



MidAmerican Energy Company  
PO BOX 657  
666 GRAND AVENUE  
DES MOINES, IA 50306-0657

September 28, 2015

Ms. Patricia Van Gerpen  
Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, SD 57501-5070

Re: Change in Method of Tax Accounting for Certain Asset Retirements

Dear Mr. Hedquist,

I am sending you this note and attachment in response to an Internal Revenue Service (the "Service") notification requirement. Neither the Service nor MidAmerican Energy Company (the "Company") requires that your agency take any action.

On September 12, 2015, the Company filed an application for an automatic accounting method change (Form 3115) with the Service. This change is applicable for income tax return purposes only and does not impact the methods of accounting used for FERC or U.S. GAAP financial reporting purposes.

The application for accounting method change (labeled by the Service as change #207) was to change the Company's method of tax accounting with respect to retired assets held in a general asset account that are replaced by assets deducted as a repair under the safe harbor provisions of Revenue Procedure 2013-24. The safe harbors in the Revenue Procedure include definitions of units of property and major components that help taxpayers determine whether expenditures to maintain, replace or improve steam or electrical generation property must be capitalized under Internal Revenue Code §263(a).

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

Sincerely,

A handwritten signature in blue ink that reads "Steven R. Evans".

Steven R. Evans  
Senior Vice President Taxation



# Application for Change in Accounting Method

OMB No. 1545-0152

Name of filer (name of parent corporation if a consolidated group) (see instructions) <b>Berkshire Hathaway Inc.</b>	Identification number (see instructions) <b>47-0813844</b>
Number, street, and room or suite no. If a P.O. box, see the instructions. <b>3555 Farnam Street, Suite 1440</b>	Principal business activity code number (see instructions) <b>551112</b>
City or town, state, and ZIP code <b>Omaha, NE 68131</b>	Tax year of change begins (MM/DD/YYYY) <b>01/01/2014</b> Tax year of change ends (MM/DD/YYYY) <b>12/31/2014</b>
Name of applicant(s) (if different than filer) and identification number(s) (see instructions) <b>MidAmerican Energy Company 42-1425214</b>	Name of contact person (see instructions) <b>Steven R. Evans</b>
Contact person's telephone number <b>(515) 281-2789</b>	

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

<b>Check the box to indicate the type of applicant.</b> <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Controlled foreign corporation (Sec. 957) <input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E)) <input type="checkbox"/> Qualified personal service corporation (Sec. 448(d)(2)) <input type="checkbox"/> Exempt organization. Enter Code section ▶	<input type="checkbox"/> Cooperative (Sec. 1381) <input type="checkbox"/> Partnership <input type="checkbox"/> S corporation <input type="checkbox"/> Insurance co. (Sec. 816(a)) <input type="checkbox"/> Insurance co. (Sec. 831) <input type="checkbox"/> Other (specify) ▶
<b>Check the appropriate box to indicate the type of accounting method change being requested.</b> (see instructions) <input type="checkbox"/> Depreciation or Amortization <input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions <input checked="" type="checkbox"/> Other (specify) ▶ <u>Generation Safe Harbor; Repair, Maintain Improve Tangible Property; Non-Incidental Supplies; Incidental Supplies; GAA Dispositions</u>	

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

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

**Part I Information For Automatic Change Request**

		Yes	No
1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check "Other," and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions. 182, 184, 186, ▶ (a) Change No. <u>187, 207</u> (b) Other <input type="checkbox"/> Description ▶ _____			
2 Do any of the scope limitations described in section 4.02 of Rev. Proc. 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If "Yes," attach an explanation.			✓

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


**Part II Information For All Requests**

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

Signature (see instructions)

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

**Filer**

  
 Signature and date 8/31/15  
Sharon L. Heck  
 Name and title (print or type) VP

**Preparer (other than filer/applicant)**

\_\_\_\_\_  
 Signature of individual preparing the application and date  
 \_\_\_\_\_  
 Name of individual preparing the application (print or type)  
 \_\_\_\_\_  
 Name of firm preparing the application



**Part II Information For All Requests (continued)**

	Yes	No
<p><b>4c</b> Is the method of accounting the applicant is requesting to change an issue pending (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)) for any tax year under examination (see instructions)?</p>		✓
<p><b>d</b> Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? If "Yes," attach the consent statement from the director. <b>See Attached Statement for Q4(d) - Q4(e)</b></p>		✓
<p><b>e</b> Is the request to change the method of accounting being filed under the 90-day or 120-day window period? If "Yes," check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day    <input type="checkbox"/> 120 day: Date examination ended ▶ _____</p>		✓
<p><b>f</b> If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ▶ <u>Gary Glenn</u> Telephone number ▶ <u>(402) 233-7337</u> Tax year(s) ▶ <u>2010-2011</u></p>		
<p><b>g</b> Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?</p>	✓	
<p><b>5a</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 "Yes," enter the name of the (check the box) <input checked="" 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 ▶ <u>Paul Vanchena</u> Telephone number ▶ <u>(414) 231-2704</u> Tax year(s) ▶ <u>2005-2009</u></p>	✓	
<p><b>b</b> Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?</p>	✓	
<p><b>c</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.</p>		✓
<p><b>6</b> If the applicant answered "Yes" to line 4a and/or 5a 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.</p>		
<p><b>7</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? If "Yes," the applicant is <b>not</b> eligible to make the change.</p>	N/A	
<p><b>8a</b> Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)?</p>		✓
<p><b>b</b> If "Yes," attach an explanation.</p>		
<p><b>9a</b> Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)?</p>	✓	
<p><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>See Attached Statement</b></p>		
<p><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>See Attached Statement</b></p>		
<p><b>10a</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?</p>	✓	
<p><b>b</b> If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s). <b>See Attached Statement</b></p>		
<p><b>11</b> Is the applicant requesting to change its <b>overall</b> method of accounting? If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form.</p>		✓
<p><b>Present method:</b>            <input type="checkbox"/> Cash                    <input type="checkbox"/> Accrual                    <input type="checkbox"/> Hybrid (attach description)</p>		
<p><b>Proposed method:</b>        <input type="checkbox"/> Cash                    <input type="checkbox"/> Accrual                    <input type="checkbox"/> Hybrid (attach description)</p>		

<b>Part II</b> Information For All Requests (continued)	Yes	No						
<p><b>12</b> If the applicant is either (i) <b>not</b> changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following:</p> <p style="margin-left: 20px;"> <b>a</b> The item(s) being changed. <span style="float: right;"><b>See Attached Statement</b></span>  <b>b</b> The applicant's present method for the item(s) being changed. <span style="float: right;"><b>See Attached Statement</b></span>  <b>c</b> The applicant's proposed method for the item(s) being changed. <span style="float: right;"><b>See Attached Statement</b></span>  <b>d</b> The applicant's present overall method of accounting (cash, accrual, or hybrid). <span style="float: right;"><b>See Attached Statement</b></span> </p>								
<p><b>13</b> Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application. <span style="float: right;"><b>See Attached Statement</b></span></p>								
<p><b>14</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. <span style="float: right;"><b>See Attached Statement</b></span></p>	✓							
<p><b>15a</b> Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)? . . . . .</p> <p style="margin-left: 20px;"><b>b</b> If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.</p>	✓							
<p><b>16</b> Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?</p>	✓							
<p><b>17</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, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change. <b>N/A</b></p> <table border="1" style="width:100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 33%;">1st preceding year ended: mo. yr.</th> <th style="width: 33%;">2nd preceding year ended: mo. yr.</th> <th style="width: 33%;">3rd preceding year ended: mo. yr.</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> <td style="text-align: center;">\$</td> </tr> </tbody> </table>	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</b> Information For Advance Consent Request <b>N/A</b>	Yes	No
<p><b>18</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 advance consent request procedures.</p>		
<p><b>19</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. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists.</p>		
<p><b>20</b> Attach a copy of all documents related to the proposed change (see instructions).</p>		
<p><b>21</b> Attach a statement of the applicant's reasons for the proposed change.</p>		
<p><b>22</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.</p>		
<p><b>23a</b> Enter the amount of <b>user fee</b> attached to this application (see instructions). ▶ \$ _____</p> <p style="margin-left: 20px;"><b>b</b> If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions).</p>		

<b>Part IV</b> Section 481(a) Adjustment	Yes	No
<p><b>24</b> Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? . . . . . If "Yes," do not complete lines 25, 26, and 27 below.</p>	✓	
<p><b>25</b> Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ▶ \$ <u>-32,669,930</u> Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant. <span style="float: right;"><b>Change #182 + Change #184</b></span></p>		

**Part IV Section 481(a) Adjustment (continued)**

Yes	No
N/A	
	✓

- 26 If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?
- 27 Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties?  
If "Yes," attach an explanation.

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

**Part I Change in Overall Method (see instructions) N/A**

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

- a Income accrued but not received (such as accounts receivable)
- b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method
- c Expenses accrued but not paid (such as accounts payable)
- d Prepaid expenses previously deducted
- e Supplies on hand previously deducted and/or not previously reported
- f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II
- g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment. ▶
- h **Net section 481(a) adjustment** (Combine lines 1a–1g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.

Amount
\$
\$

- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)?  Yes  No
- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

**Part II Change to the Cash Method For Advance Consent Request (see instructions) N/A**

Applicants requesting a change to the cash method must attach the following information:

- 1 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.
- 2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

**Schedule B—Change to the Deferral Method for Advance Payments (see instructions) N/A**

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

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

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

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

**Part II Change in Pooling Inventories N/A**

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

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

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

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)?
b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)?
c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)?
d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)?
3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)?
b If "Yes," attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods.
4 To determine a contract's completion factor using the percentage-of-completion method:
a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)?
b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))?
5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

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

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

4a Check the appropriate boxes below.

Identification methods:

- Specific identification
FIFO
LIFO
Other (attach explanation)

Valuation methods:

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

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

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

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

**Section A—Allocation and Capitalization Methods**

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

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

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

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

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



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

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

	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) *N/A*

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

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

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

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change ##: 182, 184, 186, 187, 207**  
**Tax Year Ending December 31, 2014**

**Name of Applicant**

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

<b>Name</b>	<b>EIN</b>
MidAmerican Energy Company	42-1425214

**Page 2, Part II, Questions 4(d) – 4(e) Division Director Consent and Exam Windows**

Applicant is applying for automatic change # 182 to adopt the safe harbor method of accounting to use the unit of property and major components provided for in Revenue Procedure 2013-24, 2013-21 IRB and Revenue Procedure 2015-14, 2015-5 IRB, to determine whether expenditures to maintain, replace or improve steam or electrical generation property must be capitalized under Internal Revenue Code § 263(a). This automatic accounting method change is being filed under §5.01(1) of Revenue Procedure 2015-13, 2015-5 IRB and requires no consent of the division director and does not require an automatic accounting method change to be filed within a 90 or a 120 day exam window.

Applicant is applying for automatic changes #184, #186, # 187 and #207 under the final tangible personal property regulations and Revenue Procedure 2014-16, 2014-9 IRB 606 and Revenue Procedure 2015-14. These concurrent automatic accounting method changes are being filed under §5.01(1) of Revenue Procedure 2015-13 and requires no consent of the division director and does not require an automatic accounting method change to be filed within a 90 or a 120 day exam window.

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

***Under Exam***

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

***At Appeals***

<b>Parent Corporation's Name</b>	Berkshire Hathaway Inc.
<b>Parent Corporation's EIN</b>	47-0813844
<b>Parent Corporation's Address</b>	3555 Farnam Street, Suite 1440, Omaha, NE 68131
<b>Parent Corporation Tax Years</b>	December 31, 2005 - December 31, 2009

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change ##: 182, 184, 186, 187, 207**  
**Tax Year Ending December 31, 2014**

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

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

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

**Page 3, Part II, Question 12 – Units of Property and Major Components of Generation Property Automatic Change #182**

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

The Applicant is applying for an automatic change to adopt the safe harbor method of accounting to use the unit of property and major component definitions provided for in Revenue Procedure 2013-24, 2013-21 IRB 1142, to determine whether expenditures to maintain, replace or improve steam or electrical generation property must be capitalized under Internal Revenue Code § 263(a). Specifically, the taxpayer wishes to currently expense costs associated with the routine repair and maintenance of its steam and electrical generation assets based on the unit of property safe harbor provisions of the Revenue Procedure including the gain or loss on associated retirements.

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

The Applicant operates a regulated public utility under the jurisdiction of the Federal Energy Regulatory Commission. Under Applicant's current method, Applicant examines the facts and circumstances of its routine repair and maintenance work on its steam and electrical generation assets to determine which costs are currently deductible under § 162 and not required to be capitalized under § 263(a).

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

Under the Applicant's proposed method of accounting, the Applicant will deduct all of the costs of repairs incurred in connection with the routine repair and maintenance of its steam and generation assets pursuant to § 162 using the safe harbor units of property and major components as set out in Revenue Procedure 2011-13 to

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change ##: 182, 184, 186, 187, 207**  
**Tax Year Ending December 31, 2014**

determine whether costs should be capitalized under § 263(a) including the gain and loss on associated retirements.

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

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

**Page 3, Part II, Question 12 – Repair, Maintenance, and Improvement Expenditures – Change #184**

*a. Item(s) being changed.*

The Applicant is changing its method of accounting for amount paid for repairs, maintenance and improvements to comply with Reg. §§ 1.162-4 and 1.263(a)-3, including a change to apply the routine maintenance safe harbor under Reg. § 1.263(a)-3(i).

*b. The Applicant's present method of accounting for the item(s) being changed.*

Under its present method of accounting, the Applicant deducts amounts paid for activities that keep its property in ordinary operating condition and capitalizes expenditures that improve or extend the useful life of its property or adapt the property to a new or different use.

*c. The Applicant's proposed method of accounting for the item(s) being changed.*

Under its proposed method of accounting, the Applicant will determine the units of property for under Reg. § 1.263(a)-3(e) and apply the improvement standards under Reg. § 1.263(a)-3. Additionally, the Applicant will apply the routine maintenance safe harbor under Reg. § 1.263(a)-3(i).

*d. The Applicant's present overall method of accounting.*

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

**Page 3, Part II, Question 12 – Non-Incidental Material and Supplies – Change #186**

*a. Item(s) being changed.*

The Applicant is changing its method of accounting for non-incidental materials and supplies, as defined in Reg. §§ 1.162-3(a)(1) and (c)(1), that are used or consumed in



**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change ##: 182, 184, 186, 187, 207**  
**Tax Year Ending December 31, 2014**

its trade or business. The Applicant maintains a record of physical consumption of the items.

- b. The Applicant's present method of accounting for the item(s) being changed.*

Under its present method of accounting, the Applicant deducts non-incidentals materials and supplies when the materials and supplies are used or consumed.

- c. The Applicant's proposed method of accounting for the item(s) being changed.*

Under its proposed method, the Applicant will apply the definition of materials and supplies in Reg. § 1.162-3(a)(1) and will deduct non-incidentals materials and supplies when they are used or consumed.

- d. The Applicant's present overall method of accounting.*

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

**Page 3, Part II, Question 12 – Incidental Material and Supplies – Change #187**

- a. Item(s) being changed.*

The Applicant is changing its method of accounting for incidental materials and supplies, as defined in Reg. §§ 1.162-3(a)(1) and (c)(1), that are used or consumed in its trade or business.

- b. The Applicant's present method of accounting for the item(s) being changed.*

Under its present method of accounting, the Applicant deducts incidental materials and supplies when the materials and supplies are purchased.

- c. The Applicant's proposed method of accounting for the item(s) being changed.*

Under its proposed method, the Applicant will apply the definition of materials and supplies in Reg. § 1.162-3(a)(1) and will deduct incidental materials and supplies when purchased.

- d. The Applicant's present overall method of accounting.*

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

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change ##: 182, 184, 186, 187, 207**  
**Tax Year Ending December 31, 2014**

**Page 3, Part II, Question 12 – Dispositions of tangible depreciable assets in a general asset account – Change #207**

*a. Item(s) being changed.*

The Applicant is changing its method of accounting for determining the retirement loss on assets in a GAA account that were previously deducted as asset replacements were treated as capital items for tax purposes, but are now treated as a taxable repair under the safe harbor provisions of Revenue Procedure 2013-24 which is being filed as a concurrent automatic change of accounting method with the filing of this Form 3115.

*b. The Applicant's present method of accounting for the item(s) being changed.*

Under its present method of accounting, the Applicant treated as retirement losses assets that were in a GAA account assets that were replaced by assets that were treated as capital items under Section 263(a).

*c. The Applicant's proposed method of accounting for the item(s) being changed.*

Under its proposed method, the Applicant will not treat as a retirement assets that have been replaced by assets which are treated as a taxable repair under the safe harbor provisions of Revenue Procedure 2013-24 to determine whether expenditures to maintain, replace or improve steam or electrical generation property must be capitalized under Internal Revenue Code § 263(a) which is being filed as a concurrent automatic change of accounting method with the filing of this Form 3115.

(1) The taxpayer agrees to the following additional terms and conditions:

Statement Required Under Revenue Procedure 2015-14, Section 6.40.5(v):

Taxpayer is making the changed specified in section 6.40.5(v) of the Revenue Procedure. Consequently, Taxpayer agrees to the following additional terms and conditions:

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

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

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change ##: 182, 184, 186, 187, 207**  
**Tax Year Ending December 31, 2014**

(iii) as of the beginning of the year of change, Taxpayer will adjust its deferred tax reserve account or similar account in Taxpayer's regulatory books of account by the amount of the deferral of federal income tax liability associated with the § 481(a) adjustment applicable to the public utility property subject to the application.

*d. The Applicant's present overall method of accounting.*

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

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

MidAmerican Energy Company is a public utility engaged in generation, transmission and distribution of electricity to retail customers in four Midwestern states. Its principal business activity code is 221100.

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

The proposed tax method of accounting for Change #182 and Change #184 does not meet generally accepted accounting principles as defined by the Financial Accounting Standards Board, the Securities and Exchange Commission and the Federal Energy Regulatory Commission. Therefore, these two proposed methods of accounting will not be used for applicant's books and records and financial statements.

**Page 3, Part IV, Question 25 – Units of Property and Major Components of Generation Property – Change #182**

The § 481(a) adjustment of \$(32,669,930) is equal to the difference between the Applicant's present and proposed methods as of January 1, 2014.

**Page 3, Part IV, Question 25 – Repair, Maintenance, and Improvement Expenditures – Change #184**

The § 481(a) adjustment related to this section is included in the overall repair adjustment listed under Change #182.

**Page 3, Part IV, Question 25 – Non-Incidental Materials and Supplies – Change #186**

The Applicant is choosing to compute a modified § 481(a) adjustment taking into account amounts paid or incurred in taxable years beginning on or after January 1, 2014. Thus, the § 481(a) adjustment is \$0.

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change ##: 182, 184, 186, 187, 207**  
**Tax Year Ending December 31, 2014**

**Page 3, Part IV, Question 25 – Incidental Materials and Supplies – Change #187**

The Applicant is choosing to compute a modified § 481(a) adjustment taking into account amounts paid or incurred in taxable years beginning on or after January 1, 2014. Thus, the § 481(a) adjustment is \$0.

**Page 3, Part IV, Question 25 – Dispositions of tangible depreciable assets in a general asset account – Change #207**

The § 481(a) adjustment related to this section is included in the overall repair adjustment listed under Change #182.



**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change ##: 182, 184, 186, 187, 207**  
**Tax Year Ending December 31, 2014**

#182

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
			(a) - (b)				(d) - (e) - (f)		(c) + (g) + (h)
Tax Year	Revised Repair Amounts	Repair Amounts Previously Taken	Change in Repair Amount	Revised 263A MSC Amounts	263A MSC Amounts Previously Agreed To	Adjustment for Retirements 263A MSC	Change in 263 MSC Amount	Depreciation Adjustment	481(a) Adj
<b>EXTRAPOLATED YEARS:</b>									
1996	(7,563,962)	0	(7,563,962)	(12,604,029)	(13,550,442)	1,035,535	(89,122)	7,201,649	(451,435)
1997	(3,105,122)	(12,060)	(3,093,062)	(9,218,417)	(9,824,651)	497,172	109,063	2,805,446	(178,553)
1998	(2,805,650)	(640,773)	(2,164,877)	(7,796,362)	(7,475,318)	451,688	(772,732)	2,353,109	(584,500)
1999	(2,327,097)	(4,261,862)	1,934,765	(7,949,341)	(7,894,160)	420,213	(475,394)	(1,065,577)	393,794
2000	(4,230,381)	(3,108,539)	(1,121,842)	(11,292,235)	(11,223,922)	372,283	(440,596)	1,483,832	(78,605)
2001	(5,641,414)	(2,912,546)	(2,728,868)	(12,250,079)	(12,498,826)	364,477	(115,730)	2,097,757	(746,840)
2002	(6,625,631)	(3,325,790)	(3,299,841)	(12,690,893)	(13,401,304)	448,066	262,345	966,406	(2,071,090)
2003	(7,019,380)	(3,817,277)	(3,202,103)	(28,295,644)	(27,631,540)	954,084	(1,618,188)	3,267,309	(1,552,982)
2004	(12,023,592)	(16,020,091)	3,996,499	(20,551,415)	(19,080,242)	161,765	(1,632,939)	(1,604,718)	758,842
2005	(16,628,155)	(7,497,166)	(9,130,989)	(42,566,449)	(43,975,577)	1,181,730	227,398	4,354,841	(4,548,750)
2006	(14,626,607)	(7,057,053)	(7,569,554)	(14,635,936)	(14,501,426)	134,049	(268,559)	3,607,208	(4,230,905)
2007	(25,068,000)	(21,960,449)	(3,107,551)	(17,455,979)	(15,166,615)	183,967	(2,473,331)	2,469,916	(3,110,966)
2008	(13,277,629)	(2,779,708)	(10,497,921)	(20,082,579)	(19,245,714)	763,244	(1,600,109)	2,354,709	(9,743,321)
2009	(18,736,031)	(19,929,796)	1,193,765	(22,555,861)	(20,255,600)	280	(2,300,541)	722,900	(383,876)
2010	(23,201,009)	(11,502,702)	(11,698,307)	(8,901,040)	(9,206,182)	341,655	(36,513)	4,915,379	(6,819,441)
<b>GENERATION METHOD:</b>									
2011	(16,804,195)	(15,893,936)	(910,260)	(7,474,186)	(7,493,171)	33,313	(14,328)	593,046	(331,542)
2012	(14,731,469)	(14,479,804)	(251,665)	16,689,346	17,708,577	(1,242)	(1,017,989)	875,384	(394,270)
2013	(22,549,380)	(24,437,473)	1,888,093	(9,377,484)	(10,915,780)	0	1,538,296	(1,767,249)	1,659,140
<b>Grand Total</b>	<b>(216,964,704)</b>	<b>(159,637,025)</b>	<b>(57,327,679)</b>	<b>(249,008,583)</b>	<b>(245,631,891)</b>	<b>7,342,278</b>	<b>(10,718,971)</b>	<b>35,631,347</b>	<b>(32,415,303)</b>

Gas Inventory Adjustment for 263A MSC (254,627)

Total 481(a) Adjustment (32,669,930)

**Berkshire Hathaway Inc.**  
**EIN: 47-0813844**  
**Attachment to Form 3115, Application for Change in Accounting Method**  
**Automatic Change ##: 182, 184, 186, 187, 207**  
**Tax Year Ending December 31, 2014**

**Exhibit 1**

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

<u>Corporation</u>	<u>EIN</u>	<u>Year of Change</u>	<u>Status</u>	<u>Issue</u>
MidAmerican Energy Company	42-1425214	2009	Consent Received	Change in method of accounting for mixed service costs under § 263A
MidAmerican Energy Company	42-1425214	2009	Automatic	Routine repairs and maintenance costs on gas network assets and associated retirements (2 method changes)
MidAmerican Energy Company	42-1425214	2011	Automatic	Routine repairs and maintenance costs on network assets and associated retirements – Adoption of Rev. Proc. 2011-43 safe harbor units of property
MidAmerican Energy Company	42-1425214	2013	Automatic	Late General Asset Account election pursuant to Rev. Proc. 2011-14 and Rev. Proc. 2012-20
MidAmerican Energy Company	42-1425214	2014	Automatic Concurrent	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187, 207
Kern River Gas Transmission Company	76-0185455	2009	Automatic	Routine repairs and maintenance costs on network assets and associated retirements (2 method changes)
KR Holding, LLC	75-3045251	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Northern Natural Gas Company	93-0932349	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
PacifiCorp	93-0246090	2009	Withdrawn by Applicant – Requested Method Change Did Not Clearly Reflect Income	Change in method of accounting for mixed service costs under § 263A
PacifiCorp	93-0246090	2011	Automatic	Routine repairs and maintenance costs on network assets and associated retirements – Adoption of Rev. Proc. 2011-43 safe harbor units of property
PacifiCorp	93-0246090	2012	Consent Received	Request Permission under Regulation §§ 301.9100-1 and 301.9100-3 for a 60-day extension of time to make an election under § 169 and Regulation § 1.169-4 for certified pollution control facilities

**Berkshire Hathaway Inc.**

**EIN: 47-0813844**

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

**Automatic Change ##: 182, 184, 186, 187, 207**

**Tax Year Ending December 31, 2014**

PacifiCorp	93-0246090	2013	Automatic	Late General Asset Account election pursuant to Rev. Proc. 2011-14 and Rev. Proc. 2012-20
PacifiCorp	93-0246090	2014	Automatic Concurrent	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187, 207
Nevada Power Company, Sierra Power Company	88-0420104 88-0044418	2011	Automatic	Change in the determination of units of property for retirements of transmission and distribution assets
Nevada Power Company, Sierra Power Company	88-0420104 88-0044418	2011	Automatic	Transmission and distribution safe harbor method for repairs and maintenance
Nevada Power Company, Sierra Power Company	88-0420104 88-0044418	12/31/2013	Withdrawn/ Never Perfected	General Asset Account Election Pursuant to Rev. Proc. 2011-14 and Rev. Proc. 2012-20
NV Energy, Inc., Nevada Power Company, Sierra Power Company	88-0198358 88-0420104 88-0044418	12/19/2013	Automatic	General Asset Account Election Pursuant to Rev. Proc. 2011-14 and Rev. Proc. 2012-20
Nevada Power Company, Sierra Power Company	88-0420104 88-0044418	12/19/2013	Automatic	Change to deducting amounts incurred for repair and maintenance solely of steam and electric power generation property and change in method of identifying the unit of property, or in the case of a building, identifying the building structure or building systems Change # 184 Change to adopt the unit of property and major component definitions provided in Rev. Proc. 2013-24 (for steam and electric power generation property Change # 182
Nevada Power Company, Sierra Power Company	88-0420104 88-0044418	12/19/2013	Automatic	Change in determination of units of property for retirements of electric and steam generation assets Change ## 178, 179
Nevada Power Company, Sierra Power Company	88-0420104 88-0044418	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
CalEnergy Operating Corporation	33-0268085	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
CE Gen Oil Company	76-0135007	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187

**Berkshire Hathaway Inc.****EIN: 47-0813844****Attachment to Form 3115, Application for Change in Accounting Method****Automatic Change ##: 182, 184, 186, 187, 207****Tax Year Ending December 31, 2014**

CE Leathers Company	27-1573694	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
CE Turbo LLC	47-0812159	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Del Ranch Company	27-1573463	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Desert Valley Company	33-0335627	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Elmore Company	27-1573610	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Magma Power Company	95-3694478	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Salton Sea Brine Processing Company	27-1573928	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Salton Sea Power Company	33-0560471	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Salton Sea Power Generation Company	27-1573861	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Salton Sea Power LLC	47-0810713	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Vulcan Power Company	95-2636765	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
Vulcan/BN Geothermal Power Company	27-1573792	6/12/2014	Automatic	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187



**Berkshire Hathaway Inc.**

**EIN: 47-0813844**

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

**Automatic Change ##: 182, 184, 186, 187, 207**

**Tax Year Ending December 31, 2014**

Quad Cities Energy Company	42-1482950	2014	Automatic Concurrent	Adoption of Generation Safe Harbor Units of Property Change # 182 and adoption of final tangible personal property regulations Change ## 184, 186, 187
CalEnergy Generation Operating Company	39-1988036	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Berkshire Hathaway Energy Company	94-2213782	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of America, Inc	41-1945806	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HMSV Financial Services, Inc	41-2014075	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices Relocation, LLC	20-1657427	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices Insurance, Inc	47-0681950	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Iowa Realty Companies, Inc	42-0791647	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
First Realty, Ltd	42-0870557	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Midland Escrow Services	42-1309189	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
IMO Company, Inc	43-1675597	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
The Referral Company	42-1329950	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Iowa Realty Insurance Agency, Inc	42-0897364	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Iowa Title Company	42-1249112	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Real Estate Links, LLC	42-1477597	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
FFR, Inc	20-2287431	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of Iowa, Inc	20-2754006	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Edina Financial Services, Inc	41-1824325	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Edina Realty, Inc	41-0809124	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Edina Realty Title, Inc	41-1556741	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Edina Realty Referral Network, Inc	41-2011900	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
CBSHome Real Estate Company	47-0709483	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
CBSHome Relocation Services, Inc	47-0813122	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187

**Berkshire Hathaway Inc.  
EIN: 47-0813844**

**Attachment to Form 3115, Application for Change in Accounting Method  
Automatic Change ##: 182, 184, 186, 187, 207  
Tax Year Ending December 31, 2014**

Nebraska Land Title & Abstract Company	42-1480639	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
CBSHome Real Estate of Iowa, Inc	20-1616046	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Real Estate Referral Network, Inc	47-0742467	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Reece & Nichols Realtors, Inc	48-1031064	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Reece & Nichols Alliance, Inc	48-1133651	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Kansas City Title, Inc	43-1887243	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Mid-America Referral Network, Inc	48-0993844	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Reece Commercial, Inc	48-1207012	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of Kentucky, Inc.	31-1655556	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Roy H. Long Realty Company, Inc	86-0165003	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Champion Realty, Inc	52-2202342	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Chancellor Title Services, Inc	52-1647848	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Professional Referral Organization, Inc	52-1553769	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of Nebraska, Inc	71-0932808	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Capitol Title Company	47-0644826	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Larabee School of Real Estate & Insurance, Inc	47-0816079	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Nebraska Referral, Inc	47-0644512	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of California, Inc	27-0000735	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Pickford Real Estate, Inc	33-0960990	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Pickford Services Company, Inc	33-0523297	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Pickford Escrow Company, Inc	33-0479882	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
The Escrow Firm	01-0710909	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
San Diego PCRE, Inc	33-0775008	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187

**Berkshire Hathaway Inc.**

**EIN: 47-0813844**

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

**Automatic Change ##: 182, 184, 186, 187, 207**

**Tax Year Ending December 31, 2014**

HomeServices Financial Holdings, Inc	20-0997919	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Guarantee Real Estate	77-0267513	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Guarantee Appraisal Corporation	77-0299786	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Intero Real Estate Services, Inc	75-3075968	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Intero Franchise Services, Inc	20-1035906	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Intero Real Estate Holdings, Inc.	20-8819780	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Intero Referral Services, Inc	32-0392701	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
JRHBW Realty, Inc d/b/a/ RealtySouth	63-0833102	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
J.S. White Associates, Inc	63-1020931	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Roberts Brothers, Inc	63-1035638	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Esslinger-Wooten-Maxwell, Inc	59-1220247	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
First Reserve Insurance, Inc	65-1040243	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Columbia Title of Florida, Inc	59-1004119	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of Florida, Inc	20-0133249	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
E-W-M Referral Services, Inc	59-2380937	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of the Carolina, Inc	20-1000367	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Preferred Carolinas Realty, Inc	56-2042696	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Referral Company of North Carolina, Inc	56-1718117	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Jim Huff Realty, Inc	61-0906148	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Huff-Drees Realty, Inc	31-1423685	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Huff Commercial Group, LLC	74-3105168	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
JBRC, Inc	61-1326644	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HN Real Estate Group, N.C., Inc	58-2308348	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187

**Berkshire Hathaway Inc.**

**EIN: 47-0813844**

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

**Automatic Change ##: 182, 184, 186, 187, 207**

**Tax Year Ending December 31, 2014**

HomeSvc of IL LLC d/b/a Koenig & Strey GMAC RE	27-0707250	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of Illinois Holdings, LLC	45-3030859	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of Oregon, LLC	45-4447496	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
HomeServices of Washington, LLC	45-4824233	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
PCRE, L.L.C.	22-3552432	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
CalEnergy International Services, Inc.	47-0782328	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
MHC, Inc	42-1451822	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Midwest Capital Group, Inc.	42-1305011	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Dakota Dunes Development Company	42-1329691	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187
Two Rivers, Inc	42-1482951	2014	Automatic Concurrent	Adoption of final tangible personal property regulations Change ## 184, 186, 187