																
12	**Subtotal**																
13	**Total Emissions (MTCO2e) (Note 3)**	[redacted]															
14	**Weighted Average Cost of Compliance Instrument Inventory ($/MT**	[redacted]															
15	**Proxy GHG Price ($/MT)**	-	-	-	-	12.26	-	13.08	-	13.81	-	15.27	-	16.80	-	15.65	
16	**GHG Costs ($)**																
17	Direct GHG Costs	[redacted]															
18	Indirect GHG Costs	[redacted]															
19	Previous Year's Forecast Reconciliation (Line 21)	N/A	N/A	[redacted]													
20	**Total Costs ($)**	[redacted]															
21	**Forecast Variance ($**	N/A	[redacted]	N/A	[redacted]	N/A	[redacted]	N/A	[redacted]	N/A	[redacted]	N/A	[redacted]	N/A	[redacted]	N/A	[redacted]

Notes:
1/ Recorded costs in 2013, 2014, 2015, 2016, 2017, 2018 and 2019 represent the accrued total emissions at the weighted average cost on Exhibit PAC/201. The actual Multi-Jurisdictional Retail Provider (MJRP) Compliance Obligation for each year is not known until September of the following year.
2/ Under the Mandatory Reporting Rule Regulation, PacifiCorp reports emissions associated with using its retail load based on a unique formula. As such, PacifiCorp has revised the table to include a new section under "Direct GHG Emissions" for PacifiCorp to report its MJRP Compliance Obligation on Line 7.
3/ PacifiCorp only has direct emissions and therefore this information is considered confidential.

CONFIDENTIAL INFORMATION IS SHADED

Application No. 20-08-___
Exhibit No. PAC/203
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

REDACTED
Exhibit Accompanying Direct Testimony of

Mary M. Wiencke

Summary of the GHG Allowance Costs Sub-Balancing Account

August 2020

Summary of the GHG Allowance Costs Sub-Balancing Account
August 3, 2020

		GHG Allowance Costs Sub-Balancing Account		
Line No.	Description	Recorded-to-Date (as of 5/31/2020)	Estimated 6/1/20 - 12/31/20	Estimated 12/31/20 Balance
1	GHG Allowance Costs			
2	2013	[redacted]	[redacted]	[redacted]
3	Accrued Interest	[redacted]	[redacted]	[redacted]
4	2014	[redacted]	[redacted]	[redacted]
5	Accrued Interest	[redacted]	[redacted]	[redacted]
6	2015	[redacted]	[redacted]	[redacted]
7	Accrued Interest	[redacted]	[redacted]	[redacted]
8	2016	[redacted]	[redacted]	[redacted]
9	Accrued Interest	[redacted]	[redacted]	[redacted]
10	2017	[redacted]	[redacted]	[redacted]
11	Accrued Interest	[redacted]	[redacted]	[redacted]
12	2018	[redacted]	[redacted]	[redacted]
13	Accrued Interest	[redacted]	[redacted]	[redacted]
14	2019	[redacted]	[redacted]	[redacted]
15	Accrued Interest	[redacted]	[redacted]	[redacted]
16	2020	[redacted]	[redacted]	[redacted]
17	Accrued Interest	[redacted]	[redacted]	[redacted]
18	Gross up for Franchise Taxes and Bad Debt Expense[1]			[redacted]
19	Subtotal Recorded/Forecast Costs			$ 55,675,418
20	GHG Surcharge Collected from Customers	[redacted]	[redacted]	[redacted]
21	GHG Allowance Costs Sub-Balancing Account Under / (Over) Collection			[redacted]

[1]Authorized factor of 98.1867565% applies from 2013 - 2018, and 97.977602% from 2019 forward

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Application No. 20-08-___
Exhibit No. PAC/204
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

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Exhibit Accompanying Direct Testimony of

Mary M. Wiencke

2021 Forecast Compliance Obligation and GHG Allowance Costs

August 2020

2021 Forecast Compliance Obligation and GHG Allowance Costs
August 3, 2020

ine N	Description	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
1	Compliance Obligation (1)	36,346	30,531	31,404	30,005	32,964	35,026	38,201	36,031	30,505	28,553	30,501	35,985	396,052
2	Allowance Price (2)	$16.47	$16.47	$16.47	$16.47	$16.47	$16.47	$16.47	$16.47	$16.47	$16.47	$16.47	$16.47	$16.47
3	Compliance Costs	[redacted]												

(1) Volumes are in Metric Tons CO_2e. The compliance obligation was developed using data consistent with the system generation mix forecast and California load forecast assumptions in the 2021 ECAC filed as part of this application.
(2) The Company used March 31, 2020 forward ICE settlement price for forecasted GHG allowances with December delivery of the forecast year consistent with forward prices for other commodities in its respective 2021 ECAC filed as part of this application.

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Application No. 20-08-___
Exhibit No. PAC/205
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

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Exhibit Accompanying Direct Testimony of

Mary M. Wiencke

2019 Recorded GHG Allowance Revenue

August 2020

Exhibit PAC/205
PacifiCorp
2019 Recorded GHG Allowance Revenue
August 3, 2020

Line No.	Description	Volume [1]	Price [2]	Dollars
1	Auction Date:			
2	February 2019	[redacted]	$15.73	[redacted]
3	May 2019		$17.45	
5	August 2019		$17.16	
6	November 2019		$17.00	
8	Total 2019	759,349		$ (12,783,641)

[1] Volumes are in Metric Tons CO2e

[2] Settled Price for the Auction

CONFIDENTIAL INFORMATION IS SHADED

Application No. 20-08-___
Exhibit No. PAC/206
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

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Exhibit Accompanying Direct Testimony of

Mary M. Wiencke

2020 Recorded/Forecast GHG Allowance Revenue

August 2020

Exhibit PAC/206
PacifiCorp
2020 Recorded/Forecast GHG Allowance Revenue
August 3, 2020

Line No.	Description	Volume [1]	Price [2]	Dollars
1	Auction Date:			
2	February 2020	[redacted]	$17.87	[redacted]
3	May 2020	[redacted]	$16.68	[redacted]
4	2020 Recorded	[redacted]		[redacted]
5	August 2020	[redacted]	$15.65	[redacted]
6	November 2020	[redacted]	$15.65	[redacted]
7	2020 Forecast	[redacted]		[redacted]
8	Total 2020	767,732		$ (12,604,291)

[1] Volumes are in Metric Tons CO2e

[2] The Company used March 31, 2020 forward ICE settlement price for forecasted GHG allowances with December delivery of the forecast year consistent with forward prices for other commodities in its respective 2021 ECAC filed as part of this application.

CONFIDENTIAL INFORMATION IS SHADED

Application No. 20-08-___
Exhibit No. PAC/207
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

REDACTED
Exhibit Accompanying Direct Testimony of

Mary M. Wiencke

Summary of the GHG Allowance Revenue Balancing Account

August 2020

Exhibit PAC/207
PacifiCorp
Summary of the GHG Allowance Revenue Balancing Account
August 3, 2020

Line No.	Description	GHG Revenue Balancing Account: Recorded-to-Date (as of 5/31/2020)	GHG Revenue Balancing Account: Estimated 6/1/20 - 12/31/20	GHG Revenue Balancing Account: Estimated 12/31/20 Balance	Source
1	GHG Allowance Revenues:				
2	2013	$ (9,096,948)		$ (9,096,948)	See A.14-08-003 Confidential Exhibit PAC/104
3	Accrued Interest - 2013	$ (10,510)		$ (10,510)	
4	2014	$ (8,518,840)		$ (8,518,840)	See A.15-08-044 Confidential Exhibit PAC/205
5	Accrued Interest - 2014	$ (6,331)		$ (6,331)	
6	2015	$ (9,085,917)		$ (9,085,917)	See A.16-08-001 Confidentail Exhibit PAC/205
7	Accrued Interest - 2015	$ 224		$ 224	
8	2016	$ (9,387,611)		$ (9,387,611)	See A.17-08-005 Confidentail Exhibit PAC/205
9	Accrued Interest - 2016	$ 4,365		$ 4,365	
10	2017	$ (10,681,011)		$ (10,681,011)	See A.18-08-001 Confidentail Exhibit PAC/205
11	Accrued Interest - 2017	$ 9,052		$ 9,052	
12	2018	$ (11,216,803)		$ (11,216,803)	See A.19-08-002 Confidentail Exhibit PAC/205
13	Accrued Interest - 2018	$ (28,545)		$ (28,545)	
14	2019	$ (12,783,641)		$ (12,783,641)	Confidential Exhibit PAC/205
15	Accrued Interest - 2019	$ (55,368)		$ (55,368)	
16	2020	[redacted]		$ (12,604,291)	Confidential Exhibit PAC/206
17	Accrued Interest - 2020			$ (15,901)	
18	Gross up for Franchise Taxes and Bad Debt Expense[1]			$ (1,566,910)	
19	Subtotal Recorded/Forecast Revenues			$ (85,044,985)	
20	Recorded/Forecast Expenses:				
21	GHG Outreach and Education Costs - (2013 - 2020)	$ 421,676	$ 37,431	$ 459,107	Exhibit PAC/301 Line 10
22	GHG Admnistrative Costs - (2013 - 2020)	$ 35,370	$ 3,420	$ 38,790	Exhibit PAC/401 Line 9
23	Gross up for Franchise Taxes and Bad Debt Expense[1]	$ 7,447	$ 826	$ 8,273	Exhibit PAC/505 Line 11
24	Allowance Revenue Approved for Clean Energy or Efficiency Programs[2]	$ 4,778,448	$ -	$ 4,778,448	Exhibit PAC/505 Line 14
25	Subtotal Forecast Expenses	$ 5,242,941	$ 41,677	$ 5,284,618	
26	Net GHG Revenues Available for Return (Lines 17 + 23)			$ (79,760,367)	
27	GHG Revenue Amount Returned to Eligible Customers (2013 - 2020)	$ 72,902,196	7,074,692.24	$ 79,976,888	
28	GHG Allowance Revenue Balancing Account (Under) / Over			$ 216,521	

[1] Authorized factor of 98.1867565% applies from 2013 - 2018, and 97.977602% from 2019 forward

[2] Commission Decision (D.) 17-12-022 Ordering Paragraph 5 requires PacifiCorp to reserve 10% of the proceeds from the sale of greenhouse gas proceeds for use in the Sola
Multifamily Affordable Housing Program. The set aside started mid-year in 2016 when the company was directed to set aside 5% for half of 2016 and 10% annually thereafter

Application No. 20-08-___
Exhibit No. PAC/208
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

REDACTED
Exhibit Accompanying Direct Testimony of

Mary M. Wiencke

2021 Forecast GHG Allowance Revenue

August 2020

Exhibit PAC/208
PacifiCorp
2021 Forecast GHG Allowance Revenue
August 3, 2020

Line No.	Description	Volume (1)	Price (2)	Dollars
1	Auction Date:			
2	February 2021	[redacted]	$16.47	[redacted]
3	May 2021	[redacted]	$16.47	[redacted]
4	August 2021	[redacted]	$16.47	[redacted]
5	November 2021	[redacted]	$16.47	[redacted]
6	Total 2021 Forecast	551,045		($9,075,711)

(1) Volume is set by California Cap and Trade Regulation Section § 95892. Allocation to Electrical Distribution Utilities for Protection of Electricity Ratepayers. Table 9-4: Annual Allowances Allocated to Each Electrical Distribution Utility from 2021 through 2030. The Annual Allowance allocation may be reduced by CARB to account for EIM Purchaser Emissions. The forecast amount of EIM Purchaser Emissions unknown as of the time of this filing but is expected to be relatively small.

(2) The Company used March 31, 2020 forward ICE settlement price for forecasted GHG allowances with December delivery of the forecast year consistent with forward prices for other commodities in its respective 2021 ECAC filed as part of this application.

CONFIDENTIAL INFORMATION IS SHADED

Application No. 20-08-___
Exhibit No. PAC/209
Witness: Mary M. Wiencke

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

REDACTED
Exhibit Accompanying Direct Testimony of

Mary M. Wiencke

Commission Template D-5
History of Revenues, Costs, and Emissions Intensity

August 2020

CONFIDENTIAL
Exhibit PAC/209
PacifiCorp
Commission Template D-5
History of Revenue, Costs, and Emissions Intensity
August 1, 2020

Line		2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actuals	2018 Actuals
1	**Total GHG Revenues ($) Note 1**	$ (9,106,055)	$ (17,893,007)	$ (12,402,688)	$ (10,185,249)	$ (8,724,275)	$ (10,866,848)
2	**Total GHG Costs ($) Note 2**	[redacted]					
3	**Emissions Intensity (MTCO2e/MWh)**	0.713	0.729	0.742	0.687	0.684	0.685

Note 1: See Confidential Exhibit PAC/505, Line 17
Note 2: See Confidential Exhibit PAC/202, Line 17

CONFIDENTIAL INFORMATION IS SHADED

Application No. 20-08-___
Exhibit No. PAC/300
Witness: Nina Ford

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Direct Testimony of Nina Ford

Customer Outreach Activities and Costs Associated with California's Cap and Trade Program

August 2020

Table of Contents

Attached Exhibits

I. Witness Qualifications

Q. Please state your name, business address, and present position with PacifiCorp d/b/a Pacific Power (PacifiCorp or company).

A. My name is Nina Ford. My business address is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232. I am a Communications Representative in the Customer and Corporate Communications department of the company.

Q. Briefly describe your education and business experience.

A. I hold a Bachelor of Science in Public Relations from Iowa State University. I joined PacifiCorp in 2020 in my current position. From 2018 to 2020, I worked as a Communications Specialist at Berkshire Hathaway Energy in Des Moines, Iowa. From 2017-2018, I was employed with MidAmerican Energy, where I started as a Corporate Communications Intern.

Q. Please explain your responsibilities as PacifiCorp's Communications Representative.

A. I oversee PacifiCorp communications for energy assistance and low-income weatherization programs to ensure they are integrated and aligned with the company's brand and goals, coordinated with regulatory processes, program changes, external communications, social media, traditional media, and other outreach and support. I also oversee the communications for PacifiCorp's regulatory outreach, including bill inserts, mailings, and traditional media.

II. Summary of Testimony

Q. Please summarize your testimony.

A. My testimony reconciles PacifiCorp's forecast and actual recorded 2019 and 2020 customer outreach costs as compared to the forecast set out in PacifiCorp's last application filed August 1, 2019, Application (A.) 19-08-002 (2020 Application). My testimony also forecasts PacifiCorp's 2021 customer outreach costs associated with its participation in California's Cap and Trade Program.

III. Reconciliation of Forecast and Actual Recorded 2019 and 2020 Customer Outreach Costs

Q. How much did PacifiCorp spend on customer outreach in 2019?

A. PacifiCorp recorded $66,980 for outreach in 2019, which is $8,020 less than the $75,000 projected in PacifiCorp's 2020 Application. See PAC/301.

Q. Why were 2019 outreach costs lower than anticipated in PacifiCorp's 2020 Application?

A. It cost less to update the creative for print, radio and digital ads than projected.

Q. What is the 2020 customer outreach budget approved by the California Public Utilities Commission (Commission)?

A. The Greenhouse Gas (GHG)-related costs and allowance proceeds portion of the 2020 Application was approved by the Commission in Decision (D.) 20-05-011. The Commission approved PacifiCorp's proposed customer outreach budget of $75,000 for 2020.[1]

Q. How much has PacifiCorp spent on customer outreach in 2020?

A From January 1, 2020 through May 31, 2020, the company spent $37,569 on customer outreach. PacifiCorp's authorized budget for customer outreach in 2020 is $75,000. Based on that projection, there is $37,431 remaining in the budget to be

[1] D.20-05-011 at 23, 25, and 27.

spent in 2020.[2] The company has undertaken additional outreach to coincide with the California Climate Credit distribution in the June and July 2020 billing cycles.[3] The outreach will include a bill insert, bill message, email, as well as paid radio, digital, social, and newspaper advertising. The outreach will remind customers to look for the California Climate Credit from the state of California's Cap and Trade Program on their bills between the months of June and August. Outreach will encourage them to use the California Climate Credit to achieve more savings by investing in energy-saving upgrades for their homes—for example, new energy-efficient lights, appliances, and weatherization.

IV. <u>Forecast 2021 Customer Outreach Costs</u>

Q. What are PacifiCorp's 2021 forecast customer outreach costs?

A. Based on the customer outreach plan outlined in Exhibit PAC/302, PacifiCorp expects to incur $80,000 in customer outreach costs for 2021, which is an increase of $5,000 from 2020. See PAC/302 and PAC/303.

Q. What is the basis for the forecast customer outreach costs, including an accounting and explanation of activities expected to be undertaken and costs expected to be incurred?

A. The company has adjusted its proposed budget to better align with actual spending due to increasing media and creative costs. The company believes this budget will allow for effective communication with customers about the Cap and Trade Program.

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[2] *See* Exhibit PAC/301.

[3] Typically, the California Climate Credit is paid in April and October of a given year. However, pursuant to D. 20-05-052 in Rulemaking 11-03-012, in response to the COVID-19 pandemic, PacifiCorp was ordered to move up and divide over two months, the issuance of the October 2020 credit. The credit will run in June and July billing cycles, appearing on customer bills in either June/July or July/August. .

For 2021, PacifiCorp will continue to actively engage customers with an integrated, multi-channel campaign designed to build awareness of the GHG revenue returns and the semi-annual California Climate Credit. The outreach will also provide basic information about the value of the Cap and Trade Program and provide ongoing support to help customers learn more about how to adopt and sustain energy-efficient practices to reduce their GHG emissions.

As in prior years, PacifiCorp's 2021 outreach plan will include inserts in customer bills to remind customers about the Cap and Trade Program and the California Climate Credit. To reach customers who receive paperless bills, PacifiCorp will send email communications. PacifiCorp will also place paid radio, digital, social, and newspaper advertising about the California Climate Credit and communicate with customers through lower-cost channels, such as on-bill messages. The company plans to refresh its radio, digital, and newspaper ads to keep customers engaged with the program. PacifiCorp will use web-based communication platforms and social media, as well as the company's customer contact center, and customer-facing employees working in California to communicate with customers.

Q. Has the company included Commission Template D-3 with this application?

A. Yes. Commission Template D-3[4] provides an overview of the customer outreach and program administrative costs, forecasted and recorded, from 2013 to 2021. Customer outreach costs are addressed in my testimony and administrative costs are addressed in the testimony of Mr. Anthony B. Worthington. Because these topics are addressed by different PacifiCorp witnesses, the template has been divided into two templates.

[4] *See* D.14-10-033, D.14-10-055, and D.15-01-024.

Template D-3 – Detail of Outreach Costs is provided as Exhibit PAC/304. Much of this same data may also be found in Exhibits PAC/301, PAC/302, and PAC/303. For Template D-3 – Detail of Administrative Costs, refer to Mr. Worthington's Exhibit PAC/403.

Q. Does this conclude your direct testimony?

A. Yes.

Application No. 20-08-___
Exhibit No. PAC/301
Witness: Nina Ford

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Nina Ford

2013 – 2020 Recorded/Forecast Customer Outreach Costs

August 2020

Exhibit PAC/301
PacifiCorp
2013 - 2020 Recorded/Forecast Customer Outreach Costs
August 3, 2020

Line No.	Description	Recorded-to-Date (as of 5/31/2020)	Estimated 6/1/20 - 12/31/20	Total 12/31/20
1	Recorded/Forecast Expenses 2013 - 2020:			
2	GHG Outreach and Education Costs - 2013(1)	$ 1,403		$ 1,403
3	GHG Outreach and Education Costs - 2014(2)	$ 51,596	$ -	$ 51,596
4	GHG Outreach and Education Costs - 2015(3)	$ 59,748	$ -	$ 59,748
5	GHG Outreach and Education Costs - 2016(4)	$ 82,027	$ -	$ 82,027
6	GHG Outreach and Education Costs - 2017(5)	$ 56,663	$ -	$ 56,663
7	GHG Outreach and Education Costs - 2018(6)	$ 13,017	$ -	$ 65,690
8	GHG Outreach and Education Costs - 2019(7)	$ 25,398	$ -	$ 66,980
9	GHG Outreach and Education Costs - 2020(8)	$ 37,569	$ 37,431	$ 75,000
10	Total	$ 327,421	$ -	$ 459,107

(1)See A.14-08-003 Exhibit PAC/200 and Exhibit PAC/202 for a discussion about actual GHG outreach and education costs recorded in 2013.

(2) See A.15-08-004 Exhibit PAC/300 and Exhibit PAC 301 for a discussion about actual GHG outreach and education costs recorded in 2014.

(3)See A.16-08-001 Exhibit PAC/300 and Exhibit PAC/301 for a discussion about actual GHG outreach and education costs recorded in 2015.

(4)See A.17-08-005 Exhibit PAC/300 and Exhibit PAC/301 for a discussion about actual GHG outreach and education costs recorded in 2016.

(5)See A.18-08-001 Exhibit PAC/300 and Exhibit PAC/301 for a discussion about actual GHG outreach and education costs recorded in 2017.

(6)See A.19-08-002 Exhibit PAC/300 and Exhibit PAC/301 for a discussion about actual GHG outreach and education costs recorded in 2018.

(7)See Exhibit PAC/300, page 2-3.

Application No. 20-08-___
Exhibit No. PAC/302
Witness: Nina Ford

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Nina Ford

2021 Customer Outreach Activities and Estimated Costs

August 2020

Exhibit PAC/302
PacifiCorp
2021 Customer Outreach Activities and Estimated Costs
August 3, 2020

Outreach Activity	Description	Timing	Estimated Cost
Bill insert	Create regulatory-style bill onsert explaining the program and impact on customer rates and encourage customers to use their credit for energy efficiency upgrades. (combined and costs split with ECAC)	August/Sept 2021	$3,000
Print Ads Mailing to government officials	Place regulatory-style print ads in northern California newspapers and mail letter to city/county officials	August 2021	$2,800
Talking Points for customer contact center	Update simple talking point to help agents answer customer questions	August 2021	$0
Bill insert	Print CPUC letter and provide as a bill insert for residential customers about the California Climate Credit	April and October 2021	$5,000
Email	Provide targeted email to our paperless billing residential customers about the Climate Credit	April and October 2021	$2,000
Radio	Use English radio spots and targeted Spanish digital radio commercials and media buy to inform customers about California's Climate Credit	April and October 2021 (10 weeks)	$30,000
Newspaper	Use newspaper advertising to support messages in the radio and bill insert timed around California Climate Credit distribution	April and October 2021 (10 weeks)	$18,000
Digital/Social Media	Use digital and Facebook advertising to support messages in the radio and bill insert timed around California Climate Credit distribution.	April and October 2021	$19,000

Outreach Activity	**Description**	**Timing**	**Estimated Cost**
Bill message	Include Cap-and-Trade messaging on residential and small business customers’ electric bills. On-bill messages are limited to 235 characters & spaces.	April and October 2021 for residential customers. All year for small business customers.	$0
Direct Mail	Mailing to master-metered customers to inform them of their obligation to pass the California Climate Credit on to tenants in mobile-homes served by a master meter.	Q1 & Q3	$200
Total for 2021			**$80,000**

Application No. 20-08-___
Exhibit No. PAC/303
Witness: Nina Ford

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Nina Ford

2021 Forecast Customer Outreach Costs

August 2020

Exhibit PAC/303
PacifiCorp
2021 Forecast Customer Outreach Costs
August 3, 2020

Line No.	Description	Forecast for 2021
1	Forecast Expenses 2021	
2	GHG Outreach and Education Costs - 2021 (See Exhibit PAC/302)	$ 80,000
3	Total	$ 80,000

Application No. 20-08-___
Exhibit No. PAC/304
Witness: Nina Ford

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Nina Ford

Commission Template D-3 – Detail of Outreach Costs

August 2020

Exhibit PAC/304
PacifiCorp
Commission Template D-3 (Note 1)
Detail of Outreach Expenses
August 3, 2020

		2013		2014		2015		2016		2017		2018	
Line	Description	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded
1	Utility Outreach												
2	Detail of outreach activities	59,748	1,403	110,000	51,596	110,000	59,748	80,000	82,027	85,000	56,663	85,000	65,690
3	Additional (Non-Utility) Statewide Outreach	-	-	-	-	-	-	-	-	-	-	-	-
4	Total Outreach	59,748	1,403	110,000	51,596	110,000	59,748	80,000	82,027	85,000	56,663	85,000	65,690

Note 1: This is Commission Template D-3. The template provided by the Commission included outreach and administrative costs in the same table. The template has been split into two tables, one for outreach costs and one for admininstrative costs, so that each table may be included as an exhibit for the appropriate Company witness. Exhibit PAC/304 is detail of outreach costs.
Exhibit PAC/403 is detail of administrative costs.
Note 2: Recorded amount includes forecast expenditures for the remainder of 2020.

Application No. 20-08-___
Exhibit No. PAC/400
Witness: Anthony B. Worthington

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Direct Testimony of Anthony B. Worthington

Administrative Costs Associated with California's Cap and Trade Program

August 2020

Table of Contents

Attached Exhibits

I. Witness Qualifications

Q. Please state your name, business address, and present position with PacifiCorp d/b/a Pacific Power (PacifiCorp or company).

A. My name is Anthony B. Worthington. My business address is 825 NE Multnomah Street, Suite 600, Portland, Oregon 97232. I am the Customer Services manager of billing within the company.

Q. Briefly describe your education and business experience.

A. I hold a Bachelor of Business Administration from the University of Oregon. I joined PacifiCorp in May 1997, and assumed my current position in December 2015.

Q. Please explain your responsibilities as PacifiCorp's Manager of Billing within Customer Services.

A. I manage the company's customer billing services for approximately 1.9 million customers, including complex managed accounts billing, and the customer service billing system's implementation of Commission-approved price and rate changes for PacifiCorp's six-state service territory.

II. Summary of Testimony

Q. Please summarize your direct testimony.

A. My testimony reconciles PacifiCorp's actual recorded administrative costs incurred in 2019 and year-to-date through May 31, 2020 as compared to the forecast set out in PacifiCorp's last application filed August 1, 2019, Application (A.) 19-08-002 (2020 Application). My testimony also provides an overview of the administrative costs the company expects to incur in 2021 for administering the California Air Resources

Board Mandatory Reporting Rule and Greenhouse Gas (GHG) Cap and Trade Program (Cap and Trade Program).

III. Reconciliation of Forecast and Actual Recorded 2019 and 2020 Administrative Costs

Q. What were the 2019 GHG Program administrative costs?

A. The company incurred $5,645 in Cap and Trade Program administrative costs in 2019, which was more than the $4,500 originally projected in the 2020 Application. *See* Exhibits PAC/401 and PAC/403. The company tracked the number of checks requested following the distribution of the California Climate Credit in April and October 2019.

Q. What are the drivers of the administrative costs incurred in 2019?

A. The company's administrative costs are driven primarily by the cost to issue checks to customers with a surplus account balance. In 2019, a total of 1,129 checks were issued to customers with a surplus balance who requested payment via check. The company estimates the incremental cost for issuing each check to be $5,[1] which represents the cost for the bank to issue and mail a check. At a cost of $5, the total cost for issuing 1,129 checks in 2019 was $5,645.

Q. What administrative costs does PacifiCorp expect to incur in 2020?

A. The budget for 2020 approved in Decision 20-05-011 is $5,100. From January 1, 2020, through May 31, 2020. PacifiCorp has incurred $1,565 in administrative costs for issuing checks to customers. There is $3,535 remaining in

[1] *See* Direct Testimony of Ms. Valerie F. Smith, Exhibit PAC/300 at page 3 in A.14-08-003. Administrative costs include the costs for printing and mailing the check and do not include internal labor costs. The company will continue to monitor this process and if it finds that incremental labor is required, it may include these costs in the future.

the budget for 2020; however, the company expects to incur $4,035 from June 1, 2020 through the remainder of the year, for a total of $5,600. *See* Exhibit PAC/401. The company tracked the number of checks requested following the distribution of the California Climate Credit in April 2020. A total of 313 checks were issued to customers with a surplus balance remaining in their account. At a cost of $5, the total cost for issuing checks through May 31 in 2020 was $1,565. As ordered in Decision 20-050052 in Rulemaking 11-03-012, PacifiCorp moved up and divided the Climate Credit generally issued in October 2020 over the June and July billing cycles. The company believes it will receive a number of requests after the June and July 2020 distribution resulting in administrative costs at minimum equal to $5,600, which is more than the 2020 budget of $5,100.[2] Any difference will be trued-up in the company's next application filed August 1, 2021.

IV. <u>Forecast 2020 Administrative Costs</u>

Q. What are the 2021 forecast administrative costs?

A. For 2021, PacifiCorp forecasts that it will incur $5,600 in administrative costs specific to the Cap and Trade Program. This funding is for administrative activities associated with the semi-annual disbursement of the residential California Climate Credit including customer-requested check processing for the surplus account balance. *See* Exhibit PAC/402.

Q. What is the basis for the 2021 forecast program administrative costs?

A. The forecasted administrative costs reflects trends in the volume of checks requested in 2019 and anticipated volume of requests in 2020. While the number of checks

[2] *See* A.19-08-001.

issued in 2019 exceeded that of 2018, the number of checks issued remains lower than those requested at the start of the program and reflect a preference of customers to have the credit applied against their electric account balance rather than returned in a check. Accordingly, the company forecasts $5,600 for administrative costs in 2021 to cover the costs associated with the issuance of checks.

Q. Has the company included Commission Template D-3 with this application?

A. Yes. Commission Template D-3[3] provides an overview of forecast and recorded customer outreach and program administrative costs from 2013 to 2021. Administrative costs are addressed in my testimony and customer outreach costs are addressed in the testimony of Ms. Nina Ford. Because these topics are addressed by different PacifiCorp witnesses, the template has been divided into two templates. Template D-3 – Detail of Administrative Costs is provided as Exhibit PAC/403. Much of this same data may also be found in Exhibits PAC/401 and PAC/402. For Template D-3 – Detail of Outreach Costs, refer to Exhibit PAC/304.

Q. Does this conclude your direct testimony?

A. Yes.

[3] *See* D.14-10-033, D.14-10-055, and D.15-01-024.

Application No. 20-08-___
Exhibit No. PAC/401
Witness: Anthony B. Worthington

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Anthony B. Worthington

2013-2020 Recorded/Forecast Administrative Costs

August 2020

Exhibit PAC/401
PacifiCorp
2013 - 2020 Recorded/Forecast Administrative Costs
August 3, 2020

Line No.	Description	Recorded (as of 5/31/2020)	Estimated 6/1/2020 - 12/31/2020	Total 12/31/2020
1	Recorded/Forecast Expenses 2013 - 2020:			
2	GHG Admnistrative Costs - 2013 [(1)]	$ -	$ -	$ -
3	GHG Admnistrative Costs - 2014 [(2)]	$ 6,345	$ -	$ 6,345
4	GHG Administrative Costs - 2015 [(3)]	$ 6,580	$ -	$ 6,580
5	GHG Administrative Costs - 2016 [(4)]	$ 5,645	$ -	$ 5,645
6	GHG Administrative Costs - 2017 [(5)]	$ 3,960	$ -	$ 3,960
7	GHG Administrative Costs - 2018 [(6)]	$ 5,015	$ -	$ 5,015
8	GHG Administrative Costs - 2019 [(7)]	$ 5,645	$ -	$ 5,645
9	GHG Administrative Costs - 2020 [(8)]	$ 1,565	$ 4,035	$ 5,600
10	Other	$ -	$ -	$ -
11	Total	$ 34,755	$ 4,035	$ 38,790

[(1)] See A.14-08-003 Exhibit PAC/300 page 2 for a discussion about actual GHG administrative costs incurred in 2013.

[(2)] See A.15-08-004 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2014.

[(3)] See A.16-08-001 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2015.

[(4)] See A.17-08-005 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2016.

[(5)] See A.18-08-001 Exhibit PAC/400 page 2 for a discussion about actual GHG administrative costs recorded in 2017.

Application No. 20-08-___
Exhibit No. PAC/402
Witness: Anthony B. Worthington

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Anthony B. Worthington

2021 Forecast Administrative Costs

August 2020

Exhibit PAC/402
PacifiCorp
2021 Forecast Administrative Costs
August 3, 2020

Line No.	Description	Forecast for 2021
1	Forecast Expenses 2021	
2	GHG Administrative Costs [1]	$ 5,600
3	Total	$ 5,600

[1] See Exhibit PAC/400 page 3-4.

Application No. 20-08-___
Exhibit No. PAC/403
Witness: Anthony B. Worthington

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Anthony B. Worthington

Commission Template D-3 – Detail of Administrative Costs

August 2020

Exhibit PAC/403
PacifiCorp
Commission Template D-3 (Note 1)
Detail of Administrative Costs
August 3, 2020

	2013		2014		2015		2016		2017		2018		2019		2020 (Note 2)		2021	
Line Description	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded	Forecast	Recorded
1 Utility Administrative																		
2 Detail of administrative activities	-	-	-	6,345	5,000	6,580	7,500	5,645	7,000	3,960	5,000	5,015	4,500	5,645	5,100	5,600	5,600	-
3 Total Administrative Expenses	-	-	-	6,345	5,000	6,580	7,500	5,645	7,000	3,960	5,000	5,015	4,500	5,645	5,100	5,600	5,600	-

Note 1: This is Commission Template D-3. The template provided by the Commission included outreach and administrative costs in the same table. The template has been split into two tables, one for outreach costs and one for admininstrative costs, so that each table may be included as an exhibit for the appropriate Company witness. Exhibit PAC/304 is detail of outreach costs.
Exhibit PAC/403 is detail of administrative costs.
Note 2: Recorded amount includes forecast expenditures for the remainder of 2020.

Application No. 20-08-___
Exhibit No. PAC/500
Witness: Judith M. Ridenour

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Direct Testimony of Judith M. Ridenour

Rate Spread and Rate Design

August 2020

Table of Contents

Attached Exhibits

I. Witness Qualifications

Q. Please state your name, business address, and position with PacifiCorp d/b/a Pacific Power (PacifiCorp or company).

A. My name is Judith M. Ridenour. My business address is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232. My present position is Specialist, Pricing & Cost of Service, in the Regulation Department.

Q. Briefly describe your education and professional background.

A. I hold a Bachelor of Arts degree in Mathematics from Reed College. I joined the company in the Regulation Department in October 2000.

Q. Please describe your current duties.

A. I am responsible for the preparation of rate spread and rate design used in retail price filings and related analyses. Since 2001, with levels of increasing responsibility, I have analyzed and implemented rate spread and rate design proposals throughout the company's six-state service territory. I have presented testimony on behalf of the company in California and Oregon.

II. Summary of Testimony

Q. Please summarize your direct testimony.

A. I present the proposed rate spread and rate design for the company's Energy Cost Adjustment Clause (ECAC) rate schedule, greenhouse gas (GHG) allowance cost recovery rate schedule and for the California Climate Credit rate schedule. The proposed ECAC rate spread and rate design are consistent with the methodology first implemented in the company's 2005 general rate case[1] and used in the company's

[1] Application (A.)05-11-022, Decision (D.)06-12-011.

previous ECAC filings. The proposed GHG rate spread and rate design are consistent with Decisions (D.)12-12-033, D.13-12-002 and D.13-12-003 which set forth the Commission's methodologies for collecting GHG allowance costs and distributing GHG allowance revenues to customers. The GHG proposed rate spread and rate design are also consistent with previous GHG filings. The proposed rate spreads and rate designs are based on the 2019 forecast test year, consistent with the company's most recent general rate case.[2]

The estimated combined effect of the proposed ECAC and GHG cost recovery rates is summarized in the following table:

Customer Class	**Proposed Price Change**	
	Dollars	**Percent (%)**
Residential	-$2,858,000	-5.5%
Commercial/Industrial	-$2,255,000	-6.5%
Irrigation	-$753,000	-6.1%
Lighting	-$25,000	-3.9%
Overall	-$5,891,000	-5.9%

The table above does not reflect the California Climate Credit. The proposed residential California Climate Credit for 2021 is $97.23. Consistent with the industry assistance factor applied in 2020 based on D.13-12-002, PacifiCorp's application includes a Small Business California Climate Credit for 2021 which offsets 50 percent of the surcharge Small Business customers will pay in 2021 for GHG cost recovery. PacifiCorp seeks guidance on the appropriate assistance factor to apply for Small Business customers in 2021.[3]

[2] A.18-04-002
[3] See Section V, p. 8 below.

III. ECAC Adjustment Rates

Q. Please explain the Deferred ECAC adjustment rates.

A. The Deferred ECAC adjustment rates are rates by rate schedule that are calculated based on the Balancing Rate. Deferred ECAC rates for residential, small general service under 20 kilowatts (kW), and lighting schedules are energy-based rates, and Deferred ECAC rates for the general service 20 kW and above and irrigation rate schedules consist of both a demand-based rate and an energy-based rate.

Q. What is the proposed Balancing Rate in this case?

A. As discussed in the direct testimony of Mr. David G. Webb, the proposed Balancing Rate is $1.05 per megawatt-hour (MWh) or 0.105 cents per kilowatt-hour (kWh).

Q. Have you prepared an exhibit showing the calculation of the proposed Deferred ECAC adjustment rates under the company's proposal?

A. Yes. Exhibit PAC/501 shows the calculation of the proposed demand- and energy-based Deferred ECAC adjustment rates by rate schedule in rows 14 through 21.

Q. Please explain how the proposed Deferred ECAC adjustment rates by rate schedule are calculated.

A. The Deferred ECAC adjustment rates were calculated using the Balancing Rate for calendar year 2021. This is consistent with the methodology first implemented in the company's 2005 general rate case[4] and used in the company's previous ECAC filings. The proposed Deferred ECAC rates by rate schedule are derived by first multiplying the proposed Balancing Rate by the total forecast kWh for each schedule. Those revenues are allocated between demand and energy, consistent with the June 2017

[4] A.05-11-022, D.06-12-011.

Results of Operations from the company's most recent general rate case.[5] Finally, demand and energy rates for each rate schedule are calculated by dividing the appropriate revenue for each function by its corresponding billing quantities, adjusted to account for tariff discounts.

Q. Please explain the Projected ECAC adjustment rates.

A. The Projected ECAC adjustment rates are rates by rate schedule that are calculated based on the Offset Rate. Projected ECAC rates for residential, small general service under 20 kW, and lighting schedules are energy-based rates. Projected ECAC rates for the general service 20 kW and above and irrigation rate schedules consist of both a demand-based rate and an energy-based rate.

Q. What is the proposed Offset Rate in this case?

A. As discussed in the direct testimony of Mr. Webb, the proposed Offset rate is $23.88 per MWh or 2.388 cents per kWh.

Q. Have you prepared an exhibit showing the calculation of the proposed Projected ECAC adjustment rates under the company's proposal?

A. Yes. Exhibit PAC/501 shows the calculation of the proposed demand- and energy-based Projected ECAC adjustment rates by rate schedule in rows 22 through 29.

Q. Please explain how the proposed Projected ECAC adjustment rates by rate schedule are calculated.

A. The Projected ECAC adjustment rates were calculated using the Offset Rate for calendar year 2021. This is consistent with the methodology first implemented in the company's 2005 general rate case[6] and used in the company's previous ECAC filings.

[5] A.18-04-002.
[6] A.05-11-022, D.06-12-011.

The proposed Projected ECAC rates by rate schedule are derived by first multiplying the proposed Offset Rate by the total forecast kWh for each schedule. Those revenues are allocated between demand and energy, consistent with the June 2017 Results of Operations from the company's most recent general rate case.[7] Finally, demand and energy rates for each rate schedule are calculated by dividing the appropriate revenue for each function by its corresponding billing quantities, adjusted to account for tariff discounts.

IV. Collection of GHG Allowance Costs

Q. What is the total amount of GHG allowance costs to be recovered in rates in 2021?

A. The total amount of GHG allowance costs to be recovered in rates in 2021 is $7,610,729 as shown in Confidential Exhibit PAC/502, line six. This amount consists of the forecast 2021 costs, plus a true up related to actual costs for prior years. The amount has been adjusted to account for franchise fees and uncollectibles at the company's current factor. The amounts in Confidential Exhibit PAC/502 are referenced to the exhibits of other company witnesses sponsoring those amounts.

Q. How does the company propose to collect GHG allowance costs from customers?

A. The company proposes to continue to collect GHG allowance costs through energy-based adjustment rates in Schedule GHG-92, Surcharge to Recover Greenhouse Gas Carbon Pollution Permit Cost (GHG Surcharge) which was first implemented in 2014 to collect GHG allowance costs. Consistent with the approved rate spread in the company's previous GHG proceedings, the company proposes a rate spread allocated

[7] A.18-04-002.

on total present base revenues including net power costs. The GHG allowance costs rate spread and rate design are consistent with D.12-12-033, D.13-12-002 and D.13-12-003, which set forth the Commission's methodologies for collecting GHG allowance costs and distributing GHG allowance revenues to customers.

Q. Have you prepared an exhibit which shows the proposed rates for the GHG Surcharge?

A. Yes. Exhibit PAC/504 shows the calculation of proposed rates for the GHG Surcharge. Columns 6 and 7 in the exhibit show the rate spread amongst the customer rate schedules and column 8 shows the proposed surcharge rates.

V. Distribution of GHG Allowance Revenues

Q. What is the total amount of GHG allowance revenues, net of expenses, to be distributed to eligible customers through the California Climate Credit in 2021?

A. The total amount to be distributed to eligible customers through the California Climate Credit in 2021 is $7,417,620 as shown in Exhibit PAC/503, line 12. This amount consists of the forecast 2021 revenues offset by the forecast 2021 administrative and outreach costs for the Cap and Trade program, plus a true up related to actual revenues and administrative and outreach costs for previous years, and, consistent with D.17-12-022 and D.20-04-012, an allowance revenue set aside for the Solar on Multifamily Affordable Housing Program. Consistent with Ordering Paragraph 5 of D.20-04-012, the set aside for 2021 includes a set aside for July 1, 2020 through December 31, 2020. The amounts have been adjusted to account for franchise fees and uncollectibles at the company's current factor. The amounts in

Exhibit PAC/503 are referenced in the testimony and exhibits of other company witnesses sponsoring those amounts.[8]

Q. Which customers are eligible to receive a portion of the GHG allowance revenues?

A. As ordered in D.12-12-033, three types of customers are eligible to receive a portion of the GHG allowance revenues: Energy-Intensive Trade-Exposed entities (EITE), Residential customers and Small Business customers. For PacifiCorp, Small Business customers are defined in D.13-12-003 as all customers served under Schedule A-25, General Service Less than 20kW, and customers served under Schedule PA-20, Agricultural Pumping Service, with demand which has not exceeded 20 kW in more than three months within a 12-month period.

Q. Does PacifiCorp have any EITE customers?

A. No. PacifiCorp is not aware of any EITE entities eligible to receive GHG allowance revenue in its service territory; therefore the total allowance revenue estimated for distribution to EITE customers is $0.

Q. What methodology is used to distribute the GHG allowance revenues to eligible customers?

A. In D.12-12-033 the Commission set forth the methodology for utilities to distribute GHG allowance revenues to customers as an on-bill credit called the California Climate Credit. The credit goes to eligible EITE, Small Business, and Residential customers. As mentioned above, PacifiCorp currently has no EITE customers to receive the credit. In previous applications, Small Business customers received a

[8] See 'Source' column of Exhibit PAC/503.

credit equal to the amount of GHG allowance costs in their rates (the GHG Surcharge) multiplied by the assistance factor for the associated year set forth in Table 2 of Appendix 2 of D. 13-12-002.[9] The final year shown in the table was 2020 with an assistance factor of 50 percent. PacifiCorp has continued this 50 percent assistance factor for 2021 in this application but seeks guidance on the assistance factor applicable in future applications. The Small Business credit is applied as a line-item, per kWh credit on customers' monthly bills. Per D.12-12-033, PacifiCorp does not have a volumetric residential credit; therefore the remainder of PacifiCorp's GHG allowance revenue distribution will go to residential customers through a semi-annual, per-household credit as set forth in the decision.

Q. Have you prepared an exhibit which shows the proposed rates for the California Climate Credit?

A. Yes. The calculation of the proposed California Climate Credit rates is shown alongside the calculation of the GHG Surcharge rates in Exhibit PAC/504. Column 10 in the exhibit shows the proposed California Climate Credit rates and column 11 shows in dollars the total credit for each eligible customer type.

Q. What is the total amount of the proposed Small Business California Climate Credit?

A. The total amount of the proposed Small Business California Climate Credit to be distributed in 2021 based on a 50 percent assistance factor is $407,480.

[9] On July 1, 2014, the California Air Resources Board implemented the delay in assistance factors contemplated in D.13-12-002 resulting in Table 2 of Appendix 2 being the appropriate table for Small Business Assistance Factors used to calculate the California Climate Credit.

Q. What is the total amount of the proposed residential California Climate Credit and what is the proposed semi-annual, per-household residential bill credit?

A. The total amount of the proposed residential California Climate Credit to be distributed in 2021 is $7,010,141. The proposed semi-annual, per-household California Climate Credit is $97.23. The proposed credits will be distributed to residential customers[10] in April and October 2021 as required by D.13-12-003, resulting in a total per-household distribution of $194.46 for the year. The proposed semi-annual credit is approximately $70 less than the 2020 residential credit.

Q. Please explain Confidential Exhibit PAC/505.

A. Confidential Exhibit PAC/505 is the Commission Template D-1, Annual Allowance Revenue Receipts and Customer Returns, adopted in D.14-10-033. The table summarizes forecast and recorded annual amounts related to GHG allowance revenues. The company witness supporting each section of the table is shown in the exhibit.

VI. Rate Impacts

Q. What is the impact of the proposed changes to the ECAC rates?

A. The impact of the proposed change to the ECAC Balancing Rate is a rate decrease of approximately $1.9 million over the amount collected through present rates. The impact of the proposed change to the ECAC Offset Rate is a rate decrease of approximately $4.8 million from the amount collected through present rates. Present

[10] Including customers on tariff Schedule D, Schedule DL-6, Schedule DS-8, Schedule DM-9, and residential customers on Schedule NEM-35. Eligible residential customers are defined as customers with an active account receiving electrical service from PacifiCorp at the time the California Climate Credit is distributed. The submetered systems of master metered customers are also eligible to receive the semi-annual California Climate Credit.

rates do not reflect ECAC changes proposed in the company's pending 2020 ECAC application, A.19-08-002.

Q. What is the impact of the proposed changes to the GHG Surcharge rates?

A. The impact of the proposed changes to the GHG Surcharge rates is a rate increase of approximately $815,000.

Q. Please describe Exhibit PAC/506.

A. Exhibit PAC/506 is Commission Template D-4, Forecast Revenue Requirement and Revenues by Rate Schedule. The exhibit summarizes by customer rate schedule the proposed GHG allowance costs to be recovered from customers, the proposed rate per kWh to be applied to customers to recover those costs and the proposed Climate Credit amounts to be distributed to eligible customers. Columns from the template for unbundled customers are not included because PacifiCorp does not have unbundled customers in California.

Q. What are the overall combined effects of the company's proposed ECAC and GHG allowance costs rate change?

A. The overall effects of the proposed ECAC and GHG allowance costs rate change from rates presently in effect are shown in Exhibit PAC/507 and are summarized in the following table:

Customer Class	**Proposed Price Change**	
	Dollars	**Percent (%)**
Residential	-$2,858,000	-5.5%
Commercial/Industrial	-$2,255,000	-6.5%
Irrigation	-$753,000	-6.1%
Lighting	-$25,000	-3.9%
Overall	-$5,891,000	-5.9%

The rate impacts shown in the exhibit and the table exclude the effects of the California Climate Credit.

Q. Please describe Exhibit PAC/507.

A. Exhibit PAC/507 shows the effects of the company's proposed combined ECAC and GHG cost recovery rate change by rate schedule. Columns 5 through 9 show present revenues. Present base revenues are shown in column 5. Present Projected ECAC revenues are shown in column 6. Column 7 adds columns 5 and 6 for total present base revenues including Projected ECAC. The adders in column 8 include revenues for adjustment schedules that are not a part of base revenues including the present Deferred ECAC and present GHG Surcharge. Column 9 adds columns 7 and 8 to show present revenues net of adders. Pass through adjustments such as the Surcharge to Fund Residential California Alternative Rates for Energy (CARE), CARE discounts, and the California Climate Credit are excluded from revenues in this table.

Similarly, for proposed revenues, columns 10 through 14 show the base proposed revenues, proposed Projected ECAC revenues, proposed total base revenues with Projected ECAC, proposed adders including the proposed Deferred ECAC and proposed GHG Surcharge, and proposed net revenues. The proposed base rate change in dollars and percentage is shown by rate schedule in columns 15 and 16. The proposed net rate change in dollars and percentage is shown by rate schedule in columns 17 and 18.

Q. Does this conclude your direct testimony?

A. Yes.

Application No. 20-08-___
Exhibit No. PAC/501
Witness: Judith M. Ridenour

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Judith M. Ridenour

Calculation of Proposed ECAC Adjustment Rates

August 2020

Exhibit PAC/501
PACIFICORP
STATE OF CALIFORNIA
CALCULATION OF PROPOSED ECAC ADJUSTMENT RATES

California Results of Operations June 2017
Net Power Costs
FERC Account Basis for Allocation of ECAC

Line No.	FERC ACCT	Description	PITA Factor	CALIFORNIA Normalized1	Production	Transmission	Demand %	Production Demand	Production Energy	Transmission Demand	Transmission Energy
		Revenue Credits									
1	447	Sales for Resale	SG	$3,066,538	$3,066,538	$0	75%	$2,299,903	$766,634	$0	$0
		Expenses									
2	501	Fuel Related	SE	$11,495,032	$11,495,032	$0	0%	$0	$11,495,032	$0	$0
3	503	Steam From Other Sources	SE	$68,933	$68,933	$0	0%	$0	$68,933	$0	$0
4	547	Fuel	SE	$3,461,054	$3,461,054	$0	0%	$0	$3,461,054	$0	$0
5	555	Purchased Power	SG	$8,342,037	$8,342,037	$0	75%	$6,256,528	$2,085,509	$0	$0
6	555	Purchased Power	SE	$114,887	$114,887	$0	0%	$0	$114,887	$0	$0
7	555	Purchased Power	SSGC	$0	$0	$0	75%	$0	$0	$0	$0
8	565	Transmission of Electricity by Others	SG	$2,036,319	$0	$2,036,319	75%	$0	$0	$1,527,239	$509,080
9	565	Transmission of Electricity by Others	SE	$36,804	$0	$36,804	0%	$0	$0	$0	$36,804
10		Total NPC Accounts		$22,488,528	$20,415,405	$2,073,123		$3,956,625	$16,458,780	$1,527,239	$545,884
11		**Total NPC Factors**						18%	73%	7%	2%

CALCULATION OF ECAC ADJUSTMENT RATES

12 **Balancing Rate:** **0.105 ¢/kWh**
13 **Offset Rate:** **2.388 ¢/kWh**

	Class / Schedule	Description	Forecast 2019 KWH	Balancing Rate	Total Deferred Revenues	Deferred Revenues by ECAC Factor: Production Demand	Production Energy	Transmission Demand	Transmission Energy	Effective kW[1]	Effective kWh[1]	Deferred ECAC: Demand Rate per kW	Energy Rate per kWh
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					(1)x(2)	18%	73%	7%	2%			[(4)+(6)]/(8)	[(5)+(7)]/(9)[2]
14	D/DS-8/DM-9	Residential Service	369,549,678	$0.00105	$388,027	$68,269	$283,987	$26,352	$9,419		369,233,274		0.105 ¢
15	A-25	Small General Service - < 20 kW	51,917,789	$0.00105	$54,514	$9,591	$39,897	$3,702	$1,323		51,916,281		0.105 ¢
16	A-32	Small General Service - 20 kW & Over	67,115,094	$0.00105	$70,471	$12,399	$51,576	$4,786	$1,711	345,240	67,113,000	$0.05	0.079 ¢
17	A-36	Large General Service - 100 kW & Over	80,107,394	$0.00105	$84,113	$14,799	$61,560	$5,712	$2,042	196,263	80,095,236	$0.10	0.079 ¢
18	AT-48	Large General Service - 500 kW & Over	81,372,934	$0.00105	$85,442	$15,033	$62,533	$5,803	$2,074	208,998	81,121,286	$0.10	0.080 ¢
19	PA-20	Agricultural Pumping Service	94,292,504	$0.00105	$99,007	$17,419	$72,461	$6,724	$2,403	420,637	94,292,504	$0.06	0.079 ¢
20		Total Lighting	3,104,619	$0.00105	$3,260	$574	$2,386	$221	$79		3,104,619		0.105 ¢
21		Total	747,460,012		$784,833	$138,083	$574,399	$53,300	$19,051	1,171,138	746,876,199		

	Class / Schedule	Description	Forecast 2019 KWH	Offset Rate	Total Projected Revenues	Projected Revenues by ECAC Factor: Production Demand	Production Energy	Transmission Demand	Transmission Energy	Effective kW[1]	Effective kWh[1]	Projected ECAC: Demand Rate per kW	Energy Rate per kWh	Total ECAC Adjustment Deferred plus Projected: Demand Rate per kW	Energy Rate per kWh
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
					(1)x(2)	18%	73%	7%	2%			[(4)+(6)]/(8)	[(5)+(7)]/(9)[2]	*Sum of (10)*	*Sum of (11)*
22	D/DS-8/DM-9	Residential Service	369,549,678	$0.02388	$8,824,846	$1,552,641	$6,458,680	$599,312	$214,213		369,233,274		2.390 ¢		2.495 ¢
23	A-25	Small General Service - < 20 kW	51,917,789	$0.02388	$1,239,797	$218,129	$907,376	$84,197	$30,095		51,916,281		2.388 ¢		2.493 ¢
24	A-32	Small General Service - 20 kW & Over	67,115,094	$0.02388	$1,602,708	$281,980	$1,172,981	$108,843	$38,904	345,240	67,113,000	$1.13	1.806 ¢	$1.18	1.885 ¢
25	A-36	Large General Service - 100 kW & Over	80,107,394	$0.02388	$1,912,965	$336,566	$1,400,050	$129,913	$46,435	196,263	80,095,236	$2.38	1.806 ¢	$2.48	1.885 ¢
26	AT-48	Large General Service - 500 kW & Over	81,372,934	$0.02388	$1,943,186	$341,883	$1,422,168	$131,965	$47,169	208,998	81,121,286	$2.27	1.811 ¢	$2.37	1.891 ¢
27	PA-20	Agricultural Pumping Service	94,292,504	$0.02388	$2,251,705	$396,164	$1,647,965	$152,918	$54,658	420,637	94,292,504	$1.31	1.806 ¢	$1.37	1.885 ¢
28		Total Lighting	3,104,619	$0.02388	$74,138	$13,044	$54,260	$5,035	$1,800		3,104,619		2.388 ¢		2.493 ¢
29		Total	747,460,012		$17,849,345	$3,140,408	$13,063,481	$1,212,183	$433,273	1,171,138	746,876,199				

Notes:
1 Billing determinants adjusted for primary discounts, employee discounts and easement discounts.
2 Energy rates for all schedules not billed on demand are designed to collect the total ECAC revenues for that schedule.

Application No. 20-08-___
Exhibit No. PAC/502
Witness: Judith M. Ridenour

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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Exhibit Accompanying Direct Testimony of

Judith M. Ridenour

GHG Allowance Costs to be Recovered in Rates

August 2020

CONFIDENTIAL
Exhibit PAC/502
PACIFICORP
STATE OF CALIFORNIA
GHG Allowance Costs to be Recovered in Rates

Line No.	Description	Forecast	Source
1	GHG Allowance Costs		
2	2021	[redacted]	Confidential Exhibit PAC/202
3	Gross up for Franchise Fees and Uncollectibles Expense[1]		
4	Subtotal Recorded/Forecast Costs		
5	Greenhouse Gas Allowance Costs Sub-balancing Account Under / (Over) Collection	[redacted]	Confidential Exhibit PAC/203
6	GHG Allowance Costs to be Recovered in Rates	$ 7,610,729	line 4 + line 5

(1)Factor of 97.977602%

Application No. 20-08-___
Exhibit No. PAC/503
Witness: Judith M. Ridenour

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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Exhibit Accompanying Direct Testimony of

Judith M. Ridenour

GHG Allowance Revenue to be Distributed Through the California Climate Credit

August 2020

Exhibit PAC/503
PACIFICORP
STATE OF CALIFORNIA
GHG Allowance Revenue to be Distributed Through the California Climate Credit

Line No.	Description	Forecast for Climate Credit	Source
1	GHG Allowance Revenues		
2	2021	$ (9,075,711)	Exhibit PAC/208
3	Gross up for Franchise Fees and Uncollectibles Expense(1)	$ (183,547)	
4	Subtotal Recorded/Forecast Revenues	$ (9,259,258)	
5	Greenhouse Gas Allowance Revenue Balancing Account (Under) / Over	$ 216,521	Exhibit PAC/207
6	Forecast Expenses - 2021		
7	GHG Outreach and Education Costs	$ 80,000	Exhibit PAC/303
8	GHG Administrative Costs	$ 5,600	Exhibit PAC/402
9	Gross up for Franchise Fees and Uncollectibles Expense(1)	$ 1,731	
10	Subtotal Forecast Expenses	$ 87,331	
11	Allowance Revenue Approved for Clean Energy or Energy Efficiency Programs(2)	$ 1,537,786	Line 2 * 10% + 2019 balance
12	Net GHG Allowance Revenues Available for Return	$ (7,417,620)	Line 4 + Line 5 + Line 10 + Line 11
13	Summary of California Climate Credit Distribution		
14	EITE Customers	$ -	
15	Small Business Volumetric Return (Forecast)	$ (407,480)	Exhibit PAC/504
16	Subtotal Volumetric Return	$ (407,480)	
17	Total Revenue Available for Residential Climate Credit	$ (7,010,141)	Exhibit PAC/504
18	Estimated Number of Households Eligible for Climate Credit	36,049	Exhibit PAC/504
19	Semi-Annual Residential Climate Credit	$ (97.23)	Exhibit PAC/504

(1) Factor of 97.977602%
(2) Commission Decision (D.) 17-12-022 Ordering Paragraph 5 requires PacifiCorp to reserve 10% of the proceeds from the sale of greenhouse gas proceeds for use in the Solar on Multifamily Affordable Housing Program. The set aside started mid-year in 2016 when the company was directed to set aside 5% for half of 2016 and 10% annually thereafter.

Application No. 20-08-___
Exhibit No. PAC/504
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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Judith M. Ridenour

Calculation of Proposed GHG Allowance Costs Surcharge and
California Climate Credit Rates

August 2020

Exhibit PAC/504
PACIFICORP
STATE OF CALIFORNIA
CALCULATION OF PROPOSED GHG ALLOWANCE COSTS SURCHARGE AND CLIMATE CREDIT RATES

Forecast 12 Months Ending December 2019

						2021 GHG Allowance Costs Surcharge			2021 Climate Credit			
Line No.	Description	Sch.	No. of Customers[1]	KWH	Present Revenues	Cost Allocation	Costs	Rate ¢/kWh	2021 Asst. Factor[2]	Credit Rate	Revenue Distribution	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
	Residential											
1	Residential Service	D/DL-6	35,838	368,139,171	$49,271,281		$3,967,042				($6,969,109)	
2	Multi-Family - Master Metered	DM-9	28	166,767	$21,104		$1,797				($5,445)	
3	Multi-Family - Submetered	DS-8	183	1,243,740	$137,826		$13,402				($35,586)	
4	**Total Residential**		36,049	369,549,678	$49,430,211	52.30%	$3,982,241	1.078		*$ (194.46)*	($7,010,141)	*annual amount*
										$ (97.23)		**semi-annually, per customer**
	Commercial & Industrial											
5	General Service - < 20 kW	A-25	7,131	51,917,789	$8,272,393	8.75%	$666,448	1.284	50%	-0.642	($333,312)	¢/kWh
6	General Service - 20 kW & Over	A-32	1,125	67,115,094	$8,863,561	9.38%	$714,074	1.064				
7	General Service - 100 kW & Over	A-36	191	80,107,394	$8,589,800	9.09%	$692,019	0.864				
8	Large General Service - 500 kW & Over	AT-48	19	81,372,934	$7,026,369	7.43%	$566,065	0.696				
9	Agricultural Pumping Service - Under 20 kW	PA-20	1,002	14,833,487	$11,708,213	12.39%	$943,248	1.000	50%	-0.500	($74,167)	¢/kWh
10	Agricultural Pumping Service - Over 20 kW	PA-20	1,024	79,459,017								
11	**Total Commercial & Industrial**		10,491	374,805,715	$44,460,336		$3,581,853				($407,480)	
	Lighting											
12	Outdoor Area Lighting Service	OL-15	760	913,538	$205,709	0.22%	$16,573	1.814				
13	Airway & Athletic Lighting	OL-42	36	154,197	$28,082	0.03%	$2,262	1.467				
14	Street Lighting, Utility Owned	LS-51	78	845,623	$221,937	0.23%	$17,880	2.114				
15	Street Lighting, Cust. Owned Energy Only	LS-53	105	1,138,821	$156,383	0.17%	$12,599	1.106				
16	Street Lighting, Customer Owned	LS-58	20	52,440	$8,541	0.01%	$688	1.312				
17	**Total Lighting**		999	3,104,619	$620,652		$50,002					
18	**Total Sales to Ultimate Consumers**		47,539	747,460,012	$94,511,199		$7,614,096				($7,417,620)	
19	**Total AGA**				$194,473							
20	**Total Employee Discount**		87	1,249,540	($41,564)		($3,368)					
21	**Total Sales** (inc. AGA and Employee Discount)		47,539	747,460,012	$94,664,109		$7,610,729				($7,417,620)	

Notes:
1 Customer counts for Schedules DM-9 and DS-8 adjusted to reflect submeter and tenant counts.
2 Based on the Small Business Assistance Factor shown in Table 2 of Appendix 2 of D.13-12-002.

Application No. 20-08-___
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Exhibit Accompanying Direct Testimony of

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Commission Template D-1 – Annual Allowance Revenue Receipts and Customer Returns

August 2020

CONFIDENTIAL
Exhibit PAC/505
PACIFICORP
STATE OF CALIFORNIA
Commission Template D-1
Annual Allowance Revenue Receipts and Customer Returns

		2013		2014		2015		2016		2017	
Line	**Description**	**Forecast**	**Recorded**	**Forecast**	**Recorded**	**Forecast**	**Recorded**	**Forecast**	**Recorded**	**Forecast**	**Recorded**
1	**Proxy GHG Price ($/MT)**	N/A	N/A	N/A	N/A	$ 12.26	N/A	$ 13.08	N/A	$ 13.05	N/A
2	**Allocated Allowances (MT)**	723,725	723,726	728,106	728,106	730,526	730,528	737,440	737,440	745,624	745,624
3	**Revenues**										
4	Prior Balance	N/A	N/A	(9,045,316)	(9,106,055)	(2,668,895)	(3,219,781)	(1,873,502)	(1,190,504)	478,475	1,011,368
5	Allowance Revenue	(9,096,948)	(9,096,948)	[redacted]	(8,518,840)	(8,956,249)	(9,085,917)	(9,645,715)	(9,387,611)	(9,730,393)	(10,681,011)
6	Interest	(6,868)	(10,510)		(6,331)	-	224		4,365		9,052
7	Franchise Fees and Uncollectibles	-	-		(319,722)	(245,001)	(164,746)	(174,900)	(170,141)	(176,436)	(193,509)
8	**Subtotal Revenues**	(9,103,816)	(9,107,458)		(17,950,948)	(11,870,145)	(12,470,220)	(11,694,118)	(10,743,892)	(9,428,354)	(9,854,099)
9	**Expenses**										
10	Outreach and Administrative Expenses	58,500	1,403	110,000	57,941	115,000	66,328	87,500	87,672	92,000	60,623
11	Franchise Fees and Uncollectibles	-	-	-	-	-	1,203	1,587	1,590	1,668	1,099
12	Interest	-	-	-	-	-	-	-		-	-
13	**Subtotal Expenses**	58,500	1,403	110,000	57,941	115,000	67,531	89,087	89,262	93,668	61,722
14	**Allowance Revenue Approved for Clean Energy or Energy Efficiency Programs (Note 1)**	-	-	-	-	-	-	-	469,381	973,039	1,068,101
15	**Net GHG Revenues (Line 8 + Line 13 + Line 14)**	(9,045,316)	(9,106,055)	[redacted]	(17,893,007)	(11,755,145)	(12,402,689)	(11,605,031)	(10,185,249)	(8,361,647)	(8,724,276)
16	**GHG Revenues to be Distributed in Future Years**	-	-		-	-	-	-	-	-	-
17	**Net GHG Revenues Available for Customers in Forecast Year (Line 15 + Line 16)**	(9,045,316)	(9,106,055)		(17,893,007)	(11,755,145)	(12,402,689)	(11,605,031)	(10,185,249)	(8,361,647)	(8,724,276)
18	**GHG Revenue Returned to Eligible Customers**										
19	EITE Customer Return	-	-	[redacted]	-	-	-	-		-	
20	Small Business Volumetric Return	-	-		864,015	1,382,690	1,211,183	1,053,331	961,468	496,448	466,376
21	Residential Volumetric Return	-	-		-	-	-	-		-	
22	**Subtotal EITE + Volumetric Returns**	-	-		864,015	1,382,690	1,211,183	1,053,331	961,468	496,448	466,376
23	**Number of Households Eligible for the California Climate Credi**	-	-		35,523	36,774	35,457	36,774	35,670	36,774	35,752
24	**Per-Household Semi-Annual Climate Credit (0.5 x (Line 17 + 22) ÷ Line 23)**	N/A	N/A	194.37	194.37	141.03	141.03	143.47	143.47	106.94	106.94
25	**Revenue Distributed for the Climate Credit (2 x Line 23 x Line 24)**	-	-	[redacted]	13,809,211	10,372,455	10,001,001	10,551,700	10,235,150	7,865,198	7,646,638
26	**Total Revenue Distributed**				14,673,226		11,212,185		11,196,618		8,113,014
27	**Revenue Balance**	N/A	(9,106,055)	N/A	(3,219,781)	N/A	(1,190,504)	N/A	1,011,368	N/A	(611,262)

Note 1: Commission Decision (D.) 17-12-022 Ordering Paragraph 5 requires PacifiCorp to reserve 10% of the proceeds from the sale of greenhouse gas proceeds for use in the Solar on Multifamily Affordable Housing Program. The set aside started mid-year in 2016 when the company was directed to set aside 5% for half of 2016 and 10% annually thereafter. In 2020 set aside was cut to half for the six months (January through June 2020) that had been approved at the time of the 2020 ratesetting in D.20-05-011. Per D.20-04-012, the remaining half of the setaside for July through December has been approved and is to be set aside from 2021 proceeds.

CONFIDENTIAL INFORMATION

CONFIDENTIAL
Exhibit PAC/505
PACIFICORP
STATE OF CALIFORNIA
Commission Template D-1
Annual Allowance Revenue Receipts and Customer Returns

Line	Line Description	2018 Forecast	2018 Recorded	2019 Forecast	2019 Recorded	2020 Forecast	2020 Recorded	2021 Forecast	2021 Recorded	Support
1	**Proxy GHG Price ($/MT)**	$ 14.12	N/A	$ 15.95	N/A	$ 17.83	N/A	$ 16.47		
2	**Allocated Allowances (MT)**	752,553	752,553	759,349	759,349	767,732	767,732	551,045		Testimony and Exhibits of Mary M. Wiencke PAC/200-209
3	**Revenues**									
4	Prior Balance	(199,575)	(611,262)	(995,401)	(1,289,566)	565,714	(931,159)	216,521		
5	Allowance Revenue	(10,626,048)	(11,216,803)	(12,111,617)	(12,783,641)	(13,688,662)	(12,604,291)	(9,075,711)		
6	Interest		(28,545)		(55,368)		(15,901)			
7	Franchise Fees and Uncollectibles	(192,676)	(203,906)	(244,945)	(259,656)	(276,839)	(255,231)	(183,547)		
8	**Subtotal Revenues**	(11,018,299)	(12,060,515)	(13,351,963)	(14,388,231)	(13,399,787)	(13,806,581)	(9,042,737)		
9	**Expenses**									Testimony and Exhibits of Nina Ford & Anthony B. Worthington PAC/300-304 and PAC/400-403
10	Outreach and Administrative Expenses	90,000	70,705	79,500	72,625	80,100	80,600	85,600		
11	Franchise Fees and Uncollectibles	1,632	1,282	1,608	1,469	1,620	1,630	1,731		
12	Interest	-	-	-	-	-	-	-		
13	**Subtotal Expenses**	91,632	71,987	81,108	74,094	81,720	82,230	87,331		
14	**Allowance Revenue Approved for Clean Energy or Energy Efficiency Programs (Note 1)**	1,062,605	1,121,680	1,211,162	1,278,364	895,140	840,922	1,537,786		T&E of J.M.R. PAC/500-507
15	**Net GHG Revenues (Line 8 + Line 13 + Line 14)**	(9,864,062)	(10,866,848)	(12,059,694)	(13,035,773)	(12,422,927)	(12,883,430)	(7,417,620)		
16	**GHG Revenues to be Distributed in Future Years**	-	-	-	-	-	-	-		
17	**Net GHG Revenues Available for Customers in Forecast Year (Line 15 + Line 16)**	(9,864,062)	(10,866,848)	(12,059,694)	(13,035,773)	(12,422,927)	(12,883,430)	(7,417,620)		
18	**GHG Revenue Returned to Eligible Customers**									
19	EITE Customer Return	-		-		-		-		
20	Small Business Volumetric Return	531,084	480,075	547,880	562,070	366,984	386,984	407,480		
21	Residential Volumetric Return	-		-		-		-		Testimony and Exhibits of Judith M. Ridenour PAC/500-507
22	**Subtotal EITE + Volumetric Returns**	531,084	480,075	547,880	562,070	366,984	386,984	407,480		
23	**Number of Households Eligible for the California Climate Credi**	36,774	35,844	36,049	36,145	36,049	38,013	36,049		
24	**Per-Household Semi-Annual Climate Credit (0.5 x (Line 17 + 22) ÷ Line 23)**	126.90	126.90	159.67	159.67	167.22	167.22	97.23		
25	**Revenue Distributed for the Climate Credit (2 x Line 23 x Line 24)**	9,332,978	9,097,207	11,511,814	11,542,544	12,055,943	12,712,967	7,010,141		
26	**Total Revenue Distributed**		9,577,282		12,104,614		13,099,951			T&E of M.M.W PAC/200-209
27	**Revenue Balance**	N/A	(1,289,566)	N/A	(931,159)	N/A	216,521	N/A		

Note 1: Commission Decision (D.) 17-12-022 Ordering Paragraph 5 requires PacifiCorp to reserve 10% of the proceeds from the sale of greenhouse gas proceeds for use in the Solar on Multifamily Affordable Housing Program. The set aside started mid-year in 2016 when the company was directed to set aside 5% for half of 2016 and 10% annually thereafter. In 2020 set aside was cut to half for the six months (January through June 2020) that had been approved at the time of the 2020 ratesetting in D.20-05-011. Per D.20-04-012, the remaining half of the setaside for July through December has been approved and is to be set aside from 2021 proceeds.

CONFIDENTIAL INFORMATION

Application No. 20-08-___
Exhibit No. PAC/506
Witness: Judith M. Ridenour

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Judith M. Ridenour

Commission Template D-4 – Forecast Revenue Requirement and Revenues by Rate Schedule

August 2020

Exhibit PAC/506
PACIFICORP
STATE OF CALIFORNIA
Commission Template D-4
Forecast Revenue Requirement and Revenues by Rate Schedule

Bundled Customers

Line	Rate Schedule (A)	Forecast Sales (kWh) (B)	Forecast GHG Revenue Requirement ($) (C)	Rate Impact ($/kWh) (D)	Forecast GHG Revenue ($) (E)
1	D/DL-6/DM-9/DS-8	369,549,678	$3,978,874	$0.01078	($7,010,141)
2	A-25	51,917,789	$666,448	$0.01284	($333,312)
3	A-32	67,115,094	$714,074	$0.01064	
4	A-36	80,107,394	$692,019	$0.00864	
5	AT-48	81,372,934	$566,065	$0.00696	
6	PA-20	94,292,504	$943,248	$0.01000	($74,167)
7	OL-15	913,538	$16,573	$0.01814	
8	OL-42	154,197	$2,262	$0.01467	
9	LS-51	845,623	$17,880	$0.02114	
10	LS-53	1,138,821	$12,599	$0.01106	
11	LS-58	52,440	$688	$0.01312	
12	Total	747,460,012	$7,610,729		($7,417,620)

Note: This template does not include columns F through I as PacifiCorp does not have any unbundled customers

Application No. 20-08-___
Exhibit No. PAC/507
Witness: Judith M. Ridenour

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

PACIFICORP

Exhibit Accompanying Direct Testimony of

Judith M. Ridenour

Effects of Proposed Rate Change Distributed by Rate Schedule

August 2020

PACIFICORP
STATE OF CALIFORNIA
ESTIMATED EFFECTS OF PROPOSED RATE CHANGE
DISTRIBUTED BY RATE SCHEDULE
Forecast 12 Months Ending December 2019

Line No.	Description (1)	Pres. Sch. (2)	No. of Customers (3)	KWH (4)	Present Revenues: Base Revenue (5)	Present Revenues: ECAC (6)	Present Revenues: Base with ECAC (7) (5)+(6)	Present Revenues: Adders[1] (8)	Present Revenues: Net Revenue (9) (7)+(8)	Proposed Revenues: Base Revenue (10)	Proposed Revenues: ECAC (11)	Proposed Revenues: Base with ECAC (12) (10)+(11)	Proposed Revenues: Adders[1] (13)	Proposed Revenues: Net Revenue (14) (12)+(13)	Proposed Change: Revenue (15) (12)-(7)	Proposed Change: Percent (16) (15)/(7)	Net Proposed Change: Revenue (17) (14)-(9)	Net Proposed Change: Percent (18) (17)/(9)	Line No.
	Residential																		
1	Residential Service	D/DL-6	35,838	368,139,171	$38,113,105	$11,158,176	$49,271,281	$2,532,771	$51,804,052	$38,113,105	$8,798,431	$46,911,536	$2,043,152	$48,954,688	($2,359,745)	-4.8%	($2,849,364)	-5.5%	1
2	Multi-Family - Master Metered	DM-9	7	166,767	$16,050	$5,054	$21,104	$1,147	$22,251	$16,050	$3,985	$20,035	$925	$20,960	($1,069)	-5.1%	($1,291)	-5.8%	2
3	Multi-Family - Submetered	DS-8	16	1,243,740	$100,128	$37,698	$137,826	$8,558	$146,384	$100,128	$29,725	$129,853	$6,903	$136,756	($7,973)	-5.8%	($9,628)	-6.6%	3
4	**Total Residential**		35,861	369,549,678	$38,229,283	$11,200,928	$49,430,211	$2,542,476	$51,972,687	$38,229,283	$8,832,141	$47,061,424	$2,050,980	$49,112,404	($2,368,787)	-4.8%	($2,860,283)	-5.5%	4
	Commercial & Industrial																		
5	General Service - < 20 kW	A-25	7,131	51,917,789	$6,700,367	$1,572,026	$8,272,393	$399,237	$8,671,630	$6,700,367	$1,239,761	$7,940,128	$332,265	$8,272,393	($332,265)	-4.0%	($399,237)	-4.6%	5
6	General Service - 20 kW & Over	A-32	1,125	67,115,094	$6,829,528	$2,034,033	$8,863,561	$473,448	$9,337,009	$6,829,528	$1,602,182	$8,431,710	$371,618	$8,803,328	($431,851)	-4.9%	($533,681)	-5.7%	6
7	General Service - 100 kW & Over	A-36	191	80,107,394	$6,164,867	$2,424,933	$8,589,800	$513,581	$9,103,381	$6,164,867	$1,913,626	$8,078,493	$375,248	$8,453,741	($511,307)	-6.0%	($649,640)	-7.1%	7
8	Large General Service - 500 kW & Over	AT-48	19	81,372,934	$4,563,189	$2,463,180	$7,026,369	$475,854	$7,502,223	$4,563,189	$1,943,532	$6,506,721	$323,483	$6,830,204	($519,648)	-7.4%	($672,019)	-9.0%	8
9	Agricultural Pumping Service	PA-20	2,026	94,292,504	$8,850,658	$2,857,555	$11,708,213	$643,281	$12,351,494	$8,850,658	$2,253,957	$11,104,615	$493,872	$11,598,487	($603,598)	-5.2%	($753,007)	-6.1%	9
10	**Total Commercial & Industrial**		10,491	374,805,715	$33,108,608	$11,351,728	$44,460,336	$2,505,401	$46,965,737	$33,108,608	$8,953,059	$42,061,667	$1,896,486	$43,958,153	($2,398,669)	-5.4%	($3,007,584)	-6.4%	10
	Lighting																		
11	Outdoor Area Lighting Service	OL-15	760	913,538	$178,052	$27,657	$205,709	$11,230	$216,939	$178,052	$21,778	$199,830	$9,299	$209,129	($5,879)	-2.9%	($7,810)	-3.6%	11
12	Airway & Athletic Lighting	OL-42	36	154,197	$23,413	$4,669	$28,082	$1,232	$29,314	$23,413	$3,682	$27,095	$956	$28,051	($987)	-3.5%	($1,263)	-4.3%	12
13	Street Lighting, Utility Owned	LS-51	78	845,623	$196,360	$25,577	$221,937	$12,481	$234,418	$196,360	$20,185	$216,545	$11,692	$228,237	($5,392)	-2.4%	($6,181)	-2.6%	13
14	Street Lighting, Cust. Owned Energy Only	LS-53	105	1,138,821	$121,949	$34,434	$156,383	$4,914	$161,297	$121,949	$27,182	$149,131	$2,425	$151,556	($7,252)	-4.6%	($9,741)	-6.0%	14
15	Street Lighting, Customer Owned	LS-58	20	52,440	$6,954	$1,587	$8,541	$304	$8,845	$6,954	$1,250	$8,204	$229	$8,433	($337)	-3.9%	($412)	-4.7%	15
16	**Total Lighting**		999	3,104,619	$526,728	$93,924	$620,652	$30,161	$650,813	$526,728	$74,077	$600,805	$24,601	$625,406	($19,847)	-3.2%	($25,407)	-3.9%	16
17	**Total Sales to Ultimate Consumers**		47,351	747,460,012	$71,864,620	$22,646,580	$94,511,199	$5,078,038	$99,589,237	$71,864,620	$17,859,277	$89,723,896	$3,972,067	$93,695,963	($4,787,303)	-5.1%	($5,893,274)	-5.9%	17
18	**Total AGA**				$194,473		$194,473		$194,473	$194,473		$194,473		$194,473	$0	0.0%	$0	0.0%	18
19	**Total Employee Discount**				($32,096)	($9,468)	($41,564)	($2,148)	($43,712)	($32,096)	($7,466)	($39,562)	($1,733)	($41,295)	$2,002	-4.8%	$2,417	-5.5%	19
20	**Total Sales** (inc. AGA and Employee Discount)		47,351	747,460,012	$72,026,997	$22,637,112	$94,664,109	$5,075,890	$99,739,999	$72,026,997	$17,851,811	$89,878,808	$3,970,334	$93,849,142	($4,785,301)	-5.1%	($5,890,857)	-5.9%	20

Notes:
1 Total effects of Schedule ECAC-94 Deferred ECAC, Schedule GHG-92 Surcharge to Recover Greenhouse Gas Carbon Polution Permit Cost, Schedule S-95 Surcharge to Recover Mobilehome Park Utility Upgrade Costs, Schedule S-96 Surcharge to Recover Costs Recorded in Catastrophic Event Memorandum Account, Schedule S-191 Surcharge to Fund Public Purpose Programs, Schedule S-192 Surcharge to Fund Energy Savings Assistance Program, and Schedule S-195 Tax Reform Memorandum Account Adjustment. Excludes the effect of pass through adders.