



October 28, 2024

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol Ave.  
Pierre, SD 57501

Re: Change in Method of Accounting for Income Tax Purposes

Dear Ms. Van Gerpen:

MidAmerican Energy Company ("Company") submits this letter to notify the South Dakota Public Utilities Commission ("Commission") of its application for an automatic accounting method change filed with the Internal Revenue Service (IRS) on October 5, 2024.

Neither the IRS nor the Company requires that the Commission take any action. The Form 3115 automatic accounting change was filed with the Berkshire Hathaway Inc. 2023 federal consolidated tax return (which includes the Company's federal tax return). This change is applicable for income tax purposes only and does not impact the methods of accounting used for FERC or U.S. GAAP financial reporting.

The Company changed its method of accounting to use the natural gas distribution property safe harbor method of accounting ("NGSH Method") provided by Rev. Proc. 2023-15. The safe harbor confirms when certain costs of maintaining, repairing, replacing, and improving natural gas distribution property are required to be capitalized under Sections 263(a) or 263A, or may be deducted as ordinary and necessary business expenses under Section 162(a). The request was an automatic method change filed pursuant to Rev. Proc. 2015-13 and Section 3.12 (DCN 269) of Rev. Proc. 2024-23 for the tax year ended December 31, 2023.

IRS Revenue Procedure 2024-23, Section 3.12(3)(c)(iii) requires the Company to submit, within 30 calendar days of filing the federal income tax return, a copy of the completed application to any regulatory body having jurisdiction over the public utility property subject to the application. In compliance with this requirement, a copy of the Form 3115 is enclosed. No further action is requested or required on your part.

Sincerely,

*/s/ Aimee S. Rooney*

Aimee S. Rooney  
Director, Tax & Property Accounting

Attachment



**MidAmerican Energy Company -- Form 3115 FAXED Ogden 10-4-2024 (DCN 269 - NGTDPC).pdf**

From Fax2Mail powered by OpenText <reports@reply.fax2mail.com>

Date Fri 10/4/2024 2:32 PM

To Diane Lowe (US) <diane.d.lowe@pwc.com>

MAIL2FAX DETAILED DELIVERY REPORT	
<b>Attention</b>	Diane Lowe
<b>Job Number</b>	1717177753
<b>Sent By User</b>	F2M/55282651011
<b>Entered Fax2Mail System</b>	10/04 14:20
<b>Report Generated</b>	10/04 14:31
<b>Subject</b>	MidAmerican Energy Company -- Form 3115 FAXED Ogden 10-4-2024 (DCN 269 - NGTDPC).pdf
<b>Page Count</b>	18 (including cover sheet)

SUMMARY		
<b>Sent: 1</b>	<b>Errors: 0</b>	<b>Cancelled: 0</b>
<b>Total: 1</b>		

Destination	Status	Date	Time	Num. Retries
844-249-8134	SENT	10/04	14:31	1

**FAX**

**10/4/2024**

TO:	IRS	FROM:	Sara Logan, PwC Tax Managing Director
		<hr/>	
FAX:	844-249-8134	ADDRESS:	PwC US Tax LLP 655 New York Avenue NW, Suite 1100 Washington, DC 20001
		<hr/>	
PAGES:	17	CONTACT NAME AND PHONE:	Alisa Krueger, (402) 346-1400
		<hr/>	
SUBJECT:	Form 3115	APPLICANT NAME:	MidAmerican Energy Company
		<hr/>	



July 30, 2024

Internal Revenue Service  
1973 N. Rulon White Blvd.  
Ogden, UT 84201  
Attn: M/S 6111

Re: Berkshire Hathaway Inc.  
EIN: 47-0813844  
Form 3115

Dear Sir or Madam:

Enclosed please find a Form 3115, *Application for Change in Accounting Method*, filed by Berkshire Hathaway Inc. (EIN: 47-0813844) on behalf of the entity listed on page 1 of the Attachment to Form 3115 (hereinafter collectively referred to as “the Applicant”), requesting permission to change its method of accounting to use the natural gas distribution property safe harbor method of accounting provided by Rev. Proc. 2023-15, pursuant to Rev. Proc. 2015-13 and Section 3.12 (DCN 269) of Rev. Proc. 2024-23 for the tax year ended December 31, 2023.

A conference is respectfully requested if you propose to rule adversely or pursuant to terms and conditions other than those requested.

The Applicant requests that correspondence relating to the change in accounting method be faxed to Alisa Krueger at (402) 346-3375.

If you have any questions, please contact Alisa Krueger at (402) 346-1400.

Sincerely,

PwC US Tax LLP

By:   
Sara Logan

Enclosures:

- Form 3115 (with attachment)

# Application for Change in Accounting Method

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

Name of filer (name of parent corporation if a consolidated group) (see instructions)		Identification number (see instructions) <b>47-0813844</b>	
Principal business activity code number (see instructions) <b>551112</b>		Tax year of change begins (MM/DD/YYYY) <b>1/1/2023</b>	
Tax year of change ends (MM/DD/YYYY) <b>12/31/2023</b>		Name of contact person (see instructions) <b>Alisa Krueger</b>	
Name of applicant(s) (if different than filer) and identification number(s) (see instructions) <b>See Attachment</b>		Contact person's telephone number <b>402-346-1400</b>	

Berkshire Hathaway Inc.

Number, street, and room or suite no. If a P.O. box, see the instructions.

3555 Farnam Street, Suite 1440

City or town, state, and ZIP code

Omaha, Nebraska 68131

Name of applicant(s) (if different than filer) and identification number(s) (see instructions)

See Attachment

Does the filer want to receive a copy of the change in method of accounting letter ruling or other correspondence related to this Form 3115 by fax or encrypted email attachment? If "Yes," see instructions  **Yes**  **No**

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

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

**Check the box to indicate the type of applicant.**

- Individual
- Corporation
- Controlled foreign corporation (Sec. 957)
- 10/50 corporation (Sec. 904(d)(2)(E))
- Qualified personal service corporation (Sec. 448(d)(2))
- Exempt organization. Enter Code section: \_\_\_\_\_
- Cooperative (Sec. 1381)
- Partnership
- S corporation
- Insurance co. (Sec. 816(a))
- Insurance co. (Sec. 831)
- Other (specify): \_\_\_\_\_

**Check the appropriate box to indicate the type of accounting method change being requested.**

- See instructions.
- Depreciation or Amortization
  - Financial Products and/or Financial Activities of Financial Institutions
  - Other (specify): Natural Gas Transmission and Distribution Property Costs

**Caution:** To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes (1) all relevant information requested on this Form 3115 (including its instructions), and (2) any other relevant information, even if not specifically requested on Form 3115.

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

**Part I Information for Automatic Change Request**

	Yes	No
<b>1</b> Enter the applicable designated automatic accounting method change number ("DCN") for the requested automatic change. Enter only one DCN, except as provided for in guidance published by the IRS. If the requested change has no DCN, check "Other," and provide both a description of the change and a citation of the IRS guidance providing the automatic change. See instructions.		
<b>a</b> (1) DCN: <u>269</u> (2) DCN: _____ (3) DCN: _____ (4) DCN: _____ (5) DCN: _____ (6) DCN: _____ (7) DCN: _____ (8) DCN: _____ (9) DCN: _____ (10) DCN: _____ (11) DCN: _____ (12) DCN: _____		
<b>b</b> Other <input type="checkbox"/> Description: _____		
<b>2</b> Do any of the eligibility rules restrict the applicant from filing the requested change using the automatic change procedures (see instructions)? If "Yes," attach an explanation		<input checked="" type="checkbox"/>
<b>3</b> Has the filer provided all the information and statements required (a) on this form and (b) by the List of Automatic Changes under which the applicant is requesting a change? See instructions	<input checked="" type="checkbox"/>	

**Note:** Complete Part II and Part IV of this form, and, Schedules A through E, if applicable.

**Part II Information for All Requests**

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

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

Signature of filer (and spouse, if joint return) <i>Jo Ellen Rieck</i>	Date <b>09/23/2024</b>	Name and title (print or type) <b>Jo Ellen Rieck, VP - Tax</b>
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<b>Preparer (other than filer/applicant)</b>	Print/Type preparer's name <b>Marc Caillouet</b>	Firm's name <b>PwC US Tax LLP</b>	Preparer's signature <i>Marc C. Caillouet</i>	Date <b>8/8/2024</b>
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<b>Part II Information for All Requests</b> <i>(continued)</i>		<b>Yes</b>	<b>No</b>
<b>6a</b>	Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any federal income tax return(s) under examination (see instructions)? . . . . . If "No," go to line 7a.	✓	
<b>b</b>	Is the method of accounting the applicant is requesting to change an issue under consideration (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s))? See instructions . . . . .		✓
<b>c</b>	Enter the name and telephone number of the examining agent and the tax year(s) under examination. Name <u>See Attachment</u> Telephone number _____ Tax year(s) _____		
<b>d</b>	Has a copy of this Form 3115 been provided to the examining agent identified on line 6c? . . . . .	✓	
<b>7a</b>	Does audit protection apply to the applicant's requested change in method of accounting? See instructions . . . If "No," attach an explanation.	✓	
<b>b</b>	If "Yes," check the applicable box and attach the required statement. <input type="checkbox"/> Not under exam <input type="checkbox"/> 3-month window <input type="checkbox"/> 120 day: Date examination ended _____ <input type="checkbox"/> Method not before director <input checked="" type="checkbox"/> Negative adjustment <input type="checkbox"/> CAP: Date member joined group _____ <input type="checkbox"/> Audit protection at end of exam <input type="checkbox"/> Other		
<b>8a</b>	Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any federal income tax return(s) before Appeals and/or a federal court? . . . . . If "No," go to line 9.		✓
<b>b</b>	Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member)? See instructions . . . . . If "Yes," attach an explanation.		
<b>c</b>	If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, telephone number, and the tax year(s) before Appeals and/or a federal court. Name _____ Telephone number _____ Tax year(s) _____		
<b>d</b>	Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 8c? . . . . .		
<b>9</b>	If the applicant answered "Yes" to line 6a and/or 8a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a federal court.		
<b>10</b>	If for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a federal court, with respect to a federal income tax return of a partner, member, or shareholder of that entity? . . . . .		
<b>11a</b>	Has the applicant, its predecessor, or a related party requested or made (under either an automatic or non-automatic change procedure) a change in method of accounting within any of the 5 tax years ending with the tax year of change? . . . . . If "No," go to line 12.	✓	
<b>b</b>	If "Yes," for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent.		
<b>c</b>	If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was not signed and returned to the IRS, or the change was not made or not made in the requested year of change, attach an explanation.		
<b>12</b>	Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice? . . . . . If "Yes," for each request attach a statement providing (a) the name(s) of the taxpayer, (b) identification number(s), (c) the type of request (private letter ruling, change in method of accounting, or technical advice), and (d) the specific issue(s) in the request(s).	✓	
<b>13</b>	Is the applicant requesting to change its <b>overall</b> method of accounting? . . . . . If "Yes," complete Schedule A on page 4 of the form.		✓

<b>Part II Information for All Requests</b> <i>(continued)</i>		<b>Yes</b>	<b>No</b>						
<b>14</b>	If the applicant is either <b>(i) not</b> changing its overall method of accounting, or <b>(ii)</b> changing its overall method of accounting <b>and</b> changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following (see instructions): <b>a</b> The item(s) being changed. <b>b</b> The applicant's present method for the item(s) being changed. <b>c</b> The applicant's proposed method for the item(s) being changed. <b>d</b> The applicant's present overall method of accounting (cash, accrual, or hybrid).								
<b>15a</b>	Attach a detailed and complete description of the applicant's trade(s) or business(es). See section 446(d). <b>b</b> If the applicant has more than one trade or business, as defined in Regulations section 1.446-1(d), describe <b>(i)</b> whether each trade or business is accounted for separately; <b>(ii)</b> the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; <b>(iii)</b> the overall method of accounting for each trade or business; and <b>(iv)</b> which trade or business is requesting to change its accounting method as part of this application or a separate application. <b>Note:</b> If you are requesting an automatic method change, see the instructions to see if you are required to complete lines 16a-16c.								
<b>16a</b>	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. <b>b</b> Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. <b>c</b> Include either a discussion of the contrary authorities or a statement that no contrary authority exists.								
<b>17</b>	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions . . . . . If "No," attach an explanation.		✓						
<b>18</b>	Does the applicant request a conference with the IRS National Office if the IRS National Office proposes an adverse response? . . . . .	✓							
<b>19a</b>	If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460 (see 19b), or inventories subject to section 471 or 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">1st preceding year ended: mo. yr.</td> <td style="width: 33%;">2nd preceding year ended: mo. yr.</td> <td style="width: 33%;">3rd preceding year ended: mo. yr.</td> </tr> <tr> <td>\$ _____</td> <td>\$ _____</td> <td>\$ _____</td> </tr> </table> <b>b</b> If the applicant is changing its method of accounting for any long-term contract subject to section 460, in addition to completing 19a, enter the applicant's gross receipts for the 4th tax year preceding the tax year of change: 4th preceding year ended: mo. yr. \$ _____	1st preceding year ended: mo. yr.	2nd preceding year ended: mo. yr.	3rd preceding year ended: mo. yr.	\$ _____	\$ _____	\$ _____		
1st preceding year ended: mo. yr.	2nd preceding year ended: mo. yr.	3rd preceding year ended: mo. yr.							
\$ _____	\$ _____	\$ _____							
<b>Part III Information for Non-Automatic Change Request</b>		<b>Yes</b>	<b>No</b>						
<b>20</b>	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? . . . . . If "Yes," attach an explanation describing why the applicant is submitting its request under the non-automatic change procedures.								
<b>21</b>	Attach a copy of all documents related to the proposed change (see instructions).								
<b>22</b>	Attach a statement of the applicant's reasons for the proposed change.								
<b>23</b>	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? . . . . . If "No," attach an explanation.								
<b>24a</b>	Enter the amount of <b>user fee</b> attached to this application (see instructions) . . . . . \$ _____								
<b>b</b>	If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).								

<b>Part IV Section 481(a) Adjustment</b>		<b>Yes</b>	<b>No</b>
<b>25</b>	Does published guidance require the applicant (or permit the applicant and the applicant is electing) to implement the requested change in method of accounting on a cut-off basis? . . . . . If "Yes," attach an explanation and do not complete lines 26, 27, 28, and 29 below.		✓
<b>26</b>	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. \$ <u>          </u> <i>See Attachment</i> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If the applicant waived any deductions with respect to the method of accounting pursuant to Regulations section 1.59A-3(c)(6)(i), include a summary of the waived deductions. If more than one applicant is applying for the method change on the application, attach a list of the (a) name, (b) identification number, and (c) the amount of the section 481(a) adjustment attributable to each applicant.		
<b>27</b>	Is the applicant required to take into account in the year of change any remaining portion of a section 481(a) adjustment from a prior change (see instructions)? If "Yes," enter the amount. \$ <u>                    </u> . . . . .		✓
<b>28</b>	Is the applicant making an election to take the entire amount of the adjustment into account in the tax year of change? If "Yes," check the box for the applicable elective provision used to make the election (see instructions). <input type="checkbox"/> \$50,000 de minimis election <input type="checkbox"/> Eligible acquisition transaction election		
<b>29</b>	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? . . . . . If "Yes," attach an explanation.		✓

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

<b>Part I Change in Overall Method</b> (see instructions)																			
<b>1</b>	Check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. <b>Present method:</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description) <b>Proposed method:</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)																		
<b>2</b>	Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 2a through 2g.																		
	<table border="1"> <thead> <tr> <th></th> <th style="text-align: center;">Amount</th> </tr> </thead> <tbody> <tr> <td><b>a</b> Income accrued but not received (such as accounts receivable) . . . . .</td> <td style="text-align: center;">\$</td> </tr> <tr> <td><b>b</b> Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method . . . . .</td> <td></td> </tr> <tr> <td><b>c</b> Expenses accrued but not paid (such as accounts payable) . . . . .</td> <td></td> </tr> <tr> <td><b>d</b> Prepaid expenses previously deducted . . . . .</td> <td></td> </tr> <tr> <td><b>e</b> Supplies on hand previously deducted and/or not previously reported . . . . .</td> <td></td> </tr> <tr> <td><b>f</b> Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II . . . . .</td> <td></td> </tr> <tr> <td><b>g</b> Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. _____</td> <td></td> </tr> <tr> <td><b>h</b> <b>Net section 481(a) adjustment</b> (Combine lines 2a–2g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 26 . . . . .</td> <td style="text-align: center;">\$</td> </tr> </tbody> </table>		Amount	<b>a</b> Income accrued but not received (such as accounts receivable) . . . . .	\$	<b>b</b> Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method . . . . .		<b>c</b> Expenses accrued but not paid (such as accounts payable) . . . . .		<b>d</b> Prepaid expenses previously deducted . . . . .		<b>e</b> Supplies on hand previously deducted and/or not previously reported . . . . .		<b>f</b> Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II . . . . .		<b>g</b> Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. _____		<b>h</b> <b>Net section 481(a) adjustment</b> (Combine lines 2a–2g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 26 . . . . .	\$
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<b>c</b> Expenses accrued but not paid (such as accounts payable) . . . . .																			
<b>d</b> Prepaid expenses previously deducted . . . . .																			
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<b>g</b> Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. _____																			
<b>h</b> <b>Net section 481(a) adjustment</b> (Combine lines 2a–2g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 26 . . . . .	\$																		
<b>3</b>	Is the applicant also requesting the recurring item exception under section 461(h)(3)? . . . . . <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>																		
<b>4</b>	Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the federal income tax return or other return (such as tax-exempt organization returns) for that period. If the amounts in Part I, lines 2a through 2g, do not agree with the amounts shown on the balance sheet, attach a statement explaining the differences.																		
<b>5</b>	Is the applicant making a change to the overall cash method or to a method in which a taxpayer uses an accrual method for purchases and sales of inventory and uses the cash method for computing all other items of income and expense (see instructions)? . . . . . <input type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>																		

<b>Part II Change to the Cash Method for Non-Automatic Change Request</b> (see instructions)	
Applicants requesting a change to the cash method must attach the following information:	
<b>1</b>	A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
<b>2</b>	An explanation as to whether the applicant is required to use an accrual method under any section of the Code or regulations.



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**Schedule B—Changes Related to the Deferral Method for Advance Payments, Cost Offset Methods, and/or the Applicable Financial Statement Income Inclusion Rule** (see instructions)
 

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- 1** If the applicant is requesting to change to the deferral method for advance payments under Regulations section 1.451-8(c) or (d), as described in the instructions, attach the information specified in the instructions.
  - 2** If the applicant is requesting to change to or within a cost offset method under Regulations section 1.451-3(c) and/or Regulations section 1.451-8(e), as described in the instructions, attach the information specified in the instructions.
  - 3** If the applicant is requesting to change to or within a method to conform to the applicable financial statement (AFS) income inclusion rule under section 451(b) and Regulations section 1.451-3, as described in the instructions, attach a detailed description of the proposed method including the information specified in the instructions.
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**Schedule C—Changes Within the LIFO Inventory Method** (see instructions)
 

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**Part I General LIFO Information**

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

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

**Part II Change in Pooling Inventories**

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

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

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

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletions) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)?
b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)?
c Is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)?
d If line 2c is "Yes," in computing the completion factor of a contract, will the applicant use the simplified cost-to-cost method described in Regulations section 1.460-5(c)?
e If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)?
3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)?
b If "Yes," attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
4a Does the applicant enter into cost-plus long-term contracts?
b Does the applicant enter into federal long-term contracts?

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

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

4a Check the appropriate boxes in the chart.

Identification methods:

- Specific identification
FIFO
LIFO
Other (attach explanation)

Valuation methods:

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

Table with 3 columns: Inventory Method Being Changed (Present method, Proposed method), Inventory Method Not Being Changed (Present method). Includes a row for value at the end of the tax year preceding the year of change.

- b Enter the value at the end of the tax year preceding the year of change.
5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
a Copies of Form(s) 970 filed to adopt or expand the use of the method.
b Only for applicants requesting a non-automatic change. A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
c Only for applicants requesting an automatic change. The statement required by section 23.01(5) of Rev. Proc. 2022-14 (or its successor).
6 Is the applicant presently using the AFS cost offset method as described in Regulations section 1.451-3(c) and/or the advance payment cost offset method described in Regulations section 1.451-8(e), or is the applicant changing to such methods for the same year of change as the requested change in inventory method? If "Yes," see the instructions for rules regarding concurrent changes

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

**Section A—Allocation and Capitalization Methods**

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

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

**Section B—Direct and Indirect Costs Required To Be Allocated**

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

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

**Part III Method of Cost Allocation** *(continued)* See instructions.

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

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

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

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

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

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? . . . .  **Yes**  **No**  
If “Yes,” the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section, such as section 263A? . . . . .  **Yes**  **No**  
If “Yes,” enter the applicable section \_\_\_\_\_
- 3 Has a depreciation, amortization, expense, or disposition election been made for the property, such as the election under sections 168(f)(1), 168(i)(4), 179, 179C, or Regulations section 1.168(i)-8(d)? . . . .  **Yes**  **No**  
If “Yes,” state the election made \_\_\_\_\_
- 4a Attach a statement describing the property subject to the change. Include the property’s description, type, placed-in-service year, and use in the applicant’s trade or business or income-producing activity. Also include the type and amount of any federal tax credit claimed or grant received, along with any necessary adjustments to basis required under the Internal Revenue Code, with respect to the property.
- b If the property is residential rental property, did the applicant live in the property before renting it? . . .  **Yes**  **No**
- c Is the property public utility property? . . . . .  **Yes**  **No**
- 5 To the extent not already provided in the applicant’s description of its present method, attach a statement explaining how the property is treated under the applicant’s present method (for example, depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information for both the present (if applicable) and proposed methods:
  - a The Code section under which the property is or will be depreciated or amortized (for example, section 168(g)).
  - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under former section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
  - c The facts to support the asset class for the proposed method.
  - d The depreciation or amortization method of the property, including the applicable Code section (for example, 200% declining balance method under section 168(b)(1)).
  - e The useful life, recovery period, or amortization period of the property.
  - f The applicable convention of the property.
  - g Whether the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), or former section 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed.
  - h Whether the property was or will be in a single asset account, a multiple asset account, or a general asset account.

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Change in Method of Accounting for Natural Gas Transmission and Distribution**  
**Property (DCN 269)**  
**Filed Pursuant to Rev. Proc. 2015-13 and Section 3.12 of Rev. Proc. 2024-23**  
**Tax Year Ended December 31, 2023**

**Name of Applicant**

Berkshire Hathaway Inc. (EIN: 47-0813844), the parent of an affiliated group of corporations that file a consolidated tax return, is requesting to make this change in accounting method on behalf of the entity listed below (hereinafter collectively referred to as the "Applicant") pursuant to Rev. Proc. 2015-13 and Section 3.12 (DCN 269) of Rev. Proc. 2024-23 for the tax year ended December 31, 2023:

<i>Legal Entity</i>	<i>EIN</i>	<i>Section 481(a) Adjustment Positive / (Negative)</i>
MidAmerican Energy Company	42-1425214	\$(80,325,843)

**Request for Faxed Documents**

In accordance with the procedures set forth in § 9.04(3) of Rev. Proc. 2024-1, the Applicant requests that a copy of any document (e.g., a request for additional information and IRS ruling letter) related to this request be provided to the Applicant via fax (fax number provided below).

Applicant's Fax Number: (402) 346-3375, Attn: Alisa Krueger

**Page 2, Part II, Question 6, Under Examination**

Berkshire Hathaway Inc. (EIN: 47-0813844) is under IRS exam for the tax years ended December 31, 2014 through December 31, 2019. A copy of this Form 3115 has been provided to the Applicant's examining agent, Dawn Cook. Her phone number is (913) 722-7597.

**Page 2, Part II, Question 7a, Audit Protection**

Section 8.02(1)(c)(i) of Rev. Proc. 2015-13 provides an exception to this general rule stating that a taxpayer will receive audit protection if the request for a change in method of accounting results in a negative Section 481(a) adjustment for that item for the year of change and would have resulted in a negative Section 481(a) adjustment in each taxable year under examination if the change in method of accounting for that item had been made in the taxable year under examination. The Applicant is filing this change in accounting method with a negative Section 481(a) adjustment.

**Page 2, Part II, Question 9, Parent Corporation Information**

Parent: Berkshire Hathaway Inc.  
EIN: 47-0813844  
Address: 3555 Farnam Street, Suite 1440  
Omaha, NE 68131

Tax Years Under Exam: December 31, 2014 – December 31, 2019  
Tax Years Under Appeal: None  
Tax Years Before a Court: None

**Page 2, Part II, Questions 11 and 12, Prior and Concurrent Changes**

Berkshire Hathaway Inc. (EIN:47-0813844) filed a statement in lieu of a Form 3115 on behalf of MidAmerican Energy Company (EIN: 42-1425214) to change its method of accounting under Section 7.02(4)(a)(ii) of Rev. Proc. 2023-24 for research and experimental expenditures paid or incurred for the taxable year ending December 31, 2022, to comply with IRC Section 174.

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Berkshire Hathaway Inc. (EIN: 47-0813844) filed an automatic Form 3115 (DCN 244) on behalf of MidAmerican Energy Company (EIN: 42-1425214) to change the method of accounting for the depreciation of qualified improvement property pursuant to Revenue Procedure 2019-43 for the tax year ended December 31, 2019.

Berkshire Hathaway Inc. (EIN: 47-0813844) filed an automatic Form 3115 (DCN 7) on behalf of MidAmerican Energy Company (EIN: 42-1425214) to change its method of accounting to claim bonus depreciation on eligible assets placed in service during the 2016, 2017, and 2018 tax years pursuant to Revenue Procedure 2019-43 for the tax year ended December 31, 2019.

The Applicant is a member of the Berkshire Hathaway Inc. consolidated group. Each business of the group operates autonomously. Pursuant to our traditional practice, information related to requests for method changes by other members of the Berkshire group will be provided upon request.

**Page 3, Part II, Question 14a, Item(s) Being Changed**

The Applicant is requesting permission to change its method of accounting to use the natural gas distribution property safe harbor method of accounting (“NGSH Method”), provided by Rev. Proc. 2023-15, for determining whether certain costs of maintaining, repairing, replacing, and improving natural gas distribution property are required to be capitalized under Sections 263(a) or 263A, or may be treated as ordinary and necessary business expenses for which a deduction is allowable under Section 162(a). This request is being filed pursuant to Rev. Proc. 2015-13 and Section 3.12 (DCN 269) of Rev. Proc. 2024-23, for the tax year ended December 31, 2023.

**Page 3, Part II, Question 14b, Present Method of Accounting**

Under the present method of accounting, the Applicant performs routine repair and maintenance of natural gas distribution property on an ongoing basis, depending on need. Pursuant to guidance in existence prior to the issuance of Rev. Proc. 2023-15, the Applicant is classifying as repair and maintenance those projects that are intended to keep assets in an ordinarily efficient operating condition without resulting in a material betterment or an increase to the useful life of the assets. The Applicant classifies these expenditures as either deductions under Section 162 or capitalizable under Section 263(a), as allowable.

The Applicant has not claimed any Federal tax credits related to the item being changed.

**Page 3, Part II, Question 14c, Proposed Method of Accounting**

Under the proposed method of accounting, the Applicant will apply the natural gas distribution property safe harbor method of accounting (“NGSH Method”), as defined in Section 4.01 of Rev. Proc. 2023-15, for determining whether certain costs of maintaining, repairing, replacing, and improving natural gas distribution property are required to be capitalized under Sections 263(a) or 263A, or may be treated as ordinary and necessary business expenses for which a deduction is allowable under Section 162(a). The Applicant will use the safe harbor method for linear property and the safe harbor method for non-linear property for all of its distribution property. The Applicant does not own any linear or non-linear transmission property.

For distribution property, the safe harbor method for linear property does not define units of property but provides simplified rules to determine whether the costs of replacing distribution mains and distribution services lines must be capitalized under Sections 263(a) and 263A, pursuant to Rev. Proc. 2023-15. If the

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costs are for the replacement of distribution mains, the Applicant will apply the simplified rule provided in Section 5.03(2) of Rev. Proc. 2023-15. If more than four miles of distribution mains are replaced, the cost of the replacement will be capitalized. If four miles or less of distribution mains are replaced, the cost of the replacement will not be capitalized. If the costs are for the replacement of distribution service lines, the Applicant will apply the simplified rules provided by Section 5.07 of Rev. Proc. 2023-15. The Applicant will also apply the rules provided by Section 5.03(3) for amounts charged to a blanket work order for a replacement of distribution mains.

For non-linear distribution property, the Applicant will use the unit of property and major component definitions provided in Appendix A of Rev. Proc. 2023-15 to determine whether expenditures to maintain, replace, or improve natural gas non-linear property are required to be capitalized under Section 263(a). If the Applicant replaces a unit of non-linear property or a major component of a unit of non-linear property, then the Applicant will capitalize the amounts paid to replace the unit of non-linear property or major component of the unit of non-linear property under Sections 263(a) and 263A. If the Applicant pays or incurs amounts to repair, maintain, replace, or improve non-linear distribution property, but does not replace either a unit of non-linear property or a major component of a unit of non-linear property as part of these activities, then the Applicant is not required to capitalize the amounts paid or incurred for such activities under Sections 263(a) or 263A. The following is the list of units of property and major components provided in Appendix A of Rev. Proc. 2023-15:

2.01 Compressor station property. At a compressor station, the units of non-linear property are the following:

- (1) Each compressor, including prime mover.
- (2) Each meter.
- (3) Each regulator.
- (4) Each tank.
- (5) Each flaring or incinerating system, including stack.
- (6) All the lines at the station, including header, pipe, coatings, fittings, valves, and cathodic protection.
- (7) All the gas detection equipment at the station.
- (8) All the equipment to maintain pipeline gas quality at the station, including the following major components:
  - (a) Each scrubber.
  - (b) Each filter separator.
  - (c) Each separator.
  - (d) Each dehydrator (also referred to as a dryer).
  - (e) Each chromatograph.
  - (f) Each continuous gas sampler.
  - (g) Each water vapor monitor.
  - (h) Each sulfur removal apparatus.
  - (i) Each cooler.
  - (j) Each heater.
- (9) All the electric supply equipment at the station, including the following major components:
  - (a) Each generator, including motor.
  - (b) Each set of batteries and charger.
  - (c) Each transformer.
  - (d) Each power supply (for example, a variable frequency drive).
  - (e) All other electric supply devices, including switchgear.
- (10) All the odorizing equipment at the station, including the following major components:
  - (a) All the equipment to inject an odorant or other additive into the gas stream.
  - (b) Each tank for storing odorant or other additive.

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- (11) All the onsite instrumentation and control equipment at the station that is not a major component of a specific unit of non-linear property.
- (12) Each structure, including pad, walls, and roof, housing compressors and related equipment.
- (13) Each additional structure, including pad, walls, and roof.
- (14) All fencing, walls, enclosures, and miscellaneous structures or land improvements that are not capitalized to the land surrounding a compressor station and any miscellaneous pads.
- (15) Each parcel of land and each easement or other right to land.

2.02 Gas storage facility property. At a gas storage facility, the units of property are the following:

- (1) Each tank.
- (2) Each well, including the following major components:
  - (a) The wellhead.
  - (b) The casing.
- (3) Each compressor, including prime mover.
- (4) Each meter.
- (5) Each regulator.
- (6) Each flaring or incinerating system, including stack.
- (7) All the lines at the facility, including header, pipe, coatings, fittings, valves, and cathodic protection.
- (8) All the equipment to maintain pipeline quality gas at the facility, including the following major components:
  - (a) Each scrubber.
  - (b) Each filter separator.
  - (c) Each separator.
  - (d) Each dehydrator (also referred to as a dryer).
  - (e) Each chromatograph.
  - (f) Each continuous gas sampler.
  - (g) Each water vapor monitor.
  - (h) Each sulfur removal apparatus.
  - (i) Each cooler.
  - (j) Each heater.
- (9) All the odorizing equipment at the facility, including the following major components:
  - (a) All the equipment to inject an odorant or other additive into the gas stream.
  - (b) Each tank for storing odorant or other additive.
- (10) All the liquefaction equipment at the facility, including the following major components:
  - (a) Each cold box.
  - (b) Each heat exchanger.
  - (c) Each condenser.
  - (d) Each vaporizing unit (also referred to as a vaporizer).
- (11) All the onsite instrumentation and control equipment at the facility that is not a major component of a specific unit of non-linear property.
- (12) Each structure, including pad, walls, and roof, housing compressors and related equipment.
- (13) Each additional structure, including pad, walls, and roof.
- (14) All the fencing, walls, enclosures, and/or miscellaneous structures surrounding the facility and any miscellaneous pads.
- (15) Each parcel of land and each easement or other right to land.

2.03 Measuring and regulating station property. At a measuring and regulating station, including a city gate station, the units of non-linear property are the following:

- (1) Each meter.
- (2) Each regulator.



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- (3) All the lines at the station, including header, pipe, coatings, fittings, valves, and cathodic protection.
- (4) All the equipment to maintain pipeline quality gas at the station, including the following major components:
  - (a) Each scrubber.
  - (b) Each filter separator.
  - (c) Each separator.
  - (d) Each dehydrator (also referred to as a dryer).
  - (e) Each chromatograph.
  - (f) Each continuous gas sampler.
  - (g) Each water vapor monitor.
  - (h) Each sulfur removal apparatus.
  - (i) Each heater.
- (5) All the odorizing equipment at the station, including the following major components:
  - (a) All the equipment to inject an odorant or other additive into the gas stream.
  - (b) Each tank for storing odorant or other additive.
- (6) All the onsite instrumentation and control equipment at the facility that is not a major component of a specific unit of non-linear property.
- (7) Each structure, including pad, walls, and roof.
- (8) All the fencing, walls, enclosures, and miscellaneous structures surrounding the station and any miscellaneous pads.
- (9) Each parcel of land and each easement or other right to land.

2.04 Meters and regulators. Each meter and each regulator not described in Section 2.01 through 2.03 of Appendix A, including a meter or regulator located at a customer's premises, is a separate unit of non-linear property.

In addition to the safe harbor methods for linear and non-linear property, the Applicant will also apply the other applicable rules set forth in Rev. Proc. 2023-15. The Applicant will apply the per se capitalization rules provided in Section 5.05 of Rev. Proc. 2023-15. Pursuant to Section 5.08(3)(a) of Rev. Proc. 2023-15, the Applicant is changing to the safe harbor method for both linear and non-linear property for its first taxable year ending after May 1, 2023 with a Section 481(a) adjustment. As such, the per se capital expenditure rules of Section 5.05(1)(g) and (h) of Rev. Proc. 2023-15 do not apply to amounts paid or incurred to replace or repair linear property and non-linear property in taxable years ending on or before May 1, 2023.

The Applicant will also apply the aggregation rules provided in Section 5.06 of Rev. Proc. 2023-15 to property subject to the NGS Method. Additionally, the Applicant will include certain costs of natural gas distribution property in general asset accounts as provided in Section 5.08 of Rev. Proc. 2023-15.

**Page 3, Part II, Question 14d, Present Overall Method**

The Applicant's present overall method of accounting is an accrual method.

**Page 3, Part II, Question 15, Description of Trade or Business**

The Applicant is a public utility engaged in the generation, purchase, transmission, distribution, and sale of electricity and natural gas.

**Page 3, Part II, Question 17, Books and Financial Statements**

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The proposed method of accounting will not be used for the Applicant's books, records, and financial statements because the proposed change of accounting method does not conform to generally accepted accounting principles ("GAAP").

**Page 3, Part II, Question 18, Conference of Right**

The Applicant requests a conference of right at the IRS National Office if the IRS proposes to rule adversely on this accounting method change. For these purposes, adversely is defined to include granting the method change on terms and conditions other than those requested by the Applicant.

**Page 4, Part IV, Question 26, Section 481(a) Adjustment**

The Section 481(a) adjustment is the cumulative difference between the present method and the proposed method of accounting computed as of the first day of the year of change. Please see page 1 of this attachment to Form 3115 for the Section 481(a) adjustment attributable to this change in method of accounting.

Pursuant to Section 3.12(4) of Rev. Proc. 2024-23, the negative Section 481(a) adjustment will be taken into account entirely in the year of change as provided by Rev. Proc. 2015-13.

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Change in Method of Accounting for Natural Gas Transmission and Distribution**  
**Property (DCN 269)**  
**Filed Pursuant to Rev. Proc. 2015-13 and Section 3.12 of Rev. Proc. 2024-23**  
**Tax Year Ended December 31, 2023**

**Procedural Statement under Section 3.12(3)(a) of Rev. Proc. 2024-23**

For the late general asset account election change described in Section 5.08(2) of Rev. Proc. 2023-15, the Applicant agrees to the following additional terms and conditions:

- (A) The Applicant consents to, and agrees to apply, all the provisions of § 1.168(i)-1 to the assets that are subject to the election specified in Section 5.08(2) of Rev. Proc. 2023-15; and
- (B) Except as provided in § 1.168(i)-1(c)(1)(ii)(A), (e)(3), (g), or (h), the election made by the Applicant under Section 5.08(2) of Rev. Proc. 2023-15 is irrevocable and will be binding on the Applicant for computing taxable income for the year of change and for all subsequent taxable years with respect to the assets that are subject to this election.

**Procedural Statement under Section 3.12(3)(c) of Rev. Proc. 2024-23**

The change applies to assets that are public utility property within the meaning of Section 168(i)(10). The Applicant represents the following:

- i. A normalization method of accounting (within the meaning of Section 168(i)(9)) will be used for the public utility property subject to the Form 3115;
- ii. As of the beginning of the year of change, the Applicant will adjust its deferred tax reserve account or similar account in the Applicant's regulatory books of account by the amount of the deferral of federal income tax liability associated with the Section 481(a) adjustment applicable to the public utility property subject to the Form 3115 if such amount is no longer being normalized for regulatory purposes by the Applicant; and
- iii. Within 30 calendar days of filing the federal income tax return for the year of change, the Applicant will provide a copy of the completed Form 3115 to any regulatory body having jurisdiction over the public utility property subject to the Form 3115.