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Application 26-01-XXX
(Filed January 29, 2026)

Joint Application of Southwest Gas Corporation (U 905 G), Alpine Natural Gas Operating Company No. 1, LLC (U 909-G), Bear Valley Electric Service, Inc. (U 913 E), Liberty Utilities (CalPeco Electric) LLC (U 933 E), PacifiCorp (U 901 E), West Coast Gas Company Inc. (U 910 G) for Approval of Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets Bridge Funding for Program Year 2027.

**JOINT APPLICATION OF SOUTHWEST GAS CORPORATION (U 905 G), ALPINE
NATURAL GAS OPERATING COMPANY NO. 1, LLC (U 909-G),
BEAR VALLEY ELECTRIC SERVICE, INC. (U 913 E), LIBERTY UTILITIES
(CALPECO ELECTRIC) LLC (U 933 E), PACIFICORP (U 901 E),
WEST COAST GAS COMPANY INC. (U 910 G) FOR
APPROVAL OF ENERGY SAVINGS ASSISTANCE AND CALIFORNIA
ALTERNATE RATES FOR ENERGY PROGRAMS AND BUDGETS BRIDGE FUNDING
FOR PROGRAM YEAR 2027**

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Dated: January 29, 2026

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of Southwest Gas Corporation (U 905 G), Alpine Natural Gas Operating Company No. 1, LLC (U 909-G), Bear Valley Electric Service, Inc. (U 913 E), Liberty Utilities (CalPeco Electric) LLC (U 933 E), PacifiCorp (U 901 E), West Coast Gas Company Inc. (U 910 G) for Approval of Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets Bridge Funding for Program Year 2027.

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I. INTRODUCTION

Southwest Gas Corporation (Southwest Gas), Alpine Natural Gas Operating Company No. 1 (Alpine Natural Gas), Bear Valley Electric Service, Inc. (BVES), Liberty Utilities (CalPeco Electric) LLC (Liberty), PacifiCorp d/b/a Pacific Power (PacifiCorp), West Coast Gas Company, Inc. (WCG), collectively the Small and Multi-Jurisdictional Utilities (SMJUs), respectfully submit to the California Public Utilities Commission (Commission) this Joint Application for Approval of Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets Bridge Funding for Program Year (PY) 2027 (Application).¹

In D.21-10-023, the Commission established the goals, directives, budgets, and program funding for the CARE and ESA programs for PYs 2021-2026. The Commission's Energy Division (ED) issued informal guidance and suggestions for the next low-income

¹ Pursuant to Rule 1.8(d) of the Commission's Rules of Practice and Procedure, Southwest Gas has been authorized to submit this Application on behalf of the SMJU.

programs application and a pathway for bridge funding. Based on ED input, the SMJUs agreed to file a Joint Bridge Funding Application for 2027, and each SMJU will file their respective 2028-2033 full-cycle applications for their ESA and CARE programs for PYs 2028-2033 in May 2026 , mirroring the approach used by the large investor-owned utilities (Large IOUs).² However, since SMJUs have significantly smaller program budgets, smaller customer bases for recovery of program costs, and different reporting requirements compared to the Large IOUs in California, an approach tailored to their scale and operational context is necessary. This structure ensures continued program operations and provides the Commission sufficient time to review and issue a timely decision on the SMJUs' full program applications.

II. BASIS FOR APPLICATION

Consistent with D.21-10-023, which authorized budgets for CARE and ESA programs for the 2021-2026 program cycle, the SMJUs provide testimony detailing each utility's 2027 Bridge Funding request, which will allow for the continuation of the CARE and ESA Programs for each respective SMJU.

III. OVERVIEW OF REQUEST

i. Southwest Gas

Southwest Gas is a natural gas local distribution company that serves approximately 206,000 California customers in portions of San Bernardino, Placer, El Dorado, and Nevada counties. Southwest Gas overlaps with Southern California Edison (SCE) and BVES in its southern California service territory, and with Liberty in its northern California service territory.

Southwest Gas requests a combined total of \$15,215,742 for its PY 2027 ESA and CARE programs, which consist of: \$5,653,129 for ESA program activities and \$9,562,614 for CARE program activities.

² Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company, Pacific Gas and Electric Company and Southern California Edison Company (SCE).

In this Application, Southwest Gas seeks to continue its commitment to provide programs and services to meet the needs of its low-income, hard-to-reach, and disadvantaged communities. Southwest Gas' PY 2027 ESA and CARE program budget request is consistent with prior years as it seeks approval for funding necessary to serve its customers and maintain or exceed the 90 percent program participation goals so that willing and eligible customers are enrolled in the CARE program. Southwest Gas does not seek any significant programmatic or administrative changes for PY 2027 to support program continuity and operations. Southwest Gas therefore requests the Commission to approve its Application for PY 2027 to allow continuity in activity for CARE and ESA programs.

ii. Alpine Natural Gas

Alpine Natural Gas is a natural gas local distribution company that serves approximately 1,730 California customers in a portion of Calaveras County. Alpine Natural Gas overlaps with PG&E in its service territory.

Alpine Natural Gas requests a combined total of \$77,250 for its PY 2027 ESA and CARE programs, which consists of: \$29,250 for ESA program activities and \$48,000 for CARE program activities. Alpine Natural Gas's authorized budget for PY 2026, as approved in D.21-10-023, is \$29,250 for the ESA Program and \$34,000 for the CARE Program.

In this Application, Alpine Natural Gas seeks to continue its commitment to provide programs and services to meet the needs of its income qualified customers. In developing its PY 2027 ESA and CARE programs budget request, Alpine Natural Gas' proposal seeks approval for increasing its CARE program funding from the current \$34,000 to the requested \$48,000 funding necessary for serving its customers and achieving, maintaining or exceeding the 90 percent program participation goals so that willing and eligible customers are enrolled in the CARE program. CARE program discounts have consistently exceeded the current authorized program cycle budget as the enrolled CARE participants have significantly

increased during the current program cycle. These budgets are based on historical performance and regulatory requirements.

Alpine Natural Gas does not seek any significant programmatic or administrative changes for PY 2027 to support program continuity and operations. Alpine Natural Gas respectfully requests the Commission to approve its proposed bridge funding for PY 2027 to allow continuity in activity for CARE and ESA programs.

iii. BVES

BVES seeks Commission approval for 2027 bridge funding for its CARE and ESA Programs for PY 2027. BVES' authorized annual budget for PY 2026, as approved in D.21-10-023, is \$354,195 for the CARE program and \$123,350 for the ESA program.

BVES requests bridge funding approval to ensure continuous administration of its CARE and ESA programs without interruption during a transition to the next program cycle. BVES is requesting \$371,905 for PY 2027, a five percent increase to its PY 2026 CARE program budget, consistent with historical year-over-year CARE program budget trends. BVES is not requesting an increase to its ESA program budget, as program expenditures have remained consistently below authorized funding levels over the past five years. Existing funding is sufficient to meet anticipated program needs during the 2027 bridge funding period.

BVES developed its 2027 bridge funding proposal using its most recently authorized budgets as a baseline, and evaluated program needs to ensure continuous effective administration of its CARE and ESA programs without disruption to customers. BVES requests a 5 percent increase to its CARE program administrative budget for the 2027 bridge funding year, based on: historical budget performance, demonstrated growth in CARE program enrollment, expanded outreach efforts, and increased administrative workload required to maintain program service levels and regulatory compliance.

BVES is not proposing material changes to its program design during the bridge year and seeks to maintain existing program operations and effectiveness.

BVES respectfully submits this application requesting approval of 2027 bridge funding for its CARE and ESA programs. This request is intended to provide continuity of service to its income-qualified customers.

iv. Liberty Utilities

Liberty Utilities is seeking approval for bridge funding to support its CARE and ESA programs for PY 2027. For PY 2027, Liberty proposes a CARE program budget of \$1,981,414 and an ESA program budget of \$380,680. These budgets are based on historical performance, projected customer needs, and regulatory requirements. Liberty's CARE program aims for a 90 percent participation rate, with an enrollment target of 4,388 customers. The ESA program targets annual energy savings of 72,197 kilowatt-hours and 17 kilowatts. Liberty will utilize over-collections from previous ESA program budget cycles before collecting new surcharge revenue for ESA program, as required by the Commission in D.21-10-023.

Liberty has engaged stakeholders from the ED, and the SMJUs, throughout the development of this application, incorporating feedback, and reviewing the Large IOUs' bridge funding applications.

Liberty respectfully requests approval from the Commission for bridge funding to support the continued operation of its CARE and ESA programs for PY 2027.

The requested bridge funding is necessary to provide uninterrupted service and support for Liberty's low-income customers during the transition between the current program cycle (2021–2026) and the next full-cycle application, expected in May 2026.

v. PacifiCorp

In this Application, PacifiCorp requests Commission authorization to continue its commitment to offering programs and services designed to address the needs of low-income

customers eligible for its Customer Assistance Programs. Specifically, PacifiCorp seeks Commission approval of the funding necessary to maintain service to the existing customer base and to expand the CARE program, thereby ensuring enrollment of all willing and eligible customers. Additionally, PacifiCorp seeks approval to continue funding its ESA Program to increase the number of homes served and achieve deeper energy savings. PacifiCorp's authorized annual budget for the 2026 PY, as approved in Decision D.21-10-023, is \$4,041,000 for the CARE program and \$839,827 for the ESA program.

For PY 2027, PacifiCorp proposes a CARE program budget of \$7,000,000 and an ESA Program budget of \$839,827. These budgets are based on historical performance, regulatory requirements, and an increase in the anticipated subsidy budget driven by rate increases and an increase in PacifiCorp's CARE program discount from 20 to 25%.³ The CARE program aims to expand the program to achieve a 90 percent participation rate, with an enrollment target of 11,750 customers. The ESA program targets annual energy savings of 160,344 kilowatt-hours. PacifiCorp's PY 2027 Bridge Funding proposal for its CARE and ESA programs maintains program continuity, ensures administrative efficiency, and provides the necessary funding to support existing program activities. The CARE program includes an updated subsidy reflecting the approved discount increase, while the ESA program bridge funding aligns with prior approved budgets to sustain ongoing program operations.

For the reason set forth in this Application, PacifiCorp respectfully requests the Commission for:

1. Approval of its PY 2027 Bridge Funding for CARE and ESA program plans and forecast administrative costs.

³ The Commission approved an increase in PacifiCorp's CARE Program discount to 25% for eligible low-income customers, in D.23-12-023 (General Rate Case Application 22-05-006).

2. Program Continuity – No changes to eligibility requirements, program goals, service delivery, or marketing/outreach strategies, and continued efforts to increase program enrollment target.

vi. West Coast Gas

WCG will continue its commitment to provide programs designed to meet the needs of its low-income customers. WCG's proposal is consistent with prior years because it seeks approval for funding necessary for serving the existing customer base and maintaining the 90 percent program participation goal. WCG therefore requests the Commission approve its Application for PY 2027 to allow continuity in activity for the CARE Program.

IV. PROGRAM OVERVIEW AND BUDGET

a. ESA Program

i. Southwest Gas

Southwest Gas remains committed to providing energy-efficiency services and cost-saving benefits that help promote the health and safety of its low-income customers. Southwest Gas proposes no changes to the PY 2027 ESA program annual household treatment targets. However, given the already completed and treated households, Southwest Gas will focus ESA program efforts on deeper energy savings based on therms saved per home. Southwest Gas' requested PY 2027 budget includes the approved inflation adjustment rate of two percent approved in D.21-10-023 to continue providing money-saving home improvements and increase energy efficiency in low-income households in California. For PY 2027, Southwest Gas requests a budget of \$5,653,129 to support ESA program activities.

Southwest Gas' ESA program is focused on increasing energy efficiency and safety in the homes of income-qualified customers, while at the same time reducing customers' energy burden. Within its service territories, Southwest Gas serves three different climate zones:

Climate Zone 14 (Needles), Climate Zone 15 (Victorville, Barstow, and surrounding high desert area), and Climate Zone 16 (Tahoe, Truckee, and Big Bear). Climate zones are determinative of the appropriate measures to be installed for each area.

Weatherization, energy efficient equipment, health and safety measures, and energy education are the main components of Southwest Gas' ESA Program, which include installing measures to increase the energy efficiency for customers it serves who own or rent a residence. The ESA program's measures are designed to provide customers with long-term energy savings, lower utility bills, and increased safety and comfort. Southwest Gas is not seeking modifications to its offered measures in PY 2027.

The ESA -program is offered to primary residential customers and is funded through Southwest Gas' Public Purpose Program (PPP) Surcharge that is collected from customers through their gas utility bills. ESA program costs include outreach, inspections, installations, energy education, and program administration.

Southwest Gas will continue to focus on targeted outreach to customers that would qualify for the ESA program and continue offering a mix of cost-effective measures and services that provide increased energy savings, reduced greenhouse gas (GHG) emissions, and improved health and safety benefits. Southwest Gas currently contracts with third-party implementers for program administration, inspections, and marketing efforts. The third-party administration of these efforts allows for greater expertise and efficiency in these areas, along with more focused delivery. Southwest Gas does not anticipate the need for new solicitations for these services during PY 2027. Southwest Gas plans to continue with its program administration and delivery efforts. The table below summarizes Southwest Gas' proposed ESA budget for the 2027 bridge funding period:

Southwest Gas Proposed Budget

Category	2027
Outreach	\$83,232
Inspections	\$132,755
General	\$98,718
<i>Subtotal Administration</i>	\$314,706
Measures	\$5,224,183
Energy Education	\$114,240
<i>Subtotal Program Costs</i>	\$5,338,423
TOTAL Program Costs	\$5,653,129

ii. Alpine Natural Gas

For PY 2027, Alpine Natural Gas is proposing to extend the ESA Program budget and goals authorized for 2026 in D.21-10-023. No changes to the ESA budget or program management are necessary for Alpine Natural Gas to continue its program implementation and administration for PY 2027.

Alpine Natural Gas ESA Proposed Budget

Category	2027
Subtotal Administration	\$8,500
Measures	\$20,750
Energy Education	\$0
Subtotal Program Costs	20,750
TOTAL Program Costs	\$29,250

iii. BVES

BVES administers the ESA program in accordance with Commission requirements. Over the past five program years (2021–2026), BVES has consistently underspent its authorized ESA budget, demonstrating that existing funding levels are adequate to serve eligible customers within its service territory. Based on this historical trend, BVES is not requesting an increase to its ESA budget for the 2027 bridge funding period.

For PY 2027, BVES will continue its efforts to increase the number of homes treated under the ESA program, with a target of approaching its goal of treating approximately 90 homes. BVES notes that during the winter months of November through March, general construction and outdoor work typically slows due to inclement weather and limited road access within BVES's service territory. These seasonal conditions can impact ESA program installation schedules.

Effective January 1, 2027, BVES will establish a new ESA program subcontractor that has previously worked within BVES's service territory serving low-income households. BVES anticipates that onboarding this experienced subcontractor will improve program delivery and help increase the number of homes treated, bringing performance closer to the annual goal. BVES emphasizes that it is not requesting an ESA program budget increase, as ESA expenditures have remained under budget throughout the PYs 2021–2026. For example, in 2023, BVES utilized approximately 88% of its authorized ESA program budget.

The table below summarizes BVES's proposed ESA budget for the 2027 bridge funding period, which remains unchanged from the approved 2026 ESA budget:

BVES ESA Proposed Budget

Category	2027
Outreach	\$15,419
Inspections	\$15,419
General	\$0
<i>Subtotal Administration</i>	\$30,838
Measures	\$0
Energy Education	\$0
<i>Subtotal Program Costs</i>	\$92,513
TOTAL Program Costs	\$123,351

iv. Liberty Utilities

For PY 2027, Liberty is proposing to extend the ESA program budget and goals authorized for 2026 in D.21-10-023. No changes to the ESA program budget or program management are necessary for Liberty to continue program implementation and administration for PY 2027. Liberty will continue to spend-down authorized previous budget cycle surcharge collections through PY 2027.

Liberty Utilities Proposed Budget

Category	2027
Outreach	\$70,388
Inspections	\$4,911
General	\$88,394
<i>Subtotal Administration</i>	\$163,693
Measures	\$190,949
Energy Education	\$26,039
<i>Subtotal Program Costs</i>	\$216,988
TOTAL Program Costs	\$380,681

Annual Energy Savings Goals for 2027: 72,197 kWh, 17 kW

v. PacifiCorp

For PY 2027, PacifiCorp does not propose any additional changes to its ESA program and request to continue its ESA program's current goals, budget, delivery methods, and administration authorized for its PY 2021–2026 program cycle in D.21-10-023 for PY 2027. Based on PY 2025 expenditures, PacifiCorp believes the proposed bridge funding budget is sufficient to support ongoing program activities through the end of the 2027 bridge year. ESA program delivery continues to be a collaborative effort between PacifiCorp and community-based organizations (CBOs), which manage customer identification, outreach, education, and registration. In 2025, PacifiCorp re-allocated aggregate reimbursement among CBO partners

to increase the number of homes served in a county with a historically lower number of homes served.

PacifiCorp Proposed Budget

Category	2027
Outreach	\$30,000
Inspections	\$10,000
General	\$176,300
<i>Subtotal Administration</i>	\$216,300
Measures	\$598,577
Energy Education	\$24,950
<i>Subtotal Program Costs</i>	\$623,527
TOTAL Program Costs	\$839,827

vi. West Coast Gas

West Coast Gas does not have an ESA program.

All SMJU ESA program tables are included in Appendix 1.

b. CARE Program

i. Southwest Gas

The CARE program is a low-income ratepayer assistance program that provides qualified residential and qualifying group living facilities with a discount on their monthly energy bills. The CARE program was established through a legislative mandate and was implemented by the Commission in 1989.⁴ The CARE program is offered in accordance with California Public Utilities Code Sections 739.1 and 739.2 and has evolved and expanded through the years, originally referred to as the Low-Income Ratepayer Assistance (LIRA) program and later changed to CARE in 1994.⁵

⁴ Pursuant to Senate Bill (SB) 987 enacted in 1988, the Commission issued D.89-07-062 requiring all electric and gas utilities within its jurisdiction to implement the low-income ratepayer assistance program.

⁵ D.94-12-049.

Initially, the CARE program provided a 15 percent utility bill discount for customers with an income at or below 150 percent of the federal poverty guidelines (FPGs). In 2001, the Commission ordered the California IOUs to increase the discount to 20 percent and change the income eligibility to 175 percent of the FPGs in an effort to further reduce the burden of high energy bills on low-income customers.⁶ Income eligibility was again updated in 2005 and remains at its current level of 200 percent of the FPGs.⁷ Additionally, the CARE program was expanded to include non-profit group living facilities and non-profit housing for agricultural employees.⁸ In 2008, the Commission set the current CARE program penetration goal of 90 percent for SMJUs consistent with that of the large IOUs.⁹ Eligibility for the CARE program is determined by the customer's gross household income being equal to or below 200 percent of the FPGs. Southwest Gas recovers its CARE program costs through its PPP surcharge. The CARE program cost is based on a combination of both the program's administrative costs and CARE program benefits (discounts). The PPP Surcharge is recovered from non-CARE program customers through their monthly natural gas utility bills. Southwest Gas is not proposing any changes to its PPP Surcharge.

For PY 2027, Southwest Gas proposes to continue its existing CARE program strategies as approved in D.21-10-023 for PYs 2021-2026. Southwest Gas proposes to maintain existing program elements including proactive outreach strategies to maintain at least the 90 percent penetration level for CARE program participation and provide eligible low-income customers with needed assistance on their monthly gas utility bills. Southwest Gas intends to maintain current program outreach activities, including bill inserts, direct mailings, newspaper ads, attendance and distribution of applications at public events, online enrollment, bill

⁶ D.01-06-010.

⁷ D.05-10-044; Cal. Pub. Util. Code 739.1(b)

⁸ D.92-12-039 and D.95-10-047.

⁹ D.08-12-019, at pg. 48.

messages, brochures, bus shelter advertisements, and social media posts as well as data sharing with SCE, Liberty, BVES, Apple Valley Water, and capitation agencies. Southwest Gas performs all CARE program administrative activities in-house. Southwest Gas requests an increase to the PY 2027 budget based on its historic program participation during the PY 2021-2026. For PY 2027, Southwest Gas requests a budget of \$9,562,614 to support CARE program activities.

The table below summarizes Southwest Gas' proposed CARE budget for PY 2027:

Southwest Gas CARE Proposed Budget

Category	2027 Proposed Budget
Outreach	\$355,403
General Administration	\$35,150
CARE Administrative Budget	\$390,553
CARE Subsidy Budget	\$9,172,061
CARE Administrative + Subsidy Budget	\$9,562,614

ii. Alpine Natural Gas

Alpine Natural Gas has expanded its CARE program outreach efforts by targeting eligible customers via directly contacting non-CARE customers. Each year, Alpine Natural Gas incorporates the Commission-issued income eligibility guidelines applicable to both CARE and ESA programs into its outreach materials. Outreach activities include collaborating with Pacific Gas & Electric Company in coordinating outreach efforts to promote both CARE and ESA programs and their specific measures.

As a result of these enhanced outreach efforts, Alpine Natural Gas increased CARE program participation from 2021 to 2025 by approximately 86 percent. Alpine Natural Gas continues to increase CARE program participation, anticipating an additional increase of 10 percent in 2027.

Alpine Natural Gas proposes keeping the enrollment rate for CARE at 90 percent of the estimated eligible as determined by the Annual Eligibility Study. The most recent report provided by Athens stated 343 out of 1,730 total residential permanent customers are estimated to be eligible for the CARE program in Alpine Natural Gas' service territory. The goal of 90 percent is unchanged from previous budget cycles.

Alpine Natural Gas CARE Proposed Budget

Category	2027 Proposed Budget
CARE Administrative Budget	\$6,000
CARE Subsidy Budget	\$42,000
CARE Administrative + Subsidy Budget	\$48,000

iii. BVES

From 2021 through the current program year, BVES has exceeded its authorized CARE program administrative budget in the majority of years. This trend reflects sustained program demand, increased administrative workload, and rising costs associated with eligibility processing, customer support, and expanded outreach efforts. Based on this historical trend and to ensure continued effective administration of the CARE program, BVES is requesting \$371,905 for the 2027 bridge funding year, an increase of five percent to the CARE program administrative budget from the prior year.

BVES has expanded its CARE program outreach efforts by increasing the number of low-income community advertisements and implementing paid and boosted social media campaigns targeted to eligible customers. Each year, BVES incorporates Commission-issued income eligibility guidelines applicable to both CARE and ESA programs into its outreach materials. Outreach activities include newspaper advertisements, radio spots, bus panel advertisements, informational flyers, and social media content. When feasible, BVES also

coordinates outreach efforts with Southwest Gas to promote both CARE and ESA programs and their specific measures.

As a result of these enhanced outreach efforts, BVES increased CARE program participation by approximately five percent in 2024 and an additional 10 percent in 2025. BVES hopes to increase CARE program participation by an additional 10 percent in 2027. The requested five percent administrative budget increase is necessary to support continued enrollment growth while maintaining program service levels and regulatory compliance.

The table below summarizes BVES's proposed CARE program budget for the 2027 bridge funding period, requesting a 5 percent increase for 2027:

BVES CARE Proposed Budget

Category	2027 Proposed Budget
CARE Administrative Budget	\$12,587
CARE Subsidy Budget	\$359,317
CARE Administrative + Subsidy Budget	\$371,905

iv. Liberty Utilities

Liberty proposes to keep the enrollment rate for its CARE program at 90 percent of the estimated eligible as determined by the Annual Eligibility Study.¹⁰ The most recent report provided by Athens stated 4,875 out of 18,318 total residential permanent customers are estimated to be eligible for CARE in Liberty's service territory. The goal of 90 percent is unchanged from previous budget cycles.

Liberty CARE Proposed Budget

Category	2027 Proposed Budget
Outreach	\$99,197
General Administration	\$74,833
CARE Administrative Budget	\$174,030
CARE Subsidy Budget	\$1,807,384
CARE Administrative + Subsidy Budget	\$1,981,414

¹⁰ 2025 Athens Report – SMJU Annual Estimates of CARE Eligible Customers Attachment B.

Outreach expenses include all costs of labor, marketing, and coordinating events for increasing enrollment in the CARE program. Costs related to the Annual Eligibility Study are subsumed in the Outreach budget. Liberty's service territory has a high customer turnover rate due to the high number of temporary and seasonal jobs, particularly in the resort areas, which amplify the need for continuing outreach to customers using all available channels of communication.

General administration expenses include processing, certification, and recertification. In addition to the administrative costs of enrollment and re-enrollment, the total General administration expense includes review and preparation of the CARE program annual and quarterly reports, CARE program annual budget review, and consulting services for the CARE program. Expenses to coordinate CARE program online enrollments and review of CARE program participants for eligibility with respect to consumption are also included in General Administration.

Participation/Enrollment Goal for 2027: 0.9 (90%)

Outreach expenses include all costs of labor, marketing, and coordinating events for increasing enrollment in the CARE program. Costs related to the Annual Eligibility Study are subsumed in the outreach budget. Liberty's service territory has a high customer turnover rate due to the high number of temporary and seasonal jobs, particularly in the resort areas, which amplify the need for continuing outreach to customers using all available channels of communication.

v. PacifiCorp

For PY 2027, PacifiCorp proposes to continue the CARE program without changes to eligibility requirements, program goals, service delivery methods, or marketing and outreach strategies. PacifiCorp proposes an increase in the CARE program subsidy budget by approximately 76 percent of the approved PY 2026 approved budget, to reflect the increase in

the customer discount from 20 percent to 25 percent, effective January 12, 2024, as approved in Commission D.23-12-016. In PY 2024, the actual CARE program subsidy was 165 percent of the approved PY 2024 subsidy budget and approximately 160 percent of the PY 2025 subsidy budget. The CARE program administrative funding is proposed to remain at the level approved for PY 2026. Overall, PacifiCorp's PY 2027 proposal maintains program continuity while adjusting the subsidy budget to reflect the approved discount increase and rate increase resulting from PacifiCorp's most recent general rate case.

PacifiCorp Proposed 2027 CARE Budget

Category	2027 Proposed Budget
Outreach	\$90,000
Processing, Certification, Recertification	\$15,000
General Administration	\$55,000
CARE Administrative Budget	\$160,000
CARE Subsidy Budget	\$6,840,000
CARE Administrative + Subsidy Budget	\$7,000,000

vi. West Coast Gas

WCG does not propose any additional changes to the CARE program eligibility guidelines and requirements for the PY 2027 and proposes to continue its current program goals, budget, and strategies that have proven to be successful in the current program cycle PY 2021-2026.

For PY 2027, WCG escalated its labor based on its TY 2025 GRC approved attrition rate of 2.35 percent to account for any inflation-related adjustments. For 2026, WCG requests authorization for additional budget for the CARE program subsidy, reflecting an increase in customer enrollment for the authorized CARE program subsidy.

All SMJU CARE program tables are included in Appendix 1.

V. REVENUE REQUIREMENTS AND RATE IMPACTS

i. Southwest Gas Corporation

Southwest Gas does not propose any changes to the revenue allocation of rate design for its CARE or ESA program.

All ESA program budget costs of outreach, inspections, administration, measures, and energy education are recovered from customers on an equal cents per therm basis through the PPP Surcharge. Southwest Gas maintains a one-way balancing account for its ESA program. The account captures the difference, including interest, between Southwest Gas' actual ESA program expenditures and amounts collected through its PPP Surcharge to recover these costs. Southwest Gas is required to submit an Advice Letter filing by October 31 of each year reflecting the calculation of its PPP Surcharge to be made effective January 1st of the subsequent year. Southwest Gas does not propose any changes to its ESA program balancing account.

Southwest Gas' CARE program costs are recovered from non-CARE program participating customers on an equal-cents-per-therm basis through the non-CARE program PPP Surcharge. Southwest Gas maintains a two-way balancing account for its CARE Program. The account captures the difference, including interest, between Southwest Gas' actual CARE outreach and administrative costs together with CARE program benefits and the amounts collected through its PPP Surcharge to recover these costs. Southwest Gas is required to submit an Advice Letter filing by October 31 of each year reflecting the calculation of its PPP Surcharge to be effective January 1st of the subsequent year. Southwest Gas does not propose any changes to its CARE program balancing account.

Southwest Gas Rate Impact

Year	Proposed Budget	Rate Impact from Prior Year
CARE		
Approved 2026	\$8,497,765	0.0032%
Proposed 2027	\$9,562,614	0.4593%
ESA		
Approved 2026	\$5,542,283	0.0483%
Proposed 2027	\$5,653,129	0.0478%

ii. Alpine Natural Gas

Alpine Natural Gas does not propose any changes to its CARE Program balancing account. Alpine Natural Gas' CARE program costs are recovered from non-CARE program participating customers on an equal-cents-per-therm basis through the non-CARE program PPP Surcharge. Alpine Natural Gas maintains a two-way balancing account for its CARE program. The account captures the difference, including interest, between Alpine Natural Gas' actual CARE program outreach and administrative costs together with CARE program benefits and the amounts collected through its PPP Surcharge to recover these costs. Alpine Natural Gas is required to submit an Advice Letter filing by October 31 of each year reflecting the calculation of its PPP surcharge to be made effective January 1st of the subsequent year.

Year	Total Administration Cost	CARE Program Discount	Total Program Costs
Actual 2024	\$6,012	\$43,213	\$49,225
Actual 2025	\$6,000	\$40,012	\$46,012
Approved 2026	\$6,000	\$34,000	\$40,000
Proposed 2027	\$6,000	\$42,000	\$48,000

iii. BVES

BVES's CARE program balancing account has an under-collection balance of \$47,115.89 as of November 30, 2025.

BVES respectfully requests Commission approval of its proposed PY 2027 bridge funding to ensure the continued delivery of CARE and ESA programs to its income-qualified customers without interruption. The proposed bridge funding maintains ESA program budget levels that have proven sufficient based on historical underspending, while requesting a modest five percent increase to the CARE program administrative budget to address sustained administrative cost pressures, expanded outreach efforts, and significant growth in CARE program enrollment.

This proposal aligns with historical program performance, and supports the Commission's objectives of improving affordability, increasing CARE program participation, and ensuring effective administration of income-qualified programs during the 2027 bridge funding year. The impact to BVES customer rates is as follows:

BVES Rate Impact

Year	Proposed Budget	Rate Impact from Prior Year
CARE		
Approved 2026	\$354,195	0.0317%
Proposed 2027	\$371,905	0.0313%
ESA		
Approved 2026	\$123,351	0.0000%
Proposed 2027	\$123,351	0.0000%

iv. Liberty Utilities

Liberty estimates the impact on rates by dividing the difference of year-over-year budgets by the revenue requirement. See Liberty's 2027 Bridge Funding Table 6 for details.

- CARE Program Rate Impact (2027): 0.0012 (from prior year)
- ESA Program Rate Impact (2027): 0.0000 (no change)
- Revenue Requirement: \$119,424,000

Liberty will spend over-collections from previous ESA program budget cycles before collecting surcharge revenue for the ESA program D.21-10-023.

Liberty's proposed budgets for the CARE and ESA programs are based on historical program performance, anticipated customer needs, and Commission guidance. The budget tables reflect projected enrollment, energy savings goals, and cost breakdowns for administrative, outreach, and program delivery activities.

Liberty has engaged stakeholders through workshops and meetings, incorporating feedback from the Energy Division, Community Based Organizations (CBOs), and other interested parties. This collaborative approach aligns the proposed budgets and program goals with community needs in Liberty's service territory.

Liberty respectfully requests CPUC approval of the proposed 2027 CARE and ESA program budgets as outlined above, to maintain vital services for low-income customers during the bridge year.

v. PacifiCorp

PacifiCorp anticipates a total revenue requirement for the CARE program – inclusive of both cost of customer discounts and the cost of administering the program in Table 1 below.

Table 1: CARE Approved and Proposed Budget

Year	Total Administration Cost	CARE Program Discount	Total Program Costs
Actual 2024	\$84,123	\$6,155,027	\$6,239,150
Approved 2025	\$160,000	\$3,805,000	\$3,965,000
Approved 2026	\$160,000	\$3,881,000	\$4,041,000
Proposed 2027	\$160,000	\$6,840,000	\$7,000,000

The proposed amount for PY 2027 represents a significant increase in costs when compared to the approved budget amounts for program year 2025 and 2026. Overall, the rate

impact of the 2027 proposal would lead to an increase in collected rates of 1.60 percent as shown in Table 2.

Table 2: Estimated Rate Impact of CARE Proposed Budget

Year	Proposed Budget	Rate Impact from Prior Year
Approved 2026	\$4,041,000	NA
Proposed	\$7,000,000	1.60%

PacifiCorp's proposed revenue requirement for the ESA program consists of administration costs (including outreach, inspections, and general) and program costs (including the cost of measures and energy education) in Table 3 below:

Table 3: ESA Approved and Proposed Budget

Year	Administrative Cost	ESA Program Budget	Total ESA Costs
Actual 2024	\$103,312	\$282,319	\$385,634
Approved 2025	\$206,655	\$593,000	\$799,655
Approved 2026	\$216,300	\$623,527	\$839,827
Proposed 2027	\$216,300	\$623,527	\$839,827

The estimated rate impact of PacifiCorp's proposal reflects its commitment to keep rates low for customers, while maximizing benefits under the ESA program. PacifiCorp's proposed ESA program PY 2027 budget is at the level of the approved ESA PY 2026 budget, therefore, no rate change, as shown in Table 4.

Table 4: Estimated Rate Impact of ESA Proposed Budget

Year	Proposed Budget	Rate Impact from Prior Year
Approved 2026	\$839,827	NA
Proposed	\$839,827	No change

vi. West Coast Gas

West Coast Gas does not propose any changes to the revenue allocation or rate design for the CARE program.

West Coast Gas recovers CARE Program costs through the PPP Surcharge. The CARE program cost is calculated from the revenue requirement, which is based on the combination of the administration costs, the CARE subsidy and any pending balance in the CARE balancing account.

West Coast Gas maintains a CARE balancing account to track the CARE program expenses incurred against gas surcharge funds reimbursed from the California Department of Tax and Fee Administration (CDTFA).

West Coast Gas maintains the CARE Balancing Account by recording entries for CARE discounts, CARE administrative costs, CARE revenue from monthly surcharges and payments to and from the CDTFA. West Coast Gas does not propose any changes to the CARE balancing account.

VI. STATUORY AND PROCEDURAL REQUIREMENTS

In compliance with the Commission's Rules of Practice and Procedure (Rules), the SMJUs address below the proposed category for this proceeding, the need for hearing, the issues to be considered, a proposed schedule, and the general requirements for applications set forth in the Rules.

A. Rule 2.1(a) - (c)

This Application is made pursuant to Sections 451, 701, 702, 728, and 729 of the Public Utilities Code of the State of California, the Commission's Rules, and the other relevant prior decisions, orders, and resolutions of the Commission.

B. Rule 2.1 (a) Legal Name, Address, and Contact

i. Southwest Gas

The exact legal name of the Applicant is Southwest Gas Corporation.

Southwest Gas is a corporation duly organized and existing under the laws of the state of California. Southwest Gas is a corporation subject to the jurisdiction of the Commission, and is engaged in the intrastate transmission, distribution, and sale of natural gas as a public utility in California, and in certain portions of Nevada and Arizona.

Southwest Gas' principal place of business is located at 8360 South Durango Avenue, Las Vegas, Nevada 89113, and Southwest Gas' telephone number is (702) 876-7011.

Communications for Southwest Gas regarding this Application should be addressed to:

Laurie Brown
Regulatory Manager/California
Southwest Gas Corporation
8360 South Durango Drive
P.O. Box 98510
Las Vegas, Nevada 89113
Phone: (702) 364-3082
Fax: (702) 876-4238
Laurie.Brown@swgas.com

Stephanie Smith
Associate General Counsel
Southwest Gas Corporation
8360 South Durango Drive
P.O. Box 98510
Las Vegas, Nevada 89113
Phone: (702) 364-3444
Fax: (702) 252-7283
Stephanie.Smith@swgas.com

With a copy to RegServe@swgas.com

ii. Alpine Natural Gas

The exact legal name and mailing address of the Applicant is Alpine Natural Gas Operating Company No. 1, LLC, P. O. Box 550, Valley Springs, CA 95252. Communications for Alpine Natural Gas regarding this Application should be addressed to:

Michael Lamond
Administrator/CFO
Alpine Natural Gas Operating Company No. 1 LLC
P. O. Box 550
Valley Springs, CA 95252
209-772-3006
mike@alpinenaturalgas.com

iii. BVES

The exact legal name and business/mailing address of the Applicant is Bear Valley Electric Service, Inc., 42020 Garstin Drive/P. O. Box 1547, Big Bear Lake, CA 92315. Communications for Bear Valley Electric Services regarding this Application should be addressed to:

Jenny Chen
Regulatory Affairs Manager
Bear Valley Electric Service, Inc.
630 E. Foothill Blvd.
San Dimas, CA 91773
RegulatoryAffairs@bvesinc.com

iv. Liberty Utilities

The exact legal name and business/mailing address of Applicant is Liberty Utilities (CalPeco Electric) LLC, 933 Eloise Avenue, South Lake Tahoe, CA 96150. Liberty Utilities' Fax number is: (530) 544-4811 and Email is: CaseAdmin@libertyutilities.com. Communications for Liberty Utilities regarding this Application should be addressed to:

Elly O'Doherty
Manager, Rates and Regulatory Affairs
Elly.O'Doherty@libertyutilities.com

v. PacifiCorp

The exact legal name and business/mailing address of Applicant is PacifiCorp d/b/a Pacific Power, 825 NE Multnomah Street, Suite 2000, Portland, OR 97232. Communications for PacifiCorp regarding this Application should be addressed to:

Pooja Kishore
Regulatory Affairs Manager
503-813-7314
pooja.kishore@pacificorp.com
californiadockets@pacificorp.com

vi. **West Coast Gas**

The exact legal name is West Coast Gas Company, Inc. And it is a public utility corporation organized and existing under the laws of the State of California. West Coast Gas Company Inc.'s principal place of business and mailing address is 9203 Beatty Drive, Sacramento, CA 95826. Communications for West Coast Gas regarding this Application should be addressed to:

Cynthia Morris, Administrator
West Coast Gas Company Inc.
9203 Beatty Drive
Sacramento, CA 95826
Telephone: 916-364-4100
westgas@aol.com

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

In accordance with Rules 1.3(g) and 7.1 of the Rules, the SMJUs propose that this Application be categorized as a “ratesetting” proceeding. The SMJUs do not believe there are any safety considerations relevant to this proceeding as the principal issue to be considered is whether or not the Commission should approve the ESA and CARE programs and proposed funding, and whether the Commission should therefore grant the relief requested as summarized in Section VII below. Further, because of the limited factual issues to be addressed in this Application, the SMJUs do not believe that hearings are necessary, but proposes the following procedural schedule in the event that hearings are required. The SMJUs have proposed expedited dates to ensure the proposed PY 2027 budgets are approved and implemented as expeditiously as possible:

Application Filed	January 29, 2026
Protest/Responses to Application	Within 30 days of Notice
Reply to Protests/Responses	Within 10 Days, per Rule 2.6
Prehearing Conference	March 23, 2026
Intervenor Testimony Due	April 20, 2026

Rebuttal Testimony	April 30, 2026
Evidentiary Hearing	June 1 - 10, 2026
Opening Briefs	June 30, 2026
Reply Briefs	July 30, 2026
Proposed Decision	August 30, 2026
Final Commission Decision	September 2026

D. Rule 2.2: Articles of Incorporation

i. Southwest Gas

In compliance with Rule 2.2, a copy of Southwest Gas' Articles of Incorporation with State of California, dated January 4, 2017, were filed with the Commission A.18-02-008 and are hereby incorporated in this Application by this reference.

ii. Alpine Natural Gas

In compliance with Rule 2.2, please reference Attachment A for the Articles of Incorporation for Alpine Natural Gas.

iii. BVES

In compliance with Rule 2.2, a copy of Bear Valley's Articles of Incorporation, certified by the California Secretary of State on December 12, 2018, was filed with the Commission in connection with Bear Valley's Application 18-12-019, and is by reference made a part hereof.

iv. Liberty Utilities

In compliance with Rule 2.2, please reference Attachment B for the Articles of Incorporation for Liberty .

v. PacifiCorp

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

vi. **West Coast Gas**

In compliance with Rule 2.2, please reference Attachment C for the Articles of Incorporation for West Coast Gas.

E. Rule 3.2. (A): Applications Resulting in Increased Rates

- 1) Supporting financial documentation and information, respectively, pursuant to Rule 3.2, as of the latest available date, are attached hereto as Attachments D-I.
- 2) Each SMJUs' current rates and charges for gas service are contained in gas tariffs and schedules on file with the Commission.
- 3) There are no general revenue changes proposed in this Application. However, proposed increases are described above for each respective SMJU.
- 4) Because this is not a general rate application, the requirements of Rule 3.2(a)(4) are not applicable.
- 5) Because this is not a general rate application, the requirements of Rule 3.2(a)(7) are not applicable.
- 6) Because this is not a general rate application, the requirements of Rule 3.2(a)(8) are not applicable.
- 7) In accordance with Rule 3.2(a)(10), this application seeks only to pass through to customers the costs incurred by each SMJU in connection with each utility's respective implementation and administration of their CARE and ESA [rograms].

F. Rule 3.2 (b-d) Noticing

Each individual SMJU Utility will abide by the following rules as it applies to each, as not all rules will apply to each of the SMJU utilities in this Application:

- 1) In accordance with Rule 3.2(b), each applicable utility will, within 20 days after the filing of the Application, service notice to the following stating in general terms the proposed increases in rates: the Attorney General and Department of General Services, when the

State is a customer whose rates would be affected by the proposed increase; the County Counsel or District Attorney, if the County does not have a County Counsel, and County Clerk, and the City Attorney and City Clerk, listed in the current Roster published by the Secretary of State in each county and city in which the proposed increase is to be made effective; and any other person whom applicant deems appropriate or as may be required by the Commission.

- 2) In accordance with Rule 3.2(c), each applicable utility will, within 20 days after the filing of the Application, publish at least once in a newspaper of general circulation in the county in which the increases are proposed to be effective, in general terms, of the proposed increases in rates.
- 3) In accordance with Rule 3.2(d), each applicable utility will, within 45 days, if the corporation operates on a 30-day billing cycle or 75-days if the corporation operates on a 60-day or longer billing cycle, after filing an application to increase any rate of charge, shall furnish to its customers affected by the proposed increase notice of its application by electronically linking to such notice for customers that receive their bills electronically or by mail for those customers that receive their bills by mail, either by mailing a notice postage prepaid or including such notice with the regular bill. The notice will generally describe the proposed rate changes, if any, addressed in the Application by each SMJU.

G. Rule 3.2 (b-d) Noticing

Since this is a new Application, there is no established service list that has been established. Therefore, this Application will be electronically served to all parties on the official service list in A.20-03-014, et al.

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VII. CONCLUSION AND REQUEST FOR RELIEF

For the reasons set forth in this Application, including the supporting Attachments and documentation, the SMJUs respectfully request that the Commission:

- (1) Expedite review of this Application under Commission Rule 2.9, to ensure timely approval and uninterrupted program delivery; and
- (2) Approve the requested funding levels and continuation of program activities for each utility's respective ESA and CARE programs for PY 2027 as proposed herein; and
- (3) Grant such further relief as the Commission deems appropriate.

DATED this 29th day of January, 2026.

Respectfully Submitted,
Southwest Gas Corporation



Stephanie J. Smith
Associate General Counsel
8360 S. Durango Drive
Las Vegas, NV 89113
Telephone: (702) 364-3444
Facsimile: (702) 252-7283
Email: stephanie.smith@swegas.com

Attorney for Southwest Gas Corporation

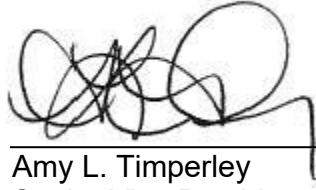
OFFICER VERIFICATIONS

Amy L. Timperley declares the following:

I am an officer of Southwest Gas Corporation and am authorized to make this verification on the Corporation's behalf in accordance with Rule 1.11 of the Commission's Rules of Practice and Procedure, and I make this verification for that reason. I have read the foregoing Application and am informed and believe that the matters stated therein concerning Southwest Gas Corporation are true.

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

Executed this 29th day of January 2026 at Las Vegas, Nevada.



Amy L. Timperley
Senior Vice President
Chief Regulatory Officer

VERIFICATION

I, Michael Lamond, am an officer of Alpine Natural Gas Operating Company No. 1, LLC, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

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

Executed on January 27, 2026, at Valley Springs, California.

/s/ Michael Lamond

Michael Lamond, Administrator/CFO

Alpine Natural Gas Operating Company No. 1, LLC

Bear Valley Electric Service, Inc. (BVES)

VERIFICATION

I, Paul Marconi, being first duly sworn, declares under penalty of perjury: I am the President and Treasurer of Bear Valley Electric Service (BVES), an affiliate of Golden State Water Company. I am authorized to make this verification on its behalf. I have read sections pertaining to BVES in the joint application for approval of Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) programs and budgets for program bridge year 2027. I believe, based upon either my own personal knowledge or upon information and belief, that the information contained within such reports regarding BVES is true and correct.

Dated this 26th day of January 2026 at Big Bear Lake, California.

Sincerely,

/s/ Paul Marconi
Paul Marconi
President, Treasurer and Secretary
Bear Valley Electric Service, Inc.
Email: Paul.Marconi@bvesinc.com
Tel: (909) 202-9539

OFFICER VERIFICATION

Pursuant to Rule 1.11 of the California Public Utilities Commission's Rules of Practice and Procedure, I provide the following verification.

I, Eric Schwarzrock, hereby declare that I am the President of Liberty Utilities (CalPeco Electric) LLC ("Liberty"), I have read the accompanying document, and the information set forth therein is true and correct to the best of my knowledge, information and belief.

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

Executed January 23, 2026, North Lake Tahoe California.



Eric Schwarzrock
President, California
Liberty Utilities (CalPeco Electric) LLC

Rick Link declares the following:

I am an officer of PacifiCorp and am authorized to make this verification on the Corporation's behalf in accordance with Rule 1.11 of the Commission's Rules of Practice and Procedure, and I make this verification for that reason. I have read the foregoing Application and am informed and believe that the matters stated therein concerning PacifiCorp are true.

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

Executed this 29th day of January 2026 at Portland, Oregon.

/s/ Rick Link

Rick Link
Senior Vice President, Regulation

VERIFICATION

I am an officer of West Coast Gas Company Inc. and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing Application are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters, I believe them to be true.

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

Executed this 27th day of January, 2026 at Sacramento, California.

Respectfully submitted,

/s/ Mark Williams

Mark Williams, CEO
WEST COAST GAS COMPANY INC.
9203 Beatty Drive
Sacramento, CA 95826
Telephone: 916-364-4100
Email: westgas@aol.com

APPENDIX 1

Energy Savings and Assistance and
California Alternate Rates for Energy

Program Tables

Southwest Gas Corporation

Southwest Gas Corporation

Table 1: CARE Participation and Enrollment Percentage Goals

Southwest Gas Corporation

CARE Participation Goals	2026 Authorized in D. 21-10-023	2027 Proposed
Participation/ Enrollment Goals	90%	90%

Table 2: CARE Proposed Budgets

Southwest Gas Corporation

Categories	2026 Authorized in D. 21-10-023	2026 Anticipated Budget	2027 Proposed Budget
CARE Administrative Budget	\$375,387	\$382,895	\$390,553
CARE Subsidy Budget	\$8,122,378	\$8,992,217	\$9,172,061
CARE Administrative + Subsidy Budget	\$8,497,765	\$9,375,112	\$9,562,614

Table 3: ESA Annual Energy Savings Goals (kWh, kW, Therms)

Southwest Gas Corporation

Year	kWh	kW	Therms
2026	N/A	N/A	57,190
2027	N/A	N/A	57,190

Table 4: Annual ESA Household Treatment Goals and Targets

Southwest Gas Corporation

Year	Target
2026	N/A
2027	N/A

Table 5: ESA Portfolio Budget

Southwest Gas Corporation

Category	2026	2027
Outreach	\$81,600	\$83,232
Inspections	\$130,152	\$132,755
General	\$96,783	\$98,718
Subtotal Administration	\$308,535	\$314,706
Measures	\$5,121,748	\$5,224,183
Energy Education	\$112,000	\$114,240
Subtotal Program Costs	\$5,233,748	\$5,338,423
TOTAL Program Costs	\$5,542,283	\$5,653,129

Table 6: CARE Program Budget

Southwest Gas Corporation

Category	2026	2027
Outreach	\$258,095	\$263,257
Processing, Certification, Recertification	\$15,000	\$15,300
General	\$120,000	\$122,400
Subtotal Program Management Costs	\$382,895	\$390,553
Customer Subsidies	\$8,992,217	\$9,172,061
TOTAL Program Costs & Customer Discounts	\$9,375,112	\$9,562,614

Southwest Gas Corporation

Table 7: CARE/ESA Rate Impacts
Southwest Gas Corporation

Year	Proposed Budget	
CARE		
Approved 2026	\$8,497,765	0.0032%
Proposed 2027	\$9,562,614	0.4593%
ESA		
Approved 2026	\$5,542,283	0.0483%
Proposed 2027	\$5,653,129	0.0478%

Table 8: CARE Enrollment
Southwest Gas Corporation

Year	Target
Actual 2024	59,132
Actual 2025	60,320
Estimated PY2026	61,526
Estimated PY2027	62,757
Estimated Year End PY 2027 Participation %	95%
Estimated PY 2027 Goal Rate %	95%

Alpine Natural Gas Operating Company No. 1, LLC

Alpine Natural Gas Operating Company No. 1

Table 1: CARE Participation and Enrollment Percentage Goals

Alpine Natural Gas

CARE Participation Goals	2026 Authorized in D. 21-10-023	2027 Proposed
Participation/ Enrollment Goals	90%	90%

Table 2: CARE Proposed Budgets

Alpine Natural Gas

Categories	2026 Authorized in D. 21-10-023	2026 Anticipated Budget	2027 Proposed Budget
CARE Administrative Budget		\$6,000	\$6,000
CARE Subsidy Budget		\$28,000	\$36,000
CARE Administrative + Subsidy Budget		\$34,000	\$42,000

Table 3: ESA Annual Energy Savings Goals (kWh, kW, Therms)

Alpine Natural Gas

Year	kWh	kW	Therms
2026	N/A	N/A	68
2027	N/A	N/A	68

Table 4: ESA Portfolio Budget

Alpine Natural Gas

Category	2026	2027
Outreach		
Inspections		
General	\$8,500	\$8,500
<i>Subtotal Administration</i>	\$8,500	\$8,500
Measures		
Energy Education		
<i>Subtotal Program Costs</i>	\$20,750	\$20,750
<i>TOTAL Program Costs</i>	\$29,250	\$29,250

Alpine Natural Gas Operating Company No. 1

Table 5: CARE Program Budget

Alpine Natural Gas

Category	2026	2027
Outreach	\$3,500	\$3,500
Processing, Certification, Recertification	\$1,250	\$1,250
General	\$1,250	\$1,250
<i>Subtotal Program Management Costs</i>	\$6,000	\$6,000
Customer Subsidies	\$28,000	\$42,000
TOTAL Program Costs & Customer Discounts	\$34,000	\$48,000

Table 6: CARE/ESA Rate Impacts

Alpine Natural Gas

Year	Proposed Budget	Rate Impact from Prior Year
CARE		
Approved 2026	\$34,000	N/A
Proposed 2027	\$48,000	N/A
ESA		
Approved 2026	\$29,250	N/A
Proposed 2027	\$29,250	N/A

Table 7: CARE Enrollment

Alpine Natural Gas

Year	Target
Actual 2024	354
Actual 2025	343
Estimated PY2026	343
Estimated PY2027	343
Estimated Year End PY 2027 Participation %	90%
Estimated PY 2027 Goal Rate %	90%

Bear Valley Electric Service, Inc.

Bear Valley Electric Services, Inc.

Table 1: CARE Participation and Enrollment Percentage Goals

Bear Valley Electric Service, Inc.

CARE Participation Goals	2026 Authorized in D. 21-10-023	2027 Proposed
Participation/ Enrollment Goals	90%	90%

Table 2: CARE Proposed Budgets

Bear Valley Electric Service, Inc.

Categories	2026 Authorized in D. 21-10-023	2026 Anticipated Budget	2027 Proposed Budget
CARE Administrative Budget	\$11,988	\$11,988	\$12,587
CARE Subsidy Budget	\$342,207	\$342,207	\$359,317
CARE Administrative + Subsidy Budget	\$354,195	\$354,195	\$371,905

Table 3: ESA Annual Energy Savings Goals (kWh, kW, Therms)

Bear Valley Electric Service, Inc.

Year	kWh	kW	Therms
2026	41,663	N/A	N/A
2027	41,663	N/A	N/A

Table 4: ESA Portfolio Budget

Bear Valley Electric Service, Inc.

Category	2026	2027
Outreach	\$15,419	\$15,419
Inspections	\$15,419	\$15,419
General		\$0
<i>Subtotal Administration</i>	\$30,838	\$30,838
Measures		\$0
Energy Education		\$0
<i>Subtotal Program Costs</i>	\$92,513	\$92,513
TOTAL Program Costs	\$123,351	\$123,351

Table 5: CARE Program Budget

Bear Valley Electric Service, Inc.

Category	2026	2027
Outreach		
Processing, Certification, Recertification		
General		
<i>Subtotal Program Management Costs</i>	\$11,988	\$12,587
Customer Subsidies	\$342,207	\$359,317
TOTAL Program Costs & Customer Discounts	\$354,195	\$371,905

Bear Valley Electric Services, Inc.

Table 6: CARE/ESA Rate Impacts

Bear Valley Electric Service, Inc.

Year	Proposed Budget	Rate Impact from Prior Year
CARE		
Approved 2026	\$354,195	0.0317%
Proposed 2027	\$371,905	0.0313%
ESA		
Approved 2026	\$123,351	0.0000%
Proposed 2027	\$123,351	0.0000%

Table 7: CARE Enrollment

Southwest Gas Corporation

Year	Target
Actual 2024	1,778
Actual 2025	1,958
Estimated PY2026	2,056
Estimated PY2027	2,159
Estimated Year End PY 2027 Participation %	90%
Estimated PY 2027 Goal Rate %	90%

Liberty Utilities (CalPeco Electric) LLC

Liberty Utiliites (CalPeco Electric) LLC

Table 1: CARE Participation and Enrollment Percentage Goals

Liberty

CARE Participation Goals	2026 Authorized in D. 21-10-023	2027 Proposed
Participation/ Enrollment Goals	90%	90%

Table 2: CARE Proposed Budgets

Liberty

Categories	2026 Authorized in D. 21-10-023	2026 Anticipated Budget	2027 Proposed Budget
CARE Administrative Budget	\$170,618	\$170,618	\$174,030
CARE Subsidy Budget	\$1,097,229	\$1,666,853	\$1,807,384
CARE Administrative + Subsidy Budget	\$1,267,847	\$1,837,471	\$1,981,414

Table 3: ESA Annual Energy Savings Goals (kWh, kW, Therms)

Liberty

Year	kWh	kW	Therms
2026	72,197	17	N/A
2027	72,197	17	N/A

Table 4: ESA Portfolio Budget

Liberty

Category	2026	2027
Outreach	\$70,387.73	\$70,387.73
Inspections	\$4,910.77	\$4,910.77
General	\$88,393.90	\$88,393.90
Subtotal Administration	\$163,692.40	\$163,692.40
Measures	\$190,949.09	\$190,949.09
Energy Education	\$26,038.51	\$26,038.51
Subtotal Program Costs	\$216,987.60	\$216,987.60
TOTAL Program Costs	\$380,680.00	\$380,680.00

Table 5: CARE Program Budget

Liberty

Category	2026	2027
Outreach	\$97,706	\$99,197
Processing, Certification, Recertification	\$0	\$0
General	\$72,912	\$74,833
Subtotal Program Management Costs	\$170,618	\$174,030
Customer Subsidies	\$1,666,853	\$1,807,384
TOTAL Program Costs & Customer Discounts	\$1,837,471	\$1,981,414

Note: Liberty includes processing, certification, and recertification in General Administration.

Liberty Utiliites (CalPeco Electric) LLC

Table 6: CARE/ESA Rate Impacts

Liberty

Year	Proposed Budget	Rate Impact from Prior Year
CARE		
Approved 2026	\$1,837,471	0.4798%
Proposed 2027	\$1,981,414	0.1205%
ESA		
Approved 2026	\$380,680	0.0000%
Proposed 2027	\$380,680	0.0000%

Note: Liberty will be spending down the over-collection from the previous budget cycle in 2026-2027. Pursuant to D.21-10-023, Liberty is required to use over-collections from the previous program years prior to collecting surcharge revenue.

Table 7: CARE Enrollment

Liberty

Year	Target	Enrolled	Rate
Actual 2024	4,278	4,151	87%
Actual 2025	4,388	4,061	83%
Estimated PY2026	4,388	N/A	N/A
Estimated PY2027	4,388	N/A	N/A
Estimated Year End PY 2027 Participation %	90%	90%	90%
Estimated PY 2027 Goal Rate %	90%	90%	90%

PacifiCorp d/b/a Pacific Power

PacifiCorp d/b/a Pacific Power

Table 1: CARE Participation and Enrollment Percentage Goals

PacifiCorp

CARE Participation Goals	2026 Authorized in D. 21-10-023	2027 Proposed
Participation/ Enrollment Goals	92%	90%

Table 2: CARE Proposed Budgets

PacifiCorp

Categories	2026 Authorized in D. 21-10-023	2026 Anticipated Budget	2027 Proposed Budget
CARE Administrative Budget	\$160,000	\$160,000	\$160,000
CARE Subsidy Budget	\$3,881,000	\$3,881,000	\$6,840,000
CARE Administrative + Subsidy Budget	\$4,041,000	\$4,041,000	\$7,000,000

Table 3: ESA Annual Energy Savings Goals (kWh, kW, Therms)

PacifiCorp

Year	kWh	kW	Therms
2026	160,344	NA	N/A
2027	160,344	NA	N/A

Table 4: ESA Portfolio Budget

PacifiCorp

Category	2026	2027
Outreach	\$30,000	\$30,000
Inspections	\$10,000	\$10,000
General	\$176,300	\$176,300
<i>Subtotal Administration</i>	\$216,300	\$216,300
Measures	\$598,577	\$598,577
Energy Education	\$24,950	\$24,950
<i>Subtotal Program Costs</i>	\$623,527	\$623,527
<i>TOTAL Program Costs</i>	\$839,827	\$839,827

Table 5: CARE Program Budget

PacifiCorp

Category	2026	2027
Outreach	\$90,000	\$90,000
Processing, Certification, Recertification	\$15,000	\$15,000
General	\$55,000	\$55,000
<i>Subtotal Program Management Costs</i>	\$160,000	\$160,000
Customer Subsidies	\$3,881,000	\$6,840,000
<i>TOTAL Program Costs & Customer Discounts</i>	\$4,041,000	\$7,000,000

PacifiCorp d/b/a Pacific Power

Table 6: CARE/ESA Rate Impacts
PacifiCorp

Year	Proposed Budget	Rate Impact from Prior Year
CARE		
Approved 2026	\$4,041,000	0.0740%
Proposed 2027	\$7,000,000	1.6196%
ESA		
Approved 2026	\$839,827	0.0391%
Proposed 2027	\$839,827	0.0000%

Table 7: CARE Enrollment
PacifiCorp

Year	Target
Actual 2024	11,394
Estimated 2025	10,555
Estimated PY2026	12,221
Estimated PY2027	11,750
Estimated Year End PY 2027 Participation %	90%
Estimated PY 2027 Goal Rate %	90%

West Coast Gas Company, Inc.

WEST COAST GAS COMPANY INC.

Table 1: CARE Participation and Enrollment Percentage Goals

West Coast Gas Company Inc.

CARE Participation Goals	2026 Authorized in	2027 Proposed
Participation/ Enrollment Goals	90%	90%

Table 2: CARE Proposed Budgets

West Coast Gas Company Inc.

Categories	2026 Authorized in	2026 Anticipated	2027 Proposed Budget
CARE Administrative Budget	\$8,064	\$8,064	\$8,254
CARE Subsidy Budget*	\$6,417	\$16,874	\$17,271
CARE Administrative + Subsidy Budget	\$14,481	\$24,938	\$25,524

*2026 Anticipated Subsidy Budget is based on 2025 YTD \$16,486.89 total plus AL 702-G CPI increase

Table 5: CARE Program Budget

West Coast Gas Company Inc.

Category	2026	2027
Outreach	\$2,688	\$2,751
Processing, Certification, Recertification	\$2,688	\$2,751
General	\$2,688	\$2,751
<i>Subtotal Program Management Costs</i>	\$8,064	\$8,254
Customer Subsidies	\$16,874	\$17,271
TOTAL Program Costs & Customer Discounts	\$24,938	\$25,524

WEST COAST GAS COMPANY INC.

Table 6: CARE/ESA Rate Impacts

West Coast Gas Company Inc.

Year	Proposed Budget	Rate Impact from Prior Year
CARE		
Approved 2026	\$14,481	0.0000%
Proposed 2027	\$25,524	0.0048%
ESA		
Approved 2026	NA	NA
Proposed 2027	NA	NA

Table 7: CARE Enrollment

West Coast Gas Company Inc.

Year	Target
Actual 2024	101
Actual 2025	101
Estimated PY2026	102
Estimated PY2027	103
Estimated Year End PY 2027 Participation %	90%
Estimated PY 2027 Goal Rate %	90%

ATTACHMENT A

Alpine Natural Gas Operating Company No. 1, LLC
Articles of Incorporation



STATE OF CALIFORNIA
Office of the Secretary of State
STATEMENT OF INFORMATION
LIMITED LIABILITY COMPANY

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 657-5448

For Office Use Only

-FILED-

File No.: BA20240960461

Date Filed: 5/15/2024

139-8320 05/15/2024 2:35 PM Received by California Secretary of State

Entity Details	
Limited Liability Company Name	ALPINE NATURAL GAS OPERATING COMPANY NO.1, L.L.C.
Entity No.	199617210005
Formed In	CALIFORNIA
Street Address of Principal Office of LLC	
Principal Address	15 ST ANDREWS RD STE 7 VALLEY SPRINGS, CA 95252
Mailing Address of LLC	
Mailing Address	PO BOX 550 VALLEY SPRINGS, CA 95252
Attention	
Street Address of California Office of LLC	
Street Address of California Office	15 ST ANDREWS RD STE 7 VALLEY SPRINGS, CA 95252
Manager(s) or Member(s)	
Manager or Member Name	Manager or Member Address
MICHAEL LAMOND	15 ST ANDREWS RD STE 7 VALLEY SPRINGS, CA 95252
Agent for Service of Process	
Agent Name	MICHAEL LAMOND
Agent Address	15 ST ANDREWS RD STE 7 VALLEY SPRINGS, CA 95252
Type of Business	
Type of Business	NATURAL GAS UTILITY
Email Notifications	
Opt-in Email Notifications	No, I do NOT want to receive entity notifications via email. I prefer notifications by USPS mail.
Chief Executive Officer (CEO)	
CEO Name	CEO Address
None Entered	
Labor Judgment	
No Manager or Member, as further defined by California Corporations Code section 17702.09(a)(8), has an outstanding final judgment issued by the Division of Labor Standards Enforcement or a court of law, for which no appeal is pending, for the violation of any wage order or provision of the Labor Code.	

Electronic Signature

By signing, I affirm under penalty of perjury that the information herein is true and correct and that I am authorized by California law to sign.

Michael Lamond

Signature

05/15/2024

Date



STATE OF CALIFORNIA
ACTING SECRETARY OF STATE
TONY MILLER

LIMITED LIABILITY COMPANY
ARTICLES OF ORGANIZATION

IMPORTANT - Read instructions before completing the form.
This document is presented for filing pursuant to Section 17050 of the California Corporations Code.

1. Limited liability company name:
Alpine Natural Gas Operating Company No.1, L.L.C.
(End the name with "LLC" or "Limited Liability Company". No periods between the letters in "LLC". "Limited" and "Company" may be abbreviated as "Ltd." and "Co.")

2. Latest date on which the limited liability company is to dissolve:
December 31, 2099

3. The purpose of the limited liability company is to engage in any lawful act or activity for which a limited liability company may be organized under the Beverly-Killea Limited Liability Company Act.

4. Enter the name of initial agent for service of process and check the appropriate provision below:
STEVEN A. MALCOUN

an individual residing in California. Proceed to Item 5.

a corporation which has filed a certificate pursuant to Section 1505 of the California Corporations Code. Skip Item 5 and proceed to Item 6.

5. If the initial agent for service of process is an individual, enter a business or residential street address in California:
Street address: **2453 Grand Canal Blvd.**
City: **Stockton**, State: **CALIFORNIA** Zip Code: **95207**

6. The limited liability company will be managed by: (check one)
 one manager more than one manager limited liability company members

7. If other matters are to be included in the articles of organization attach one or more separate pages.
Number of pages attached, if any:

8. It is hereby declared that I am the person who
executed this instrument, which execution is
my act and deed.

Steven Malcoun
Signature of organizer

STEVEN A. MALCOUN
Type or print name of organizer

Date: June 18, 1996

LLC-1
Filing Fee \$100

Approved by the Secretary of State
06/21/96



101996172005

FILED: REGISTRN/ARTICLES OF ORG.
AT SACRAMENTO, CA ON JUN.20, 1996
SECRETARY OF STATE OF CALIFORNIA

ATTACHMENT B

Liberty Utilities (CalPeco Electric) LLC
Articles of Incorporation



**State of California
Secretary of State**

LLC-1

File #

200910410277

FILED

In the Office of the Secretary of State
of the State of California

Se

APR 14 2009

**LIMITED LIABILITY COMPANY
ARTICLES OF ORGANIZATION**

A \$70.00 filing fee must accompany this form.

IMPORTANT – Read instructions before completing this form.

This Space For Filing Use Only

ENTITY NAME (End the name with the words "Limited Liability Company," or the abbreviations "LLC" or "L.L.C." The words "Limited" and "Company" may be abbreviated to "Ltd." and "Co.," respectively.)

1. NAME OF LIMITED LIABILITY COMPANY
California Pacific Electric Company, LLC

PURPOSE (The following statement is required by statute and should not be altered.)

2. THE PURPOSE OF THE LIMITED LIABILITY COMPANY IS TO ENGAGE IN ANY LAWFUL ACT OR ACTIVITY FOR WHICH A LIMITED LIABILITY COMPANY MAY BE ORGANIZED UNDER THE BEVERLY-KILLEA LIMITED LIABILITY COMPANY ACT.

INITIAL AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and both items 3 and 4 must be completed. If the agent is a corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and item 3 must be completed (leave item 4 blank).)

3. NAME OF INITIAL AGENT FOR SERVICE OF PROCESS
C T Corporation System

4. IF AN INDIVIDUAL, ADDRESS OF INITIAL AGENT FOR SERVICE OF PROCESS IN CALIFORNIA CITY STATE ZIP CODE
CA

MANAGEMENT (Check only one)

5. THE LIMITED LIABILITY COMPANY WILL BE MANAGED BY:

ONE MANAGER
 MORE THAN ONE MANAGER
 ALL LIMITED LIABILITY COMPANY MEMBER(S)

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION SET FORTH ON THE ATTACHED PAGES, IF ANY, IS INCORPORATED HEREIN BY THIS REFERENCE AND MADE A PART OF THIS CERTIFICATE.

EXECUTION

7. I DECLARE I AM THE PERSON WHO EXECUTED THIS INSTRUMENT, WHICH EXECUTION IS MY ACT AND DEED.

April 13, 2009

DATE

[Handwritten Signature]
SIGNATURE OF ORGANIZER

Ian Robertson

TYPE OR PRINT NAME OF ORGANIZER

ATTACHMENT C

West Coast Gas Company, Inc.
Articles of Incorporation

Attachment C
WEST COAST GAS COMPANY INC.
Article of Incorporation
Page 1 of 2

File No. 100-497430

State of California
SECRETARY OF STATE

Copy #C1947857

RECEIVED
OFFICE OF THE
SECRETARY OF STATE
1997

I, *BILL JONES*, Secretary of State of the State of California,
hereby certify:

That the attached transcript has been compared with
the record on file in this office, of which it purports to
be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

17 1997

Bill Jones
Secretary of State

SECRETARY OF STATE
RECEIVED
1997

97 35085

Attachment A
WEST COAST GAS COMPANY INC.
Article of Incorporation
Page 2 of 2

A497430

ENDORSED-FILED

In the office of the Secretary of State
of the State of California

SEP 16 1997

BILL JONES, Secretary of State

CERTIFICATE OF AMENDMENT
OF ARTICLES OF INCORPORATION OF
MATHER FIELD UTILITIES, INC.,
a California corporation

Bob Williams and Doug Chandler hereby certify as follows:

1. They are the President and Secretary, respectively, of Mather Field Utilities, Inc., a California corporation.
2. ARTICLE I of the Articles of Incorporation of this corporation is amended to read in full as set forth below:

"ARTICLE I

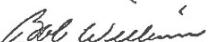
The name of this corporation (the "Corporation") is WEST COAST GAS COMPANY, INC."

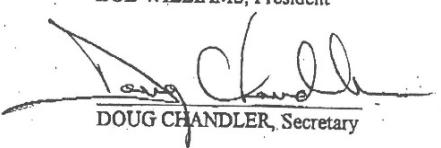
3. The amendment set forth above in Section 2 of this certificate (the "Amendment") has been duly approved by the Board of Directors of this corporation.

4. The Amendment has been duly approved by the required vote of the shareholders of this corporation in accordance with Section 902 of the California Corporations Code. This corporation has only one class of shares and the number of outstanding shares entitled to vote with respect to the Amendment is Six Hundred Forty Four Thousand (644,000). The number of shares voting in favor of the Amendment equaled or exceeded the vote required. The percentage vote required for the approval of the Amendment was more than fifty percent (50%).

Each of the undersigned hereby declares under penalty of perjury under the laws of the State of California that each has read this certificate, knows the contents thereof, and that the same is true and correct of his own knowledge.

Executed at Sacramento, California, on Sept 1, 1997.


BOB WILLIAMS, President


DOUG CHANDLER, Secretary

ATTACHMENT D

Southwest Gas Corporation
Financial Documentation

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Thousands of dollars)
(Unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
Regulated operations plant:		
Gas plant	\$ 10,989,346	\$ 10,844,895
Less: accumulated depreciation	(2,952,957)	(2,914,457)
Construction work in progress	176,485	178,647
Net regulated operations plant	<u>8,212,874</u>	<u>8,109,085</u>
Other property and investments, net	<u>157,994</u>	<u>159,678</u>
Current assets:		
Cash and cash equivalents	386,409	311,073
Accounts receivable, net of allowance	214,064	202,947
Accrued utility revenue	61,900	96,600
Deferred purchased gas costs	7,000	13,937
Prepaid and other current assets	<u>231,015</u>	<u>234,628</u>
Total current assets	<u>900,388</u>	<u>859,185</u>
Noncurrent assets:		
Goodwill	11,155	11,155
Deferred charges and other assets	<u>397,056</u>	<u>394,852</u>
Total noncurrent assets	<u>408,211</u>	<u>406,007</u>
Total assets	<u><u>\$ 9,679,467</u></u>	<u><u>\$ 9,533,955</u></u>
CAPITALIZATION AND LIABILITIES		
Capitalization:		
Common stock	\$ 49,112	\$ 49,112
Additional paid-in capital	2,167,118	2,165,002
Accumulated other comprehensive loss, net	(38,133)	(38,401)
Retained earnings	<u>1,238,775</u>	<u>1,096,149</u>
Total equity	<u>3,416,872</u>	<u>3,271,862</u>
Long-term debt, less current maturities	<u>3,505,352</u>	<u>3,504,477</u>
Total capitalization	<u><u>6,922,224</u></u>	<u><u>6,776,339</u></u>
Current liabilities:		
Accounts payable	129,896	190,612
Customer deposits	66,334	63,876
Income taxes payable	5,879	—
Accrued general taxes	86,748	59,353
Accrued interest	38,684	35,460
Deferred purchased gas costs	289,187	242,259
Payable to parent	344	370
Other current liabilities	<u>114,936</u>	<u>177,226</u>
Total current liabilities	<u><u>732,008</u></u>	<u><u>769,156</u></u>
Deferred income taxes and other credits:		
Deferred income taxes and investment tax credits, net	857,986	819,973
Accumulated removal costs	479,000	472,000
Other deferred credits and other long-term liabilities	<u>688,249</u>	<u>696,487</u>
Total deferred income taxes and other credits	<u><u>2,025,235</u></u>	<u><u>1,988,460</u></u>
Total capitalization and liabilities	<u><u>\$ 9,679,467</u></u>	<u><u>\$ 9,533,955</u></u>

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Thousands of dollars)
(Unaudited)

	Three Months Ended March 31,	
	2025	2024
Regulated operations revenues	\$ 746,416	\$ 1,052,933
Operating expenses:		
Net cost of gas sold	284,579	629,997
Operations and maintenance	129,407	130,866
Depreciation and amortization	93,690	84,823
Taxes other than income taxes	23,761	22,903
Total operating expenses	531,437	868,589
Operating income	214,979	184,344
Other income and (expenses):		
Net interest deductions	(44,631)	(36,444)
Other income	9,302	18,100
Total other (expenses)	(35,329)	(18,344)
Income before income taxes	179,650	166,000
Income tax expense	36,708	30,175
Net income	<u><u>\$ 142,942</u></u>	<u><u>\$ 135,825</u></u>

The accompanying notes are an integral part of these statements.

SOUTHWEST GAS CORPORATION
SUMMARY OF EARNINGS
FOR THE TWELVE MONTHS ENDED MARCH 31, 2025

Line No.	Description	Southern California	Northern California	South Lake Tahoe
	(a)	(b)	(c)	(d)
1	Operating Revenue	\$ 177,737,494	\$ 49,454,157	\$ 30,285,418
2	Operating Expenses	150,178,140	36,351,545	26,425,507
3	Net Operating Income	\$ <u>27,559,354</u>	\$ <u>13,102,611</u>	\$ <u>3,859,912</u>
4	Rate Base at 12/31/21	\$ 425,654,156	\$ 152,462,752	\$ 97,875,983
5	Rate of Return	6.47%	8.59%	3.94%
		(0)	0	0

Southwest Gas Corporation
Cost and Depreciation
As of September 30, 2025

FERC Account	Account Description	Original Cost Balance	Reserve for Depreciation and Amortization
Gas Plant Accounts 101 and 106			
301.00	Organization	172,951.30	0.00
302.00	Franchises and Consents	2,907,757.43	1,683,510.34
303.00	Miscellaneous Intangible Plant	<u>350,863,424.07</u>	<u>250,721,077.00</u>
	Total Intangible Plant	<u>353,944,132.80</u>	<u>252,404,587.34</u>
360.00	Land and Land Rights	1,772,673.42	0.00
361.00	Structures and Improvements	15,528,308.53	4,142,083.90
362.00	Gas Holders	33,550,482.31	9,070,851.02
363.20	Vaporizing Equipment	9,277,529.65	2,505,925.51
363.30	Compressor Equipment	7,944,221.96	2,142,226.14
363.50	Other Equipment	<u>8,837,278.09</u>	<u>2,333,606.82</u>
	Total Other Storage Plant - LNG	<u>76,910,493.96</u>	<u>20,194,693.39</u>
365.10	Land and Land Rights	888,529.43	0.00
365.20	Rights of Way	442,098.43	(23,435.59)
366.10	Structures - Compressor Stations	647,856.53	631,500.77
366.20	Structures - General	1,275,555.33	361,399.52
367.00	Transmission Mains	107,265,383.90	47,887,761.98
367.20	Transmission Mains - Bridge	105,956.00	127,146.00
368.00	Compressor Stations	7,105,673.44	3,404,407.75
369.00	Measuring and Regulating Station Equipment	27,850,922.19	8,876,229.72
370.00	Communication Equipment	689,325.59	441,241.47
371.00	Miscellaneous Equipment	<u>18,822.73</u>	<u>20,149.91</u>
	Total Transmission Plant	<u>146,290,123.57</u>	<u>61,726,401.53</u>
374.10	Land and Land Rights	748,764.34	0.00
374.20	Rights of Way	6,352,624.94	1,638,999.67
375.00	Structures	111,407.38	141,169.46
376.00	Distribution Mains	5,844,269,993.17	1,559,908,223.88
378.00	Measuring and Regulating Station Equipment	208,707,227.97	75,567,309.96
379.00	Meas and Reg Station Equipment - City Gate	4,869.11	4,869.11
380.00	Services	2,786,664,791.37	976,723,188.77
381.00	Meters	873,845,410.79	254,394,397.54
385.00	Industrial Meas and Reg Station Equipment	35,500,180.88	15,517,936.42
387.00	Other Distribution Equipment	<u>450,619.92</u>	<u>734,019.07</u>
	Total Distribution Plant	<u>9,756,655,889.87</u>	<u>2,884,630,113.88</u>

Southwest Gas Corporation
Cost and Depreciation
As of September 30, 2025

389.00	Land	33,875,213.62	0.00
390.10	Structures - Owned	271,783,351.12	53,077,200.02
390.20	Structures - Leased	1,099,388.98	569,719.64
391.00	Office Furniture and Equipment	19,721,959.46	9,362,427.91
391.10	Computer Equipment	20,840,245.47	9,504,283.43
392.11	Transportation Equipment - Light Vehicles	70,497,783.30	33,208,792.77
392.12	Transportation Equipment - Heavy Vehicles	48,458,710.39	12,539,583.89
392.21	Aircraft	0.00	0.00
393.00	Stores Equipment	4,109,875.57	1,354,679.66
394.00	Tools, Shop, and Garage Equipment	51,943,210.52	23,137,594.01
395.00	Laboratory Equipment	3,017,443.01	1,063,019.57
396.00	Power Operated Equipment	26,160,025.04	4,429,903.14
397.00	Communication Equipment	22,764,453.46	4,731,765.08
397.20	Telemetry Equipment	14,066.54	95,556.76
398.00	Miscellaneous Equipment	17,220,678.83	6,184,162.47
	Total General Plant	<u>591,506,405.31</u>	<u>159,258,688.35</u>
	Total Depreciable Plant (Accounts 101 and 106)	<u>10,925,307,045.51</u>	<u>3,378,214,484.49</u>

Other Accounts

105.00	Gas Plant Held for Future Use	0.00	0.00
107.00	Construction Work in Progress	221,195,149.74	0.00
108.10	Retirement Work in Progress	14,483,828.46	0.00
114.00	Gas Plant Acquisition	0.00	0.00
120.00	Northern California Surcharge	11,390,432.00	11,390,432.00
121.00	Non-Utility Property	2,152,574.24	0.00
	Total Other Accounts	<u>249,221,984.44</u>	<u>11,390,432.00</u>
	Net Utility Plant	<u>11,174,529,029.95</u>	<u>3,389,604,916.49</u>

ATTACHMENT E

Alpine Natural Gas Operating Company No. 1, LLC
Financial Documentation

2025

DECLARATION OF COSTS AND OTHER RELATED PROPERTY INFORMATION

AS OF 12:01 A.M., JANUARY 1, 2025

This statement must be completed, signed, and filed with the State-Assessed Properties Division, Board of Equalization, P.O. Box 942879, MIC:61, Sacramento, California 94279-0061, by March 1, 2025. Omit cents; round to the nearest dollar.

J NAME, STREET, CITY, STATE, and ZIP CODE

Alpine Natural Gas Operating Company No. 1, LLC
P.O. Box
Valley Springs, CA 95252

L SBE Number 0192

Indicate if above is a change of name and/or address.

THIS STATEMENT SHALL CONSIST OF:		DATE SUBMITTED	DATE TO BE SUBMITTED	N/A	Name and address of person to whom correspondence regarding audit should be addressed:
(1) Tangible Property List a. TPL Supplement					NAME MICHAEL LAMOND
(2) Summary Control					MAILING ADDRESS (including ZIP Code) P.O. BOX 550
(3) Statement of Land Changes					VALLEY SPRINGS, CA 95252
(4) Financial Schedules A to E					TELEPHONE NUMBER 209-772-3006
(5) Schedule of Intangible Information					EMAIL ADDRESS mike@alpinenaturalgas.com
(6) Schedules of Leased Equipment		1500 A 1600-B			LOCATION OF ACCOUNTING RECORDS (street, city, state, and ZIP Code) 15 St. Andrews Rd. Ste 7
(7) Other Information as Requested (see instructions on reverse)					NAME OF AUTHORIZED REPRESENTATIVE (if applicable) VALLEY SPRINGS, CA 95252
a. Payments to Local Governments					ADDRESS (street, city, state, and ZIP Code)
b. Stmt. of Rev/Cost Changes					DAYTIME TELEPHONE NUMBER 209-772-3006
c. Annual Rept. to Federal Agencies					EMAIL ADDRESS
d. Annual Rept. to State Agencies					*BOE-892, Statement of Authorization, must be filed annually.
e. Form 10K					
f. Shareholders Report					
g. Working Cash Statement					
h. Inventory Data					
i. Other					

List business activities:

(II) ENTITY TYPE: Proprietorship Partnership Corporation Other Change in ownership prior 12 months? Yes No

CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that I have examined this Property Statement, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete and covers all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named in the statement at 12:01 am. on January 1, 2025. If prepared by a person other than the taxpayer, this declaration is based on all information of which preparer has knowledge.

FULL LEGAL NAME IF INCORPORATED

MICHAEL LAMOND

SIGNATURE OF OWNER, PARTNER, OFFICER, OR AUTHORIZED AGENT

MICHAEL LAMOND

PRINTED NAME OF SIGNATORY

SIGNATURE AND ADDRESS OF PREPARER OTHER THAN TAXPAYER

FOR OFFICIAL USE ONLY

DATE	Feb 24
TITLE	2025
DATE	Administrator
2025	

Under the provisions of sections 826 and 830 of the Revenue and Taxation Code and section 901, Title 18, California Code of Regulations, **the BOE requests that you file a property statement with the BOE between January 1, 2025, and 5:00 p.m. on March 1, 2025.** The property statement shall be completed in accordance with instructions included with the property statement and in publication 67-GE, *Instructions for Reporting State-Assessed Property*, for lien date 2025. Reporting instructions are available on the Internet at www.boe.ca.gov/proptaxes/psrcont.htm.

All parts of the property statement must be filed by March 1. **Extensions of time for filing the property statement or any of its parts may be granted only on a showing of good cause under a written request made prior to March 1.** If you do not file timely, it may result in an added penalty of ten percent of the assessed value as required by section 830 of the Revenue and Taxation Code.

(7) OTHER INFORMATION-INSTRUCTIONS

The following information shall be provided with the property statements:

- a. A statement of your 2024 payments to governmental entities for property located in California. Please indicate those payments which are on the basis of agreements entered into prior to December 1955 and which have not been subsequently extended or renewed.
- b. A statement of changes in revenue and/or costs for the future that are certain, such as rate increases ordered by the Public Utilities Commission or other regulatory agencies or contracts signed by management and labor unions. Please furnish regulatory agency's decision numbers if changes are due to rate case proceedings.
- c. A copy of your annual report(s) to federal regulatory agencies, such as the I.C.C., F.C.C., F.E.R.C., among others.
- d. A copy of your annual report to the California Public Utilities Commission.
- e. A copy of your Form 10K filed with the Securities and Exchange Commission.
- f. A copy of your 2024 annual report to stockholders.
- g. A statement of the amount of working cash as determined by a lead-lag study prepared in connection with the latest request for a rate change to the appropriate regulatory commission(s) together with a copy of the study. The date of the rate request should also be stated on the study. If such a study is not available, the best estimate of average working cash may be reported with an explanation of how the amount was determined.
- h. A statement of the amount of inventory held for sale or lease in the ordinary course of business. Such inventory should be reported as follows:
 1. Inventory quantity and amount, at book cost, as of January 1, 2025.
 2. The average quantity and amount of inventory, at book cost, on hand during calendar year 2024. These figures may be calculated by averaging the twelve (12) month-ending balances.
 3. Exempt inventory (items held for sale or lease in the ordinary course of business) or supplies which will become a component part of a product you manufacture or sell should not be reported on BOE-533-E, *Tangible Property List*.
- i. Supplemental information as requested.

A positive response is required for all parts of the property statement. If a requested item does not apply, please so state. If you do not respond to all parts of the property statement, you may be subject to the penalties of section 830 of the Revenue and Taxation Code.

BOE-600-A, *Schedule of Leased Equipment to be Assessed by the BOE to the State Assessee (Lessee)*, BOE-600-B, *Schedule of Leased Equipment Which is to be Reported by Lessor to Local Assessor for Assessment*, and BOE-551, *Statement of Land Changes*, need not be returned if there is nothing to report. However, a positive response under the "N/A" column on page S1 F is required for those forms not returned.

You have the option of substituting for Financial Schedules A to E inclusive, copies of schedules of corresponding information as filed in your annual report required by the California Public Utilities Commission or Federal Energy Regulatory Commission for the corresponding period; provided, however, that information regarding depreciation and taxes shall be furnished as called for in the schedules.

Report book cost (100 percent of actual cost). Include excise, sales and use taxes, freight-in, installation charges, finance charges during construction, and all other relevant costs required to place the property in service. Do not reduce costs for depreciation (which must be reported separately). Report separately the details of any trade-in value, write-downs of cost, extraordinary damage or obsolescence, or any other information that may help the BOE in estimating fair market value.

Note: All replacement cost studies, obsolescence requests, and other voluntary information that assessees believe affect the value of their property must be filed with the property statement or by a date granted by a formal extension. If such information is not filed by that date, staff is not required to consider it in determining its unitary value recommendation.

SCHEDULE A-Comparative Balance Sheet

2025

COMPANY NAME		SSE NUMBER
Alpine Natural Gas Operating Company No. 1, LLC		0192
BALANCE AT BEGINNING OF 2024		BALANCE AT END OF 2024
\$ 4,542,536	Plant and equipment	\$ 4,484,618
(216,556)	Depreciation reserve licensed vehicles	(203,219)
(3,611,706)	Depreciation reserve other plant and eq.	(3,667,542)
	Depreciation reserve nonoperative prop.	
	Miscellaneous physical property	
	Investments in securities	
	Other investments	
	Sinking and other funds	
	Other utility plant	
(10,909)	Cash and working funds	22,433
	Temporary cash investments and special deposits	
	Notes receivable	
168,814	Accounts receivable	156,154
	Interest, dividends, and rents receivable	
	Materials and supplies	
	Inventory held for sale or lease in ordinary course of business	
	Discount on capital stock	
	Discount and expense on funded debt	
	Prepayments	
	All other deferred debits (describe)	
\$ 872,179	TOTAL ASSETS AND OTHER DEBITS	\$ 792,444
LIABILITIES		
\$ 435,547	Capital stock	\$ 352,467
	Premiums and assessments on capital stock	
	Funded debt unmatured	
	Capital stock expense	
	Other long-term debt	
324,705	Loans and notes payable	295,171
21,673	Accounts payable	66,940
79,632	Matured interest and dividends	
10,622	Taxes accrued	60,004
	Customer deposits and advances	
	Other current and accrued liabilities	
\$ 872,179	Premium on long-term debt	17,862
	Deferred income taxes b	
	Other reserves	
	Employees' provident reserve	
	Other deferred and unadjusted credits	
	Retained earnings	
	TOTAL LIABILITIES AND OTHER CREDITS	\$ 792,444

Notes: "Interstate companies show California end-of-year amount in box.

bAttach a schedule detailing property-related operating deferred tax reserve. Interstate companies a/so show California amounts if available.

2025

SCHEDULE B-Gas Plant (3 of 5)

COMPANY NAME		SBE NUMBER		
Alpine Natural Gas Operating Company No. 1, LLC		0192		
	BALANCE AT BEGINNING OF 2024	2024 ADDITIONS	2024 RETIREMENTS	BALANCE AT ENDOF2024
DISTRIBUTION PLANT				
374 Land and land rights*	109,221			109,221
375 Structures and improvements	2,278,637	1,001		2,279,638
376 Mains				
377 Compressor station equipment				
378 Meas. and reg. equipment-General				
379 Meas. and reg. equipment-City Gate				
380 Services				
381 Meters	1,591,989	405		1,592,394
382 Meter installations				
383 House regulators				
384 House regulators installations				
385 Industrial meas. and reg. station equipment	33,059			33,059
386 Other property on custom equipment				
387 Other equipment				
GENERAL PLANT				
389 Land and land rights*				
390 Structures and improvements				
391 Office furniture and equipment	284,987	1,300	28,557	257,730
392 Licensed vehicles	244,643		32,067	212,576
392 Trans. equipment-Excluding licensed vehicles				
393 Stores equipment				
394 Tools, shop, and garage equipment				
395 Laboratory equipment				
396 Power operated equipment				
397 Communication equipment				
398 Miscellaneous equipment				
399 Other tangible property				
101 Total gas plant in service				
102 Gas plant purchased				
102 Gas plant sold				
103 Gas plant in process of reclass.				
104 Gas plant leased to others				
105 Gas plant held for future use				
106 Compl. const. not class.-Gas				
107 Const. work in progress-Gas				
114 Gas plant acquisition adjustment				
116 Other gas plant adjustments				
117 Gas stored UG-Noncurrent				
118 Other utility plant				
Total Gas Plant in California	4,542,536	2,706	60,624	4,484,618
Total Gas Plant in Other States				
GRAND TOTAL SYSTEM	4,542,536	2,706	60,624	4,484,618

*1 additions and/or retirements are reported for Land, Land Rights, Rights-of-Way, Easements, among others, BOE-551, *Statement of Land Changes*, must be filed with the State-Assessed Properties Division.

2025¹SCHEDULE B-1 COST DETAIL OF DEPRECIABLE PROPERTY
AS OF JANUARY 1, 2025 (1 of 2)

INTERSTATE COMPANIES: Prepare a separate Schedule B-1 for California and for Total System.

Check one: CALIFORNIA SYSTEM

COMPANY NAME	ORIGINAL COST						SBE NUMBER
YEAR OF ACQ.	AcctNo: 375	Acct No: 376	AcctNo: 382	Acct No: 385	AcctNo: 391	Acct No: 392	Acct No: 393
2024		1,001	405		1,300		
2023		9,018	12,018		1,090		
2022		618	29,071		650		
2021		29,875	8,434		18,701		
2020		37,836	2,022		48,932	57,757	
2019		44,897	25,707		6,654		
2018		39,353	65,097		50,428	84,496	
2017		13,024	71,004				
2016		7,874	50,877		1,800		
2015		1,111	39,948		4,050		
2014		8,948	6,701		7,968		
2013		10,860	28,250	4,196	6,276		
2012		2,885	23,691		7,091		
2011		6,186	9,819		5,149		
2010		30	20,832		16,049	20,656	
2009		59	12,115	1,266	2,850	32,066	
2008			4,030				
2007		41,439	12,078		11,721	49,668	
2006		12,603	68,150		10,135		
2005		2,379	66,328		24,892		
2004		18,033	91,600		5,632		
2003			54,925		4,195		
2002		79,597	167,605				
2001			96,867				
2000	109,221	1,912,012	624,820	27,597	22,167		
1999							
1998							
1997							
1996							
1995							
1994							
1993							
1992							
1991							
1990							
1989							
1988							
Prior							
TOTAL	109,221	2,279,638	1,592,394	33,059	257,730	212,576	

- Schedule R may be used as a substitute for the Schedule B-1 reporting requirements.
- You may substitute an electronic filing in place of the Schedule B-1.

2025

SCHEDULE C - Gas Net Utility Income Statement (1 of 2)

COMPANY NAME	NUMBER	2024 CALENDAR YEAR	2023 CALENDAR YEAR
Alpine Natural Gas Operating Company No. 1, LLC	ISBE 0792		
ACCOUNT TITLE	ACCOUNT NUMBER		
OPERATING REVENUES			
Residential sales		1,036,028	2,061,596
Commercial and industrial sales		67,161	101,951
Other gas service revenues		181,149	180,986
Other gas revenues		48,543	46,114
Total Operating Revenues	400	1,332,881	2,390,647
OPERATING EXPENSES			
Production			
Manufactured gas production			
Natural gas production			
Exploration and development			
Other gas supply			
Underground storage			
Other storage			
Transmission		628,740	1,383,418
Distribution			
Customer accounts			
Customer service and information			
Sales			
Administrative and general		679,714	749,232
Total Operating and Maintenance Expenses	401-402	1,308,454	2,132,650
NONCASH EXPENSES AND TAXES			
Depreciation	403	89,410	99,638
Amortization of limited-term gas plant	404		
Amortization of other gas plant	405		
Amortization of gas plant acquisition adjustments	406		
Amortization of property losses, unrecovered plant, etc.	407.1		
Amortization of conversion expense	407.2		
Ad Valorem (property) taxes	408	17,937	6,485
Taxes other than income and A.V. taxes	408.1		
Federal income tax	409.1		
State income tax	409.1	6,800	6,800
Provision for deferred income taxes	410.1		
Income taxes deferred in prior years-Credit	411.1		
Investment tax credit adjustments	411.4		
Total Operating Expenses		1,422,601	2,245,573
Net Gas Utility Operating Income		(89,720)	145,074
OTHER UTILITY OPERATING INCOME	412-414		
Net Utility Operating Income		(89,720)	145,074

2025

SCHEDULE C-Electric Net Utility Income Statement (2 of 2)

COMPANY NAME	SBE NUMBER	2024 CALENDAR YEAR	2023 CALENDAR YEAR
Alpine Natural Gas Operating Company No. 1, LLC	0192		
ACCOUNT TITLE	ACCOUNT NUMBER		
OPERATING REVENUES			
Residential sales			
Commercial and industrial sales			
All other sales			
Other operating revenues			
Total Operating Revenues	400		
OPERATING EXPENSES			
Steam power generation			
Nuclear power generation			
Hydraulic power generation			
Other power generation			
Other power supply			
Transmission			
Distribution			
Customer accounts			
Customer service and information			
Sales			
Administrative and general			
Total Operating and Maintenance Expenses	401-402		
NONCASH EXPENSES AND TAXES			
Depreciation	403		
Amortization of limited-term electric plant	404		
Amortization of other electric plant	405		
Amortization of electric plant acquisition adjustments	406		
Amortization of property losses, unrecovered plant, etc.	407		
Ad Valorem (property) taxes	408		
Taxes other than income and AV. taxes	408.1		
Federal income tax	409.1		
State income tax	409.1		
Provision for deferred income taxes	410.1		
Income taxes deferred in prior years-Credit	411.1		
Investment tax credit adjustments	411.4		
Total Operating Expenses			
Net Electric Utility Operating Income			
OTHER UTILITY OPERATING INCOME	412-414		
Net Utility Operating Income			

F 2025

SCHEDULED-Statement of Income

COMPANY NAME		SSE NUMBER
Alpine Natural Gas Operating Company No. 1, LLC		0192
	2024 CALENDAR YEAR	2023 CALENDAR YEAR
Net operating income (from Schedule C)	(89,720)	145,074
Net income from other operations		
Other income		
Revenues from nonoperative physical property		
Other income	21,150	
Total		
Income deductions		
Depreciation on nonoperative physical property		
Trues on nonoperative physical property		
Other expenses of nonoperative physical property		
Interest		
Other income deductions		
Total		
Net income	(68,570)	145,074

SCHEDULE E-Statement of Deferred Income Taxes

ACCUMULATED DEFERRED INCOME TAXES-Property Related	ACCOUNT NUMBER	BALANCE AT END OF 2024	BALANCE AT END OF 2023
Accumulated Deferred Income Taxes-All			
Accumulated Deferred Income Taxes-All			
Accumulated Deferred Income Taxes-All			
Accumulated Deferred Income Taxes-All			
Accumulated Deferred Investment Tax Credits-All			
Total			

ACCUMULATED DEFERRED INCOME TAXES-Nontaxable Property

Licensed Motor Vehicles			
Application Software			
Intangibles			
Other (describe)			
Accumulated Deferred Investment Tax Credits-Nontaxable Property			
Total			

Note: For companies with nuclear generating plants, hydroelectric plants or large steam generating plants, supporting schedules segregating Accumulated Deferred Income Taxes for transmission and distribution plants, and each type of generating plants are required.

ATTACHMENT F

Bear Valley Electric Service, Inc.
Financial Documentation

<p>Name of Respondent: Bear Valley Electric Service, Inc.</p> <p>This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission</p>		<p>Date of Report: 04/15/2025</p>	<p>Year/Period of Report End of: 2024/ Q4</p>
COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)			
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)
			Prior Year End Balance 12/31 (d)
1	UTILITY PLANT		
2	Utility Plant (101-106, 114)	200	171,141,000
3	Construction Work in Progress (107)	200	59,375,000
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		230,516,000
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200	60,153,000
6	Net Utility Plant (Enter Total of line 4 less 5)		170,363,000
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202	
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		
9	Nuclear Fuel Assemblies in Reactor (120.3)		
10	Spent Nuclear Fuel (120.4)		
11	Nuclear Fuel Under Capital Leases (120.6)		
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202	
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		
14	Net Utility Plant (Enter Total of lines 6 and 13)		170,363,000
15	Utility Plant Adjustments (116)		
16	Gas Stored Underground - Noncurrent (117)		
17	OTHER PROPERTY AND INVESTMENTS		
18	Nonutility Property (121)		
19	(Less) Accum. Prov. for Depr. and Amort. (122)		

20	Investments in Associated Companies (123)		
21	Investment in Subsidiary Companies (123.1)	224	
23	Noncurrent Portion of Allowances	228	
24	Other Investments (124)		644,000
25	Sinking Funds (125)		
26	Depreciation Fund (126)		
27	Amortization Fund - Federal (127)		
28	Other Special Funds (128)		
29	Special Funds (Non Major Only) (129)		
30	Long-Term Portion of Derivative Assets (175)		
31	Long-Term Portion of Derivative Assets - Hedges (176)		
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)	644,000	419,000
33	CURRENT AND ACCRUED ASSETS		
34	Cash and Working Funds (Non-major Only) (130)		
35	Cash (131)	2,167,000	334,000
36	Special Deposits (132-134)		
37	Working Fund (135)		
38	Temporary Cash Investments (136)		
39	Notes Receivable (141)		
40	Customer Accounts Receivable (142)	3,187,000	3,374,000
41	Other Accounts Receivable (143)	794,000	738,000
42	(Less) Accum. Prov for Uncollectible Acct.-Credit (144)	200,000	142,000
43	Notes Receivable from Associated Companies (145)		
44	Accounts Receivable from Assoc. Companies (146)	45,000	
45	Fuel Stock (151)	227	
46	Fuel Stock Expenses Undistributed (152)	227	

47	Residuals (Elec) and Extracted Products (153)	227	
48	Plant Materials and Operating Supplies (154)	227	4,703,000
49	Merchandise (155)	227	
50	Other Materials and Supplies (156)	227	
51	Nuclear Materials Held for Sale (157)	202/227	
52	Allowances (158.1 and 158.2)	228	
53	(Less) Noncurrent Portion of Allowances	228	
54	Stores Expense Undistributed (163)	227	
55	Gas Stored Underground - Current (164.1)		
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		
57	Prepayments (165)		311,000
58	Advances for Gas (166-167)		323,000
59	Interest and Dividends Receivable (171)		
60	Rents Receivable (172)		
61	Accrued Utility Revenues (173)		1,542,000
62	Miscellaneous Current and Accrued Assets (174)		35,000
63	Derivative Instrument Assets (175)		
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		
65	Derivative Instrument Assets - Hedges (176)		
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		
67	Total Current and Accrued Assets (Lines 34 through 66)		12,584,000
68	DEFERRED DEBITS		
69	Unamortized Debt Expenses (181)		479,000
70	Extraordinary Property Losses (182.1)	230a	466,000
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	

72	Other Regulatory Assets (182.3)	232	42,134,000	30,356,000
73	Prelim. Survey and Investigation Charges (Electric) (183)			
74	Preliminary Natural Gas Survey and Investigation Charges (183.1)			
75	Other Preliminary Survey and Investigation Charges (183.2)			
76	Clearing Accounts (184)			13,000
77	Temporary Facilities (185)			
78	Miscellaneous Deferred Debits (186)	233	22,000	22,000
79	Def. Losses from Disposition of Utility Plt. (187)			
80	Research, Devel. and Demonstration Expend. (188)	352		
81	Unamortized Loss on Required Debt (189)			
82	Accumulated Deferred Income Taxes (190)	234	3,114,000	3,370,000
83	Unrecovered Purchased Gas Costs (191)			
84	Total Deferred Debits (lines 69 through 83)		45,749,000	34,227,000
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		229,340,000	185,650,000

Name of Respondent: Bear Valley Electric Service, Inc.	This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report: 04/15/2025	Year/Period of Report End of: 2024/ Q4
FOOTNOTE DATA			

(a) Concept: UtilityPlantAndConstruction\WorkInProgress

Reconciliation of Total Utility Plant per the Balance Sheet (page 110, line 4, column c) with Total Utility Plant shown on Schedule Page 200, line 13, column b

Utility Plant per Schedule page 200, line 13, column b	230,516	197,895
Capitalized Benefits adjustment from Labor Acquisition adjustment	—	—
Total Utility Plant per the Balance Sheet (page 110, line 4, column c)	230,516	197,895

(b) Concept: AccumulatedProvisionForDepreciationAmortizationAndDepletionOfPlantUtility

Reconciliation of Accumulated Depreciation per the Balance Sheet (page 110, line 5, column c) with Accumulated Depreciation shown on page 200, line 14, column b

Accumulated Depreciation per Schedule page 200, line 14, column b	60,153	57,561
Accumulated Depreciation on Capitalized Benefits from Labor Acquisition Adjustment	—	—
Total Accumulated Depreciation per the Balance Sheet (page 110, line 5, column c)	60,153	57,561

(c) Concept: UtilityPlantNet

Reconciliation of Net Utility Plant per the Balance Sheet (page 110, line 6, column c) with Net Utility Plant shown on Schedule Page 200, line 15, column b

Net Utility Plant per Schedule page 200, line 15, column b	170,363	140,334
Capitalized Benefits from Labor Acquisition adjustment	—	—
Accumulated Depreciation on Capitalized Benefits from Labor Acquisition adjustment	—	—
Total Net Utility Plant per the Balance Sheet (page 110, line 6, column c)	170,363	140,334

Name of Respondent: Bear Valley Electric Service, Inc.		This report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	
		Date of Report: 04/15/2025	Year/Period of Report End of: 2024/ Q4
COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)			
Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)
PRIORITIZED CAPITAL			Prior Year End Balance 12/31 (d)
2	Common Stock Issued (201)	250	93,315,000
3	Preferred Stock Issued (204)	250	71,344,000
4	Capital Stock Subscribed (202, 205)		
5	Stock Liability for Conversion (203, 206)		
6	Premium on Capital Stock (207)		
7	Other Paid-In Capital (208-211)	253	13,000
8	Installments Received on Capital Stock (212)	252	13,000
9	(Less) Discount on Capital Stock (213)	254	
10	(Less) Capital Stock Expense (214)	254b	
11	Retained Earnings (215, 215.1, 216)	118	8,743,000
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118	989,000
13	(Less) Reacquired Capital Stock (217)	250	
14	Noncorporate Proprietorship (Non-major only) (218)		
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	
16	Total Proprietary Capital (Lines 2 through 15)		102,071,000
17	LONG-TERM DEBT		72,346,000
18	Bonds (221)	256	
19	(Less) Reacquired Bonds (222)	256	
20	Advances from Associated Companies (223)	256	
21	Other Long-Term Debt (224)	256	80,000,000
			35,000,000

22	Unamortized Premium on Long-Term Debt (225)		
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		
24	Total Long-Term Debt (lines 18 through 23)	80,000,000	35,000,000
25	OTHER NONCURRENT LIABILITIES		
26	Obligations Under Capital Leases - Noncurrent (227)	16,000	
27	Accumulated Provision for Property Insurance (228.1)		
28	Accumulated Provision for Injuries and Damages (228.2)		
29	Accumulated Provision for Pensions and Benefits (228.3)	465,000	343,000
30	Accumulated Miscellaneous Operating Provisions (228.4)		
31	Accumulated Provision for Rate Refunds (229)		
32	Long-Term Portion of Derivative Instrument Liabilities		
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		
34	Asset Retirement Obligations (230)		
35	Total Other Noncurrent Liabilities (lines 26 through 34)	465,000	359,000
36	CURRENT AND ACCRUED LIABILITIES		
37	Notes Payable (231)		42,000,000
38	Accounts Payable (232)	7,326,000	4,686,000
39	Notes Payable to Associated Companies (233)		
40	Accounts Payable to Associated Companies (234)		15,000
41	Customer Deposits (235)		101,000
42	Taxes Accrued (236)	262	2,347,000
43	Interest Accrued (237)		479,000
44	Dividends Declared (238)		485,000
45	Matured Long-Term Debt (239)		
46	Matured Interest (240)		
47	Tax Collections Payable (241)		54,000

48	Miscellaneous Current and Accrued Liabilities (242)			984,000	829,000
49	Obligations Under Capital Leases-Current (243)			12,000	39,000
50	Derivative Instrument Liabilities (244)			8,823,000	2,360,000
51	(Less) Long-Term Portion of Derivative Instrument Liabilities				
52	Derivative Instrument Liabilities - Hedges (245)				
53	(Less) Long-Term Portion of Derivative Instrument Liabilities- Hedges			20,072,000	50,983,000
54	Total Current and Accrued Liabilities (lines 37 through 53)				
55	DEFERRED CREDITS				
56	Customer Advances for Construction (252)			20,000	20,000
57	Accumulated Deferred Investment Tax Credits (255)	266			
58	Deferred Gains from Disposition of Utility Plant (256)				
59	Other Deferred Credits (253)	269		4,000	
60	Other Regulatory Liabilities (254)	278		5,628,000	6,578,000
61	Unamortized Gain on Reacquired Debt (257)				
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272			
63	Accum. Deferred Income Taxes-Other Property (282)			14,888,000	12,741,000
64	Accum. Deferred Income Taxes-Other (283)			6,192,000	7,623,000
65	Total Deferred Credits (lines 56 through 64)			26,732,000	26,962,000
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)			229,340,000	185,650,000

Name of Respondent:
Bear Valley Electric Service, Inc.

This report is:
(1) An Original
(2) A Resubmission

Date of Report:
04/15/2025

Year/Period of Report
End of: 2024/ Q4

STATEMENT OF RETAINED EARNINGS

1. Do not report Lines 49-53 on the quarterly report.
2. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
3. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436-439 inclusive). Show the contra primary account affected in column (b).
4. State the purpose and amount for each reservation or appropriation of retained earnings.
5. List first Account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items, in that order.
6. Show dividends for each class and series of capital stock.
7. Show separately the State and Federal income tax effect of items shown for Account 439, Adjustments to Retained Earnings.
8. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.
9. If any notes appearing in the report to stockholders are applicable to this statement, attach them at page 122.

Line No.	Item (a)	Contra Primary Account Affected (b)	Current Quarter/Year Year to Date Balance (c)	Previous Quarter/Year Year to Date Balance (d)
	UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
1	Balance-Beginning of Period		989,000	(6,490,000)
2	Changes			
3	Adjustments to Retained Earnings (Account 439)			
4	Adjustments to Retained Earnings Credit			
9	TOTAL Credits to Retained Earnings (Acct. 439)			
10	Adjustments to Retained Earnings Debit			
15	TOTAL Debits to Retained Earnings (Acct. 439)			
16	Balance Transferred from Income (Account 433 less Account 418.1)		7,754,000	7,479,000
17	Appropriations of Retained Earnings (Acct. 436)			
17.1	Dividends paid to AWR			
22	TOTAL Appropriations of Retained Earnings (Acct. 436)			
23	Dividends Declared-Preferred Stock (Account 437)			

29	TOTAL Dividends Declared-Preferred Stock (Acct. 437)			
30	Dividends Declared-Common Stock (Account 438)			
36	TOTAL Dividends Declared-Common Stock (Acct. 438)			
37	Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings			
38	Balance - End of Period (Total 1,9,15,16,22,29,36,37)		8,743,000	989,000
39	APPROPRIATED RETAINED EARNINGS (Account 215)			
45	TOTAL Appropriated Retained Earnings (Account 215)			
	APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
46	TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			
47	TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45,46)			
48	TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47) (216.1)		8,743,000	989,000
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account Report only on an Annual Basis, no Quarterly)			
49	Balance-Beginning of Year (Debit or Credit)			
50	Equity in Earnings for Year (Credit) (Account 418.1)			
51	(Less) Dividends Received (Debit)			
52	TOTAL other Changes in unappropriated undistributed subsidiary earnings for the year			
53	Balance-End of Year (Total lines 49 thru 52)			

ATTACHMENT G

Liberty Utilities (CalPeco Electric) LLC
Financial Documentation

**Consolidated Financial Statements of
Liberty Utilities (CalPeco Electric) LLC
For the years ended December 31, 2024 and 2023**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Algonquin Power & Utilities Corp.

Opinion

We have audited the consolidated financial statements of Liberty Utilities (CalPeco Electric) LLC [the "Company"], which comprise the consolidated balance sheet as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in member's interest, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024, and the consolidated results of its financial performance and its consolidated cash flows for the year ended in accordance with United States generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with United States generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 17th 2025

Liberty Utilities (CalPeco Electric) LLC
Consolidated Statements of Comprehensive Income

	Years ended December 31,	
	2024	2023
<i>(thousands of U.S. dollars)</i>		
Revenue		
Residential	\$ 79,087	\$ 87,963
Commercial	78,332	70,894
Other	9,105	11,302
	166,524	170,159
Expenses		
Energy purchased	47,288	38,357
Operating costs	62,736	68,916
Taxes other than income taxes	9,198	6,089
Depreciation and amortization of utility plant	21,090	18,317
	140,312	131,679
Operating income	26,212	38,480
Interest expense	20,387	4,005
Pension and post-employment non-service costs (note 6)	68	95
Loss on disposal	436	19
	20,891	4,119
Net earnings	\$ 5,321	\$ 34,361
Net effect of non-controlling interest (note 13)	(1,324)	(1,324)
Net earnings attributable to the member	6,645	35,685
Other comprehensive income:		
Change in unrealized pension and other post-employment benefits (note 6)	223	52
Comprehensive income	\$ 6,868	\$ 35,737

See accompanying notes to consolidated financial statements

Liberty Utilities (CalPeco Electric) LLC
Consolidated Balance Sheets

	December 31,	December 31,
	2024	2023
<i>(thousands of U.S. dollars)</i>		
ASSETS		
Utility plant		
Utility plant in service	\$ 713,956	\$ 633,571
Less: accumulated depreciation	(101,431)	(84,116)
	612,525	549,455
Construction work-in-progress	47,519	59,789
Utility plant, net (note 4)	660,044	609,244
Goodwill	10,381	10,381
Regulatory assets (note 5)	210,856	181,768
Other assets	7,096	72,060
Current assets		
Cash and cash equivalents	1,501	1,466
Supplies and consumables inventory	14,209	13,127
Accounts receivable, net (note 3)	39,206	25,577
Prepaid expenses and other	18,861	14,911
Due from related parties (note 8)	—	110,132
Regulatory assets (note 5)	33,237	16,807
	107,014	182,020
	\$ 995,391	\$ 1,055,473

Liberty Utilities (CalPeco Electric) LLC
Consolidated Balance Sheets

	December 31,	December 31,
<i>(thousands of U.S dollars)</i>	2024	2023
LIABILITIES AND MEMBER'S EQUITY		
Member's equity		
Member's capital (note 10)	\$ 178,231	\$ 135,780
Accumulated surplus	238,320	231,675
Accumulated other comprehensive income	377	154
Total equity	416,928	367,609
Redeemable non-controlling interests (note 13)	—	1,409
Regulatory liabilities (note 5)	34,586	33,384
Pension and other post-employment benefits obligation (note 6)	1,026	1,027
Advances in aid of construction (note 9)	22,768	21,808
Asset retirement obligation	858	811
Other long term liabilities (note 11)	—	66,000
Current liabilities		
Short-term debt (note 7)	24,799	24,947
Accounts payable and accrued liabilities	35,602	28,240
Customer deposits	400	1,878
Regulatory liabilities (note 5)	1,274	5,718
Other post-employment benefit obligation (note 6)	36	49
Due to related parties (note 8)	457,114	502,593
	519,225	563,425
Commitments and contingencies (note 11)		
Subsequent events (note 15)	\$ 995,391	\$ 1,055,473

See accompanying notes to consolidated financial statements

Liberty Utilities (CalPeco Electric) LLC
Consolidated Statements of Changes in Member's Interest

<i>(thousands of U.S. dollars)</i>	Liberty Utilities (CalPeco Electric) LLC					Total
	Member's capital	Accumulated surplus	Accumulated other comprehensive loss	Non-controlling interests		
Balance, December 31, 2022	\$ 135,780	\$ 195,990	\$ 102	\$ —	\$ 331,872	
Net earnings (loss)	—	35,685	—	(1,324)	34,361	
Redeemable non-controlling interests not included in member's equity (note 13)	—	—	—	1,324	1,324	
Other comprehensive income (loss)	—	—	52	—	52	
Balance, December 31, 2023	\$ 135,780	\$ 231,675	\$ 154	\$ —	\$ 367,609	
Net earnings (loss)	—	6,645	—	(1,324)	5,321	
Redeemable non-controlling interests not included in member's equity (note 13)	—	—	—	1,324	1,324	
Additional paid-in capital	42,451	—	—	—	42,451	
Other comprehensive income	—	—	223	—	223	
Balance, December 31, 2024	\$ 178,231	\$ 238,320	\$ 377	\$ —	\$ 416,928	

See accompanying notes to consolidated financial statements

Liberty Utilities (CalPeco Electric) LLC
Consolidated Statements of Cash Flow

(thousands of U.S. dollars)

Years ended December 31,

2024

2023

Cash provided by (used in):			
Operating Activities			
Net earnings	\$ 5,321	\$ 34,361	
Items not affecting cash:			
Depreciation and amortization of utility plant	21,090	18,317	
Cost of equity funds used for construction purposes	(311)	(284)	
Write-down of assets	(72)	(1,240)	
Pension and post-employment contributions in excess of expense	1,016	(178)	
Changes in non-cash operating items (note 12)	47,694	59,476	
	74,738	110,452	
Financing Activities			
Increase in advances in aid of construction	959	729	
	959	729	
Investing Activities			
Additions to utility plant	(75,662)	(106,851)	
Increases in other assets	—	(4,947)	
	(75,662)	(111,798)	
Increase (decrease) in cash and cash equivalents	35	(617)	
Cash and cash equivalents, beginning of period	1,466	2,083	
Cash and cash equivalents, end of period	\$ 1,501	\$ 1,466	
Supplemental disclosure of cash flow information:			
	2024	2023	
Cash paid during the year for interest expense (note 7)	\$ 30,948	\$ 1,397	
Non-cash transactions: Utility plant in accruals	\$ 4,503	\$ 6,545	

See accompanying notes to consolidated financial statements

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(in thousands of U.S. dollars)

Liberty Utilities (CalPeco Electric) LLC (the "Company") is a limited liability company organized on April 14, 2009 under the laws of California. The Company is in the business of providing regulated electric distribution service to approximately 50,000 customers in the Lake Tahoe region of California.

The Company is 100% owned by Liberty Utilities Co. ("Liberty Utilities").

1. Significant accounting policies

(a) Basis of preparation

The accompanying consolidated financial statements and notes have been prepared in accordance with generally accepted accounting principles in the United States.

(b) Basis of consolidation

The accompanying consolidated financial statements of the Company include the accounts of the Company and its wholly owned subsidiaries, Liberty Utilities (Luning Holdings) LLC and Liberty Utilities (Turquoise Holdings) LLC. Intercompany transactions and balances have been eliminated. Interests in subsidiaries owned by third parties are included in non-controlling interests (note 1(l)).

(c) Business combinations and goodwill

The Company accounts for acquisitions of entities or assets that meet the definition of a business as business combinations. Business combinations are accounted for using the acquisition method. Assets acquired and liabilities assumed are measured at their fair value at the acquisition date. Acquisition costs are expensed in the period incurred. When the set of activities does not represent a business, the transaction is accounted for as an asset acquisition and includes acquisition costs. Goodwill represents the excess of the purchase price of an acquired business over the fair value of the net assets acquired. Goodwill is not included in the rate-base on which the utility is allowed to earn a return and is not amortized.

As at September 30 of each year, the Company assesses qualitative and quantitative factors to determine whether it is more likely than not that the fair value of a reporting unit to which goodwill is attributed is less than its carrying amount. If it is more likely than not that a reporting unit's fair value is less than its carrying amount or if a quantitative assessment is elected, the Company calculates the fair value of the reporting unit. If the carrying amount of the reporting unit as a whole exceeds the reporting unit's fair value, an impairment charge is recorded in an amount of that excess, limited to the total amount of goodwill allocated to that reporting unit. Goodwill is tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

(d) Accounting for rate-regulated operations

The Company is subject to rate regulation overseen by the public utility commission in California (the "Regulator"). The Regulator provides the final determination of the rates charged to customers. The Company is accounted for under the principles of U.S. Financial Accounting Standards Board ("FASB") ASC Topic 980, *Regulated Operations* ("ASC 980"). Under ASC 980, regulatory assets and liabilities are recorded to the extent that they represent probable future revenue or expenses associated with certain charges or credits that will be recovered from or refunded to customers through the rate-making process. Included in note 5, "Regulatory matters" are details of regulatory assets and liabilities, and their current regulatory treatment.

In the event the Company determines that its net regulatory assets are not probable of recovery, it would no longer apply the principles of the current accounting guidance for rate-regulated enterprises, and would be required to record an after-tax, non-cash charge or credit against earnings for any remaining regulatory assets or liabilities. The impact could be material to the Company's consolidated reported financial condition and consolidated results of operations.

The Company's accounts are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission ("FERC").

1. Significant accounting policies (continued)**(e) Cash and cash equivalents**

Cash and cash equivalents include all highly liquid instruments with an original maturity of three months or less.

(f) Accounts receivable

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, future economic conditions and outlook, and the receivables aging and current payment patterns. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any off-balance-sheet credit exposure related to its customers.

(g) Supplies and consumables inventory

Supplies and consumables inventory (other than capital spares and rotatable spares, which are included in utility plant) are charged to inventory when purchased and then capitalized to plant or expensed, as appropriate, when installed, used or upon becoming obsolete. These items are stated at the lower of cost and net realizable value. Through rate orders and the regulatory environment, capitalized construction jobs are recovered through rate base and repair and maintenance expenses are recovered through a cost of service calculation. Accordingly, the cost usually reflects the net realizable value.

(h) Utility plant

Utility plant of the Company consists of solar generation assets and electricity distribution assets used to generate and distribute electricity within a specific geographic service territory to supply end users with electricity. These assets include solar panels, inverters, poles, towers and fixtures, low-voltage wires, transformers, overhead and underground conductors, street lighting, meters, metering equipment and other related equipment.

The costs of acquiring or constructing plant include the following: materials, labor, contractor and professional services, construction overhead directly attributable to the capital project (where applicable) and allowance for funds used during construction ("AFUDC"). Where possible, individual components are recorded and depreciated separately in the books and records of the Company. Plant under finance leases are initially recorded at cost determined as the present value of lease payments to be made over the lease term.

AFUDC represents the cost of borrowed funds and a return on other funds. Under ASC 980, an allowance for funds used during construction projects that are included in rate base is capitalized. This allowance is designed to enable a utility to capitalize financing costs during periods of construction of property subject to rate regulation. The AFUDC capitalized that relates to equity funds is recorded as other income on the consolidated statements of comprehensive income.

	2024	2023
AFUDC capitalized on regulated property:		
Allowance for borrowed funds	\$ 115	\$ 128
Allowance for equity funds	311	284
	\$ 426	\$ 412

Improvements that increase or prolong the service life or capacity of an asset are capitalized. Maintenance and repair costs are expensed as incurred.

1. Significant accounting policies (continued)**(h) Utility plant (continued)**

Contributions in aid of construction represent amounts contributed by customers, governments and developers to assist with the funding of some or all of the cost of utility capital assets. They also include amounts initially recorded as advances in aid of construction (note 9) but where the advance repayment period has expired. These contributions are recorded as a reduction in the cost of utility assets and are amortized at the rate of the related asset as a reduction to depreciation expense.

The Company's depreciation is based on the estimated useful lives of the depreciable assets in each category and is determined using the straight-line method. The ranges of estimated useful lives and the weighted average useful lives are summarized below:

	Range of useful lives		Weighted average useful lives	
	2024	2023	2024	2023
Plant	10-179	10-179	46	47
Equipment, office furniture and improvements	15-25	15-25	17	18

In accordance with regulator-approved accounting policies, when depreciable plant is replaced or retired, the original cost plus any removal costs incurred (net of salvage) are charged to accumulated depreciation with no gain or loss reflected in consolidated results of operations. Gains and losses will be charged to consolidated results of operations in the future through adjustments to depreciation expense.

(i) Impairment of long-lived assets

The Company reviews utility plant and intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Recoverability of assets expected to be held and used is measured by comparing the carrying amount of an asset to undiscounted expected future cash flows. If the carrying amount exceeds the recoverable amount, the asset is written down to its fair value.

(j) Pension and other post-employment plans

The Company has established defined contribution pension plans, defined benefit pension plans, and other post-employment benefit ("OPEB") plans for its various employee groups. Employer contributions to the defined contribution pension plans are expensed as employees render service. The Company recognizes the funded status of its defined benefit pension plans and OPEB plans on the consolidated balance sheets. The Company's expense and liabilities are determined by actuarial valuations, using assumptions that are evaluated annually as of December 31, including discount rates, mortality, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The impact of modifications to those assumptions and modifications to prior services are recorded as actuarial gains and losses in accumulated other comprehensive income ("AOCI") and amortized to net periodic cost over future periods using the corridor method. When settlements of the Company's pension plans occur, the Company recognizes associated gains or losses immediately in earnings if the cost of all settlements during the year is greater than the sum of the service cost and interest cost components of the pension plan for the year. The amount recognized is a pro rata portion of the gains and losses in AOCI equal to the percentage reduction in the projected benefit obligation as a result of the settlement. The costs of the Company's pension for employees are expensed over the periods during which employees render service and are recognized as part of operating costs in the consolidated statements of comprehensive income.

The components of net periodic benefit cost other than the service cost component are included in pension and other post-employment non-service costs in the consolidated statements of comprehensive income.

1. Significant accounting policies (continued)**(k) Leases**

The Company accounts for leases in accordance with ASC Topic 842, *Leases* ("ASC 842").

The Company leases office equipment for use in its day-to-day operations. The Company has options to extend the lease term of many of its lease agreements, with renewal periods ranging from one to five years. As at the consolidated balance sheet date, the Company is not reasonably certain that these renewal options will be exercised.

The right-of-use assets are included in plant while lease liabilities are included in operating leases on the consolidated balance sheets. The discount rates used in the measurement of the Company's right-of-use assets and liabilities are the discount rates at the date of lease inception. The Company's lease balances as at December 31, 2024 and its expected lease payments for the next five years and thereafter are not significant.

(l) Non-controlling interests

Non-controlling interests represent the portion of equity ownership in subsidiaries that is not attributable to the equity holders of the Company. Non-controlling interests are initially recorded at fair value and subsequently adjusted for the proportionate share of earnings and other comprehensive income ("OCI") attributable to the non-controlling interests and any dividends or distributions paid to the non-controlling interests.

One subsidiaries of the Company have non-controlling Class A equity investors ("Class A Interest"), which are entitled to allocations of earnings, tax attributes and cash flows in accordance with contractual agreements. The partnership agreements have liquidation rights and priorities that are different from the underlying percentage ownership interests. In such situation, simply applying the percentage ownership interest to U.S. GAAP net income in order to determine earnings or losses would not accurately represent the income allocation and cash flow distributions that will ultimately be received by the investors. As such, the share of earnings attributable to the non-controlling interest holders in these entities is calculated using the Hypothetical Liquidation at Book Value ("HLBV") method of accounting (note 13).

The HLBV method uses a balance sheet approach. A calculation is prepared as each balance sheet date to determine the amount that Class A Equity Investors would receive if an equity investment entity were to liquidate all of its assets and distribute that cash to the investors based on the contractually defined liquidation priorities. The difference between the calculated liquidation distribution amounts at the beginning and the end of the reporting period is the Class A Equity Investors' share of the earnings or losses from the investment for that period.

Equity instruments subject to redemption upon the occurrence of uncertain events not solely within the Company's control are classified as temporary equity and presented as redeemable non-controlling interests on the consolidated balance sheets (note 13). The Company records temporary equity at issuance based on cash received less any transaction costs. As needed, the Company reevaluates the classification of its redeemable instruments, as well as the probability of redemption. If the redemption amount is probable or currently redeemable, the Company records the instruments at their redemption value. Increases or decreases in the carrying amount of a redeemable instrument are recorded within equity. When the redemption feature lapses or other events cause the classification of an equity instrument as temporary equity to be no longer required, the existing carrying amount of the equity instrument is reclassified to permanent equity at the date of the event that caused the reclassification.

1. Significant accounting policies (continued)**(m) Revenue Recognition**

Revenue is recognized when control of the promised goods or services is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Revenue related to utility electricity distribution is recognized over time as the energy is delivered. At the end of each month, the electricity delivered to the customers from the date of their last meter read to the end of the month is estimated and the corresponding unbilled revenue is recorded. These estimates of unbilled revenue and sales are based on the ratio of billable days versus unbilled days, amount of electricity procured during that month, historical customer class usage patterns, weather, line loss, and current tariffs. Unbilled receivables are typically billed within the next month. Some customers elect to pay their bill on an equal monthly plan. As a result, in some months cash is received in advance of the delivery of electricity. Deferred revenue is recorded for that amount. The amount of revenue recognized in the period from the balance of deferred revenue is not significant.

On occasion, the utility is permitted to implement new rates that have not been formally approved by the regulatory commission, which are subject to refund. The Company recognizes revenue based on the interim rate and if needed, establishes a reserve for amounts that could be refunded based on experience for the jurisdiction in which the rates were implemented.

The Company's revenue is subject to alternative revenue programs approved by its Regulator, which require to charge approved annual delivery revenue on a systematic basis over the fiscal year. As a result, the difference between delivery revenue calculated based on metered consumption and approved delivery revenue is disclosed as alternative revenue and is recorded as a regulatory asset or liability to reflect future recovery or refund, respectively, from customers (note 5). The amount subsequently billed to customers is recorded as a recovery of the regulatory asset. The Company's revenues include \$1,673 (2023 - \$1,838) related to alternative revenue programs for the year ended December 31, 2024.

(n) Income taxes

The Company is a limited liability company and is a disregarded entity for income tax purposes. Accordingly, it is not subject to federal income taxes or state income taxes. The tax on the Company's net earnings is borne by the member through the allocation of taxable income. Net earnings for financial statement purposes may differ significantly from taxable income of the member because of differences between the tax basis and financial reporting basis of assets and liabilities, and the taxable income allocation requirements under the operating agreement. The aggregate difference in the basis of the net assets for financial and tax reporting purposes cannot be readily determined because it is based on the information regarding the member's tax attribute.

(o) Financial instruments and derivatives

Accounts receivable and notes receivable are measured at amortized cost. Long-term debt is measured at amortized cost using the effective interest rate method, adjusted for the amortization or accretion of premiums or discounts.

Transaction costs related to a recognized debt liability are presented in the consolidated balance sheets as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts and premiums. Deferred financing costs, premiums and discounts on long-term debt are amortized on a straight-line basis over the term of the financial liability as required by the Regulator.

The Company, enters into power purchase contracts for load serving requirements. These contracts meet the exemption for normal purchase and normal sales and as such, are not required to be recorded at fair value as derivatives and are accounted for on an accrual basis. Counterparties are evaluated on an ongoing basis for non-performance risk to ensure it does not impact the conclusion with respect to this exemption.

1. Significant accounting policies (continued)**(p) Fair value measurements**

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: other than quoted prices included in level 1, inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

(q) Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(r) Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as the date of these consolidated financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. During the years presented, management has made a number of estimates and valuation assumptions, including the useful lives and recoverability of utility plant and goodwill; assessments of unbilled revenue; pension and OPEB obligations; timing effect of regulated assets and liabilities; and the fair value of assets and liabilities acquired in an asset acquisition. These estimates and valuation assumptions are based on present conditions and management's planned course of action, as well as assumptions about future business and economic conditions. Should the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

2. Recently issued accounting pronouncements

Recently issued accounting guidance not yet adopted

On November 4, 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses (DISE)*, requiring additional disclosure of the nature of expenses included in the income statement in response to longstanding requests from investors for more information about an entity's expenses. The new standard requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The new guidance applies to all public business entities and is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. Early adoption is permitted. The Company is currently evaluating the impact from the new FASB accounting guidance.

3. Accounts receivable

Accounts receivable as of December 31, 2024, include unbilled revenue of \$10,611 (2023 - \$9,568). Accounts receivable as of December 31, 2024 are presented net of allowance for doubtful accounts of \$1,054 (2023 - \$814).

4. Utility plant

Utility plant of the Company consists of solar generation assets and electricity distribution assets used to generate and distribute electricity within a specific geographic service territory to supply end users with electricity. These assets include solar panels, inverters, poles, towers and fixtures, low-voltage wires, transformers, overhead and underground conductors, street lighting, meters, metering equipment and other related equipment.

	2024	2023
Land and land rights	\$ 3,878	\$ 3,878
Plant	679,301	600,349
Equipment, office furniture and improvements	30,777	29,344
	713,956	633,571
Accumulated depreciation	(101,431)	(84,116)
	612,525	549,455
Construction work-in-progress	47,519	59,789
Net utility plant	\$ 660,044	\$ 609,244

5. Regulatory matters

The Company is subject to rate regulation by the California Public Utilities Commission ("CPUC"), and the FERC in some instances. The CPUC has jurisdiction with respect to rate, service, accounting procedures, issuance of securities, acquisitions and other matters. The Company operates under cost-of-service regulation as administered by the CPUC. The Company uses a test year in the establishment of its rates and pursuant to this method, the determination of the rate of return on approved rate base and deemed capital structure, together with all reasonable and prudent costs, establishes the revenue requirement upon which the Company's customer rates are determined.

The Company is accounted for under the principles of ASC 980. Under ASC 980, regulatory assets and liabilities that would not be recorded under U.S. GAAP for non-regulated entities are recorded to the extent that they represent probable future revenue or expenses associated with certain charges or credits that will be recovered from or refunded to customers through the rate-setting process.

The Company is required to file a rate case with its regulator on a regular three-year cycle. Rate cases seek to ensure that the Company has the opportunity to recover its operating costs and earn a fair and reasonable return on its capital investment as allowed by the regulatory authority under which the Company operates.

Revenue decoupling and vegetation management

The Company's revenue is subject to a decoupling mechanism that decouples base revenue from fluctuations caused by weather and economic factors.

Post Test Year Adjustment Mechanism ("PTAM")

The PTAM allows the Company to update its rates annually by a cost inflation index. In addition, rates are allowed to be updated to recover the return on investment and associated depreciation of major capital projects.

5. Regulatory matters (continued)**Renewables Portfolio Standard**

The Company is required to satisfy the current 33% California Renewables Portfolio Standard requirement. The 33% California Renewables Portfolio Standard is currently met through deliveries under a power purchase agreement that is structured in a manner that satisfies the CPUC resource adequacy ("RA") requirements, and is designed to enable the California Utility to comply with the associated RA reporting requirements, and from energy production at Luning Energy LLC (the "Luning Solar project") and Turquoise Liberty ProjectCo LLC (the "Turquoise Solar project").

Regulatory assets and liabilities consist of the following:

	December 31, 2024	December 31, 2023
Regulatory assets		
Rate adjustment mechanism (a)	\$ 77,728	\$ 71,632
Wildfire mitigation and vegetation management (b)	111,002	63,656
Storm costs (c)	5,131	9,986
Rate review costs (d)	446	1,082
Energy cost adjustment clause (e)	41,294	45,118
Other	8,492	7,101
Total regulatory assets	\$ 244,093	\$ 198,575
Less: current regulatory assets	(33,237)	(16,807)
Non-current regulatory assets	\$ 210,856	\$ 181,768
Regulatory liabilities		
Cost of removal (f)	\$ 24,973	\$ 27,624
Income taxes (g)	8,581	3,990
Other	2,306	7,488
Total regulatory liabilities	\$ 35,860	\$ 39,102
Less: current regulatory liabilities	(1,274)	(5,718)
Non-current regulatory liabilities	\$ 34,586	\$ 33,384

(a) Rate adjustment mechanism

The Company is subject to a revenue decoupling mechanism approved by the Regulator, which requires charging approved annual delivery revenues on a systematic basis over the fiscal year. As a result, the difference between delivery revenue calculated based on metered consumption and approved delivery revenue is recorded as a regulatory asset or liability to reflect future recovery or refund, respectively, from customers.

(b) Wildfire mitigation and vegetation management

The regulatory asset for vegetation management includes wildfire insurance in the Company's California operations as well as spending related to dead trees program, to prevent future forest fires and general vegetation management.

5. Regulatory matters (continued)

(c) **Storm costs**

Incurred repair costs resulting from certain storms over or under amounts collected from customers, which are expected to be recovered or refunded through rates.

(d) **Rate review costs**

The costs to file, prosecute and defend rate review applications are referred to as rate review costs. These costs are capitalized and amortized over the period of rate recovery granted by the CPUC. The Company does not earn a return on these amounts but receives recovery of these costs in rates over the periods prescribed by the Regulator (three years).

(e) **Energy cost adjustment clause ("ECAC")**

ECAC is designed to recover the cost of electricity through rates charged to customers. Under deferred energy accounting, to the extent actual purchased power costs differ from purchased power costs recoverable through current rates, that difference is not recorded on the consolidated statements of comprehensive income but rather is deferred and recorded as a regulatory asset or liability on the consolidated balance sheets. These differences are reflected in adjustments to rates and recorded as an adjustment to cost of electricity in future periods, subject to regulatory review.

(f) **Cost of removal**

The regulatory liability for cost of removal represents amounts that have been collected from rate payers for costs that are expected to be incurred in the future to retire utility plant.

(g) **Income taxes**

As a result of the *Tax Act* being enacted in 2017, CPUC is contemplating the rate-making implications of the reduction of federal tax rates from the legacy 35% tax rate and the new 21% federal statutory income tax rate effective January 2018. The regulatory liability reflects the excess deferred taxes of the members normally reflected in the revenue requirement and probable of being refunded to customers. The Company is working with CPUC to identify the most appropriate way to address the impact of the *Tax Act* on cost of service based rates.

As recovery of regulatory assets is subject to regulatory approval, if there were any changes in regulatory positions that indicate recovery is not probable, the related cost would be charged to earnings in the period of such determination.

6. Pension and other post-employment benefits obligation

The Company provides defined contribution pension plans to substantially all of its employees. The Company's contributions for 2024 were \$1,195 (2023 - \$950).

The Company provides a defined benefit cash balance pension plan covering substantially all its employees, under which employees are credited with a percentage of base pay plus a prescribed interest rate credit. The Company also has an OPEB plan providing health care and life insurance coverage to eligible retired employees. Eligibility is based on age and length of service requirements and, in most cases, retirees must cover a portion of the cost of their coverage.

6. Pension and other post-employment benefits obligation (continued)

(a) Net pension and OPEB obligation

The following table sets forth the projected benefit obligations, fair value of plan assets, and funded status of the Company's plans as of December 31:

	Pension benefits		OPEB	
	2024	2023	2024	2023
Change in projected benefit obligation				
Projected benefit obligation, beginning of year	\$ 6,932	\$ 5,767	\$ 1,067	\$ 1,131
Service cost	918	648	31	29
Interest cost	408	338	47	58
Actuarial loss (gain)	(179)	403	(69)	(151)
Transfers	9	30	—	—
Benefits paid	(621)	(254)	(14)	—
Projected benefit obligation, end of year	\$ 7,467	\$ 6,932	\$ 1,062	\$ 1,067
Change in plan assets				
Fair value of plan assets, beginning of year	6,924	5,572	—	—
Actual return on plan assets	450	626	—	—
Employer contributions	1,181	950	14	—
Transfers	9	30	—	—
Benefits paid	(622)	(254)	(14)	—
Fair value of plan assets, end of year	\$ 7,942	\$ 6,924	\$ —	\$ —
Unfunded status	\$ (475)	\$ 8	\$ 1,062	\$ 1,067
Amounts recognized in the consolidated balance sheets consist of:				
Current liabilities	—	—	(36)	(49)
Non-current liabilities	(475)	(9)	(1,026)	(1,018)
Net amount recognized	\$ (475)	\$ (9)	\$ (1,062)	\$ (1,067)

The accumulated benefit obligation for the pension plans was \$6,277 and \$5,819 as of December 31, 2024 and 2023, respectively.

6. Pension and other post-employment benefits (continued)

(b) Pension and OPEB actuarial changes

The amounts recognized in AOCI were as follows:

	Change in AOCI (before tax)	Pension		OPEB	
		Actuarial losses (gains)	Past service gains	Actuarial losses (gains)	Past service gains
Balance, January 1, 2023	\$ 700	\$ (78)	\$ (791)	\$ 20	
Additions to AOCI	26	—	(151)	—	
Amortization in current period	(31)	17	71	(3)	
Balance, December 31, 2023	\$ 695	\$ (61)	\$ (871)	\$ 23	
Additions to AOCI	(301)	—	(69)	—	
Amortization in current period	(26)	17	71	(3)	
Balance, December 31, 2024	\$ 368	\$ (44)	\$ (869)	\$ 20	

(c) Assumptions

Assumptions used to determine net benefit cost for 2024 and 2023 were as follows:

	Pension benefits		OPEB	
	2024	2023	2024	2023
Discount rate	5.27 %	5.52 %	5.20 %	5.55 %
Expected return on assets	5.50 %	5.50 %	N/A	N/A
Rate of compensation increase	6.00 %	4.00 %	N/A	N/A
Health care cost trend rate				
Before age 65			7.00 %	6.00 %
Age 65 and after			6.00 %	6.00 %
Assumed Ultimate Medical Inflation Rate			4.50 %	4.75 %
Year in which Ultimate Rate is reached			2034	2033

6. Pension and other post-employment benefits (continued)

(c) Assumptions (continued)

Assumptions used to determine benefit obligation for 2024 and 2023 were as follows:

	Pension benefits		OPEB	
	2024	2023	2024	2023
Discount rate	5.82%	5.27%	5.87%	5.25%
Rate of compensation increase	6.00%	6.00%	N/A	N/A
Health care cost trend rate				
Before age 65			6.750%	7.000%
Age 65 and after			11.000%	6.000%
Assumed Ultimate Medical Inflation Rate			4.50%	4.50%
Year in which Ultimate Rate is reached			2034	2034

The mortality improvement projection Scale MP-2021 was adjusted to reflect the ultimate improvement rates from the Intermediate Alternative scenario provided in the Social Security Administration's ("SSA") Long Range Demographic Assumptions for the 2021 Trustees Report. This adjustment was made using the Society of Actuary's Mortality Improvement Model (MIM-2021-v2). The purpose of this model is to construct sets of mortality improvement rates reflecting specific adjustments. The model requires the inputs that we have taken from the SSA's intermediate assumptions, such that the following ultimate rates reached in the year 2045: 0.85% improvement for ages 20-49, 0.96% improvement for ages 50-64, 0.71% improvement for ages 65-84, and 0.55% improvement for ages 85 and older.

A yield curve model is used to develop the single equivalent discount rate that reflects the characteristics of the Plan. Under this model, the Plan's expected benefit payments are matched to the spot rates along the yield curve to determine their present values. Then a single equivalent discount rate is solved for which it produces the same total present value as the spot rates. CBIZ relies on the yield curve spot rates developed by experts as of the measurement date (i.e. the Ryan ALM Above Median yield curve). We are not aware of any material inconsistencies, limitations or weaknesses in this model.

(d) Benefit costs

The following table lists the components of net benefit cost for the pension plans and OPEB recorded as part of operating expenses in the consolidated statements of comprehensive income.

	Pension benefits		OPEB	
	2024	2023	2024	2023
Service cost	\$ 918	\$ 648	\$ 30	\$ 29
Non-service costs				
Interest cost	408	338	47	58
Expected return on plan assets (gain)	(328)	(247)	—	—
Amortization of net actuarial (gain)	(17)	(17)	(70)	(71)
Amortization of prior service credits	26	31	3	3
	89	105	(20)	(10)
Net benefit cost	\$ 1,007	\$ 753	\$ 10	\$ 19

Notes to the Consolidated Financial Statements
December 31, 2024 and 2023
(in thousands of U.S. dollars)

6. Pension and other post-employment benefits (continued)

(e) Plan assets

The Company's investment strategy for its pension and post-employment plan assets is to maintain a diversified portfolio of assets with the primary goal of meeting long-term cash requirements as they become due.

The Company's target asset allocation is 50% in equity securities and 50% in debt securities.

The fair values of investments as of December 31, 2024, by asset category, are as follows

Asset class	Level 1	Percentage
Equity securities	\$ 4,368	55 %
Debt securities	2,780	35 %
Other	794	10 %
	\$ 7,942	100 %

As at December 31, 2024, the funds do not hold any material investments in the parent company of Liberty Utilities, Algonquin Power and Utilities Corp.

(f) Cash flows

The Company expects to contribute \$1,151 to its pension plans and \$36 to its post-employment benefit plans in 2025.

The expected benefit payments over the next 10 years are as follows:

	2025	2026	2027	2028	2029	2030-2034
Pension plan	\$567	\$394	\$417	\$487	\$500	\$3634
OPEB	36	41	44	46	44	329

7. Short term external debt

Due to related parties represents advances for current operating costs and reimbursement for management and accounting services provided by entities related to Liberty Utilities as well as other third-party costs incurred by entities related to Liberty Utilities on behalf of the Company.

The Company has a \$25,000 note bearing an interest rate of 5.59% and maturing on December 29, 2025. The note has interest-only payments, payable semi-annually in arrears. The note has certain financial covenants, which must be maintained on a quarterly basis. The Company is in compliance with the covenants as of December 31, 2024.

As of December 31, 2024, the Company has accrued \$nil in interest expense (2023 - \$nil). Interest paid on the long-term debt in 2024 was \$1,397 (2023 - \$1,397).

8. Related party transactions

Due from related parties represents advances for current operating costs and reimbursement for management and accounting services provided by entities related to Liberty Utilities as well as other third-party costs incurred by entities related to Liberty Utilities on behalf of the Company. These amounts bear interest on variable rates and have no fixed repayment terms. Total amounts allocated for year ended December 31, 2024 were \$6,375 (2023 - \$6,807). Periodically, there are advances due to related parties. Such advances bear interest on variable rates and are due on demand. As at December 31, 2024, the amounts payable to related parties total \$457,114 (2023 - \$502,593). As of December 31, 2024, the Company has accrued \$29,551 in interest expense (2023 - \$10,548).

9. Advances in aid of construction

The Company has various agreements with real estate development companies (the "developers") conducting business within the Company's utility service territories, whereby funds are advanced to the Company by the developers to assist with funding some or all of the costs of the development.

In many instances, developer advances can be subject to refund but the refund is non-interest bearing. Refunds of developer advances are made over a period of 10 years. Advances not refunded within the prescribed period are usually not required to be repaid. After the prescribed period has lapsed, any remaining unpaid balance is transferred to contributions in aid of construction and recorded as an offsetting amount to the cost of property, plant and equipment. No amounts were transferred from advances in aid of construction to contributions in aid of construction in 2024 and 2023.

10. Member's capital

The Company is a single member limited liability corporation. As of December 31, 2024, all outstanding equity membership units of the Company are owned by Liberty Utilities.

11. Commitments and contingencies

(a) Contingencies

The Company is involved in various litigation arising out of the ordinary course and conduct of its business. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to such litigation to be material to these consolidated financial statements. Accruals for any contingencies related to these items, if any, are recorded in the consolidated financial statements at the time it is concluded that its occurrence is probable and the related liability is estimable.

Mountain View fire

On November 17, 2020, a wildfire now known as the Mountain View Fire occurred in the territory of Liberty CalPeco. The cause of the fire remains in dispute, and CAL FIRE has not yet released its final report. There were 22 lawsuits filed that name certain subsidiaries of the Company as defendants in connection with the Mountain View Fire, as well as a non-litigation claim brought by the U.S. Department of Agriculture seeking reimbursement for alleged fire suppression costs and a notice from the U.S. Bureau of Land Management seeking damages for the alleged burning of public lands without authorization. Fifteen lawsuits were brought by groups of individual plaintiffs and a Native American group alleging causes of action including negligence, inverse condemnation, nuisance, trespass, and violations of Cal. Pub. Util. Code 2106 and Cal. Health and Safety Code 13007 (one of these 15 lawsuits also alleges the wrongful death of an individual and various subrogation claims on behalf of insurance companies). In six other lawsuits, insurance companies alleged inverse condemnation and negligence and seek recovery of amounts paid and to be paid to their insureds. In one other lawsuit, County of Mono, Antelope Valley Fire Protection District, and Bridgeport Indian Colony allege similar causes of action and seek damages for fire suppression costs, law enforcement costs, property and infrastructure damage, and other costs. Liberty CalPeco has resolved 20 of the lawsuits, and Liberty CalPeco is in the process of obtaining dismissals with prejudice of said lawsuits. Trial on the remaining 2 lawsuits is currently scheduled for April 15, 2025. The likelihood of success in these lawsuits is uncertain. Liberty CalPeco intends to vigorously defend them. The Company accrued estimated losses of \$172,300 for claims related to the Mountain View Fire, against which Liberty CalPeco has recorded recoveries through insurance of \$116,000 and WEMA of \$56,300. The resulting net charge to earnings was \$nil. The estimate of losses is subject to change as additional information becomes available. The actual amount of losses may be higher or lower than these estimates. While the Company may incur a material loss in excess of the amount accrued, the Company cannot estimate the upper end of the range of reasonably possible losses that may be incurred. The Company has wildfire liability insurance that was applied up to applicable policy limits.

11. Commitments and contingencies (continued)

(b) Commitments

The Company has a purchase commitment to purchase physical quantities of power for load-serving requirements. The commitment amounts included in the table below are based on market prices as of December 31, 2024. However, the effects of purchased power unit cost adjustments are mitigated through a purchased power rate-adjustment mechanism.

	2025
Power purchases	\$ 17,039

12. Non-cash operating items

The changes in non-cash operating items consist of the following:

	2024	2023
Accounts receivable	\$ (13,629)	\$ (5,544)
Prepaid expenses and other	(3,950)	(4,850)
Supplies and consumables inventory	(1,082)	(3,100)
Accounts payable and accrued liabilities	5,884	(1,447)
Due to related parties	64,653	123,259
Net regulatory assets and liabilities	(4,182)	(48,812)
	\$ 47,694	\$ 59,476

13. Redeemable non-controlling interests

Non-controlling interests in subsidiaries that are redeemable upon the occurrence of uncertain events not solely within the Company's control are classified as temporary equity on the consolidated balance sheets. The redeemable non-controlling interests in subsidiaries' balance are determined using the HLBV method subsequent to initial recognition, however, if the redemption amount is probable or currently redeemable, the Company records the instruments at their redemption value. Redemption is not considered probable as of December 31, 2024.

	2024	2023
Opening balance	\$ 1,409	\$ 6,502
Net earnings attributable to redeemable non-controlling interest	(1,324)	(1,324)
Dividends declared to redeemable non-controlling interest	(85)	(3,769)
Closing balance	\$ —	\$ 1,409

14. Financial instruments

(a) Fair value of financial instruments

	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt	\$ 24,799	\$ 25,070	\$ 24,947	\$ 24,995

The Company has determined that the carrying value of its short-term financial assets and liabilities approximates fair value as of December 31, 2024 and 2023 due to the short-term maturity of these instruments.

Long-term debt (level 2 inputs) is at fixed interest rates. The estimated fair value is calculated using a discounted cash flow method and current interest rates.

Advances in aid of construction have a carrying value of \$22,768 as of December 31, 2024 (2023 - \$21,808). Portions of these non-interest bearing instruments are payable annually through 2027, including new customer connections, customer consumption levels, and future rate increase. However, amounts not paid by the contract expiration date become non-refundable. Their relative fair values cannot be accurately estimated because future refund payments depend on several variables. The fair value of these amounts would be less than their carrying value due to the non-interest bearing feature.

Fair value estimates are made at a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and often cannot be determined with precision.

(b) Risk management

In the normal course of business, the Company is exposed to financial risks that potentially impact its operating results. The Company employs risk management strategies with a view of mitigating these risks to the extent possible on a cost-effective basis.

This note provides disclosures relating to the nature and extent of the Company's exposure to risks arising from financial instruments, including credit risk and liquidity risk, and how the Company manages those risks.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable. The Company limits its exposure to credit risk with respect to cash equivalents by ensuring available cash is deposited with its senior lenders, all of which have a credit rating of A or better.

Credit risk related to the accounts receivable balance of \$39,206 is spread over thousands of customers. The Company has processes in place to monitor and evaluate this risk on an ongoing basis including background credit checks and security deposits from new customers. In addition, the Regulator allows for a reasonable bad debt expense to be incorporated in the rates and therefore recovered from rate payers.

As of December 31, 2024, the Company's maximum exposure to credit risk for these financial instruments is as follows:

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(in thousands of U.S. dollars)

14. Financial instruments (continued)

(c) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, to the extent possible, that it will always have sufficient liquidity to meet liabilities when due. The Company's liabilities mature as follows:

	Due less than 1 year	Due 2–3 years	Due 4–5 years	Due after 5 years	Total
Long-term debt	\$ 24,799	\$ —	\$ —	\$ —	\$ 24,799
Advances in aid of construction	—	—	—	22,768	22,768
Purchase obligations	492,716	—	—	—	492,716
Interest on long-term debt	1,397	—	—	—	1,397
Other obligations	1,710	—	—	—	1,710
Total obligations	\$ 520,622	\$ —	\$ —	\$ 22,768	\$ 543,390

	2024
Cash and cash equivalents	\$ 1,501
Accounts receivable	40,260
Allowance for doubtful accounts	(1,054)
	\$ 40,707

15. Subsequent events

The Company has evaluated subsequent events from the consolidated balance sheets date through April 17, 2025, the date at which the consolidated financial statements were available to be issued, and determined that there are no other items to disclose.

ATTACHMENT H

**PacifiCorp d/b/a Pacific Power
Financial Documentation**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2025
or

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

For the transition period from _____ to _____

Exact name of registrant as specified in its charter

State or other jurisdiction of incorporation or organization

Commission File Number	Address of principal executive offices Registrant's telephone number, including area code	IRS Employer Identification No.
001-14881	BERKSHIRE HATHAWAY ENERGY COMPANY (An Iowa Corporation) 1615 Locust Street Des Moines, Iowa 50309-3037 515-242-4300	94-2213782
001-05152	PACIFICORP (An Oregon Corporation) 825 N.E. Multnomah Street Portland, Oregon 97232 888-221-7070	93-0246090
333-90553	MIDAMERICAN FUNDING, LLC (An Iowa Limited Liability Company) 1615 Locust Street Des Moines, Iowa 50309-3037 515-242-4300	47-0819200
333-15387	MIDAMERICAN ENERGY COMPANY (An Iowa Corporation) 1615 Locust Street Des Moines, Iowa 50309-3037 515-242-4300	42-1425214
000-52378	NEVADA POWER COMPANY (A Nevada Corporation) 6226 West Sahara Avenue Las Vegas, Nevada 89146 702-402-5000	88-0420104
000-00508	SIERRA PACIFIC POWER COMPANY (A Nevada Corporation) 6100 Neil Road Reno, Nevada 89511 775-834-4011	88-0044418
001-37591	EASTERN ENERGY GAS HOLDINGS, LLC (A Virginia Limited Liability Company) 10700 Energy Way Glen Allen, Virginia 23060 804-613-5100	46-3639580
333-266049	EASTERN GAS TRANSMISSION AND STORAGE, INC. (A Delaware Corporation) 10700 Energy Way Glen Allen, Virginia 23060 804-613-5100	55-0629203
	N/A	

(Former name, former address and former fiscal year, if changed since last report)

Registrant	Securities registered pursuant to Section 12(b) of the Act:
BERKSHIRE HATHAWAY ENERGY COMPANY	None
PACIFICORP	None
MIDAMERICAN FUNDING, LLC	None
MIDAMERICAN ENERGY COMPANY	None
NEVADA POWER COMPANY	None
SIERRA PACIFIC POWER COMPANY	None
EASTERN ENERGY GAS HOLDINGS, LLC	None
EASTERN GAS TRANSMISSION AND STORAGE, INC.	None

Registrant	Name of exchange on which registered:
BERKSHIRE HATHAWAY ENERGY COMPANY	None
PACIFICORP	None
MIDAMERICAN FUNDING, LLC	None
MIDAMERICAN ENERGY COMPANY	None
NEVADA POWER COMPANY	None
SIERRA PACIFIC POWER COMPANY	None
EASTERN ENERGY GAS HOLDINGS, LLC	None
EASTERN GAS TRANSMISSION AND STORAGE, INC.	None

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

Registrant	Yes	No
BERKSHIRE HATHAWAY ENERGY COMPANY	<input checked="" type="checkbox"/>	
PACIFICORP	<input checked="" type="checkbox"/>	
MIDAMERICAN FUNDING, LLC		<input checked="" type="checkbox"/>
MIDAMERICAN ENERGY COMPANY	<input checked="" type="checkbox"/>	
NEVADA POWER COMPANY	<input checked="" type="checkbox"/>	
SIERRA PACIFIC POWER COMPANY	<input checked="" type="checkbox"/>	
EASTERN ENERGY GAS HOLDINGS, LLC	<input checked="" type="checkbox"/>	
EASTERN GAS TRANSMISSION AND STORAGE, INC.	<input checked="" type="checkbox"/>	

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

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

Registrant	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
BERKSHIRE HATHAWAY ENERGY COMPANY	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
PACIFICORP	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MIDAMERICAN FUNDING, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MIDAMERICAN ENERGY COMPANY	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NEVADA POWER COMPANY	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SIERRA PACIFIC POWER COMPANY	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EASTERN ENERGY GAS HOLDINGS, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
EASTERN GAS TRANSMISSION AND STORAGE, INC.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Indicate by check mark whether the registrants are a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

All shares of outstanding common stock of Berkshire Hathaway Energy Company are held by its parent company, Berkshire Hathaway Inc. As of April 30, 2025, 1 share of common stock, no par value, was outstanding.

All shares of outstanding common stock of PacifiCorp are indirectly held by Berkshire Hathaway Energy Company. As of April 30, 2025, 357,060,915 shares of common stock, no par value, were outstanding.

All of the member's equity of MidAmerican Funding, LLC is held by its parent company, Berkshire Hathaway Energy Company, as of April 30, 2025.

All shares of outstanding common stock of MidAmerican Energy Company are held by its parent company, MHC Inc., which is a direct, wholly owned subsidiary of MidAmerican Funding, LLC. As of April 30, 2025, 70,980,203 shares of common stock, no par value, were outstanding.

All shares of outstanding common stock of Nevada Power Company are held by its parent company, NV Energy, Inc., which is an indirect, wholly owned subsidiary of Berkshire Hathaway Energy Company. As of April 30, 2025, 1,000 shares of common stock, \$1.00 stated value, were outstanding.

All shares of outstanding common stock of Sierra Pacific Power Company are held by its parent company, NV Energy, Inc. As of April 30, 2025, 1,000 shares of common stock, \$3.75 par value, were outstanding.

All of the member's equity of Eastern Energy Gas Holdings, LLC is held indirectly by its parent company, Berkshire Hathaway Energy Company, as of April 30, 2025.

All shares of outstanding common stock of Eastern Gas Transmission and Storage, Inc. are held by its parent company, Eastern Energy Gas Holdings, LLC, which is an indirect, wholly owned subsidiary of Berkshire Hathaway Energy Company. As of April 30, 2025, 60,101 shares of common stock, \$10,000 par value, were outstanding.

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

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Definition of Abbreviations and Industry Terms

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

Berkshire Hathaway Energy Company and Related Entities

BHE	Berkshire Hathaway Energy Company
Berkshire Hathaway	Berkshire Hathaway Inc.
Berkshire Hathaway Energy or the Company	Berkshire Hathaway Energy Company and its subsidiaries
PacifiCorp	PacifiCorp and its subsidiaries
MidAmerican Funding	MidAmerican Funding, LLC and its subsidiaries
MidAmerican Energy	MidAmerican Energy Company
NV Energy	NV Energy, Inc. and its subsidiaries
Nevada Power	Nevada Power Company and its subsidiaries
Sierra Pacific	Sierra Pacific Power Company and its subsidiaries
Nevada Utilities	Nevada Power Company and its subsidiaries and Sierra Pacific Power Company and its subsidiaries
Eastern Energy Gas	Eastern Energy Gas Holdings, LLC and its subsidiaries
EGTS	Eastern Gas Transmission and Storage, Inc. and its subsidiaries
Registrants	Berkshire Hathaway Energy Company, PacifiCorp and its subsidiaries, MidAmerican Funding, LLC and its subsidiaries, MidAmerican Energy Company, Nevada Power Company and its subsidiaries, Sierra Pacific Power Company and its subsidiaries, Eastern Energy Gas Holdings, LLC and its subsidiaries and Eastern Gas Transmission and Storage, Inc. and its subsidiaries
Northern Powergrid	Northern Powergrid Holdings Company and its subsidiaries
BHE Pipeline Group	BHE GT&S, LLC, Northern Natural Gas Company and Kern River Gas Transmission Company
BHE GT&S	BHE GT&S, LLC and its subsidiaries
Northern Natural Gas	Northern Natural Gas Company
Kern River	Kern River Gas Transmission Company
BHE Transmission	BHE Canada Holdings Corporation and BHE U.S. Transmission, LLC
BHE Canada	BHE Canada Holdings Corporation and its subsidiaries
AltaLink	AltaLink, L.P.
BHE U.S. Transmission	BHE U.S. Transmission, LLC and its subsidiaries
BHE Renewables	BHE Renewables, LLC and its subsidiaries
HomeServices	HomeServices of America, Inc. and its subsidiaries
Utilities	PacifiCorp and its subsidiaries, MidAmerican Energy Company, Nevada Power Company and its subsidiaries and Sierra Pacific Power Company and its subsidiaries
Cove Point	Cove Point LNG, LP
Iroquois	Iroquois Gas Transmission System, L.P.

Certain Industry Terms

2020 Wildfires	Wildfires in Oregon and Northern California that occurred in September 2020
2022 McKinney Fire	A wildfire that began in the Oak Knoll Ranger District of the Klamath National Forest in Siskiyou County, California in July 2022
Wildfires	2020 Wildfires and 2022 McKinney Fire
AFUDC	Allowance for Funds Used During Construction
AUC	Alberta Utilities Commission
CCR	Coal Combustion Residuals
CPUC	California Public Utilities Commission
Dth	Decatherm
EBA	Energy Balancing Account
ECAM	Energy Cost Adjustment Mechanism
FERC	Federal Energy Regulatory Commission
GAAP	Accounting principles generally accepted in the United States of America
GWh	Gigawatt Hour
IPUC	Idaho Public Utilities Commission
IRP	Integrated Resource Plan
<i>James</i>	A class action complaint filed against PacifiCorp on September 30, 2020, captioned <i>Jeanyne James et al. v. PacifiCorp</i> , in Multnomah County Circuit Court Oregon and the associated consolidated cases
kV	Kilovolt
LNG	Liquefied Natural Gas
MISO	Midcontinent Independent System Operator, Inc.
MW	Megawatt
MWh	Megawatt Hour
OPUC	Oregon Public Utility Commission
PTC	Production Tax Credit
PUCN	Public Utilities Commission of Nevada
RFP	Request for Proposals
RPS	Renewable Portfolio Standards
SEC	United States Securities and Exchange Commission
UPSC	Utah Public Service Commission
WUTC	Washington Utilities and Transportation Commission

Forward-Looking Statements

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

- general economic, political and business conditions, as well as changes in, and compliance with, laws and regulations, including tariffs and income tax reform, initiatives regarding deregulation and restructuring of the utility industry and reliability and safety standards, affecting the respective Registrant's operations or related industries;
- changes in, and compliance with, environmental laws, regulations, decisions and policies, whether directed towards protection of environmental resources, present and future climate considerations or social justice concerns that could, among other items, increase operating and capital costs, reduce facility output, accelerate facility retirements or delay facility construction or acquisition;
- the outcome of regulatory rate reviews and other proceedings conducted by regulatory agencies or other governmental and legal bodies and the respective Registrant's ability to recover costs through rates in a timely manner;
- changes in economic, industry, competition or weather conditions, as well as demographic trends, new technologies and various conservation, energy efficiency and private generation measures and programs, that could affect customer growth and usage, electricity and natural gas supply or the respective Registrant's ability to obtain long-term contracts with customers and suppliers;
- performance, availability and ongoing operation of the respective Registrant's facilities, including facilities not operated by the Registrants, due to the impacts of market conditions, outages and associated repairs, transmission constraints, weather, including wind, solar and hydroelectric conditions, and operating conditions;
- the effects of catastrophic and other unforeseen events, which may be caused by factors beyond the control of each respective Registrant or by a breakdown or failure of the Registrants' operating assets, including severe storms, floods, fires, extreme temperature events, wind events, earthquakes, explosions, landslides, an electromagnetic pulse, mining incidents, costly litigation, wars, terrorism, pandemics, embargoes, and cyber security attacks, data security breaches, disruptions, or other malicious acts;
- the risks and uncertainties associated with wildfires that have occurred, are occurring or may occur in the respective Registrant's service territory; the damage caused by such wildfires; the extent of the respective Registrant's liability in connection with such wildfires (including the risk that the respective Registrant may be found liable for damages regardless of fault); investigations into such wildfires; the outcomes of any legal proceedings, demands or similar actions initiated against the respective Registrant; the risk that the respective Registrant is not able to recover losses from insurance or through rates; and the effect of such wildfires, investigations and legal proceedings on the respective Registrant's financial condition and reputation;
- the outcomes of legal or other actions and the effects of amounts to be paid to complainants as a result of settlements or final legal determinations associated with the Wildfires, which could have a material adverse effect on PacifiCorp's financial condition and could limit PacifiCorp's ability to access capital on terms commensurate with historical transactions or at all and could impact PacifiCorp's liquidity, cash flows and capital expenditure plans;
- the respective Registrant's ability to reduce wildfire threats and improve safety, including the ability to comply with the targets and metrics set forth in its wildfire prevention plans; to retain or contract for the workforce necessary to execute its wildfire prevention plans; the effectiveness of its system hardening; ability to achieve vegetation management targets; and the cost of these programs and the timing and outcome of any proceeding to recover such costs through rates;
- the ability to economically obtain insurance coverage, or any insurance coverage at all, sufficient to cover losses arising from catastrophic events, such as wildfires;
- a high degree of variance between actual and forecasted load or generation that could impact a Registrant's hedging strategy and the cost of balancing its generation resources with its retail load obligations;
- changes in prices, availability and demand for wholesale electricity, coal, natural gas, other fuel sources and fuel transportation that could have a significant impact on generating capacity and energy costs;

- the financial condition, creditworthiness and operational stability of the respective Registrant's significant customers and suppliers;
- changes in business strategy or development plans;
- availability, terms and deployment of capital, including reductions in demand for investment-grade commercial paper, debt securities and other sources of debt financing and volatility in interest rates and credit spreads;
- changes in the respective Registrant's credit ratings, changes in rating methodology and placement on negative outlook or credit watch;
- risks relating to nuclear generation, including unique operational, closure and decommissioning risks;
- hydroelectric conditions and the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings;
- the impact of certain contracts used to mitigate or manage volume, price and interest rate risk, including increased collateral requirements, and changes in commodity prices, interest rates and other conditions that affect the fair value of certain contracts;
- the impact of inflation on costs and the ability of the respective Registrants to recover such costs in regulated rates;
- fluctuations in foreign currency exchange rates, primarily the British pound and the Canadian dollar;
- increases in employee healthcare costs;
- the impact of investment performance, certain participant elections such as lump sum distributions and changes in interest rates, legislation, healthcare cost trends, mortality, morbidity on pension and other postretirement benefits expense and funding requirements;
- changes in the residential real estate brokerage, mortgage and franchising industries, regulations that could affect brokerage, mortgage and franchising transactions and the outcomes of legal or other actions and the effects of amounts to be paid to complainants as a result of settlements or final legal determinations;
- the ability to successfully integrate future acquired operations into a Registrant's business;
- the impact of supply chain disruptions and workforce availability on the respective Registrant's ongoing operations and its ability to timely complete construction projects;
- unanticipated construction delays, changes in costs, receipt of required permits and authorizations, ability to fund capital projects and other factors that could affect future facilities and infrastructure additions;
- the availability and price of natural gas in applicable geographic regions and demand for natural gas supply;
- the impact of new accounting guidance or changes in current accounting estimates and assumptions on the financial results of the respective Registrants; and
- other business or investment considerations that may be disclosed from time to time in the Registrants' filings with the SEC or in other publicly disseminated written documents.

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

Item 1. Financial Statements

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

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**Berkshire Hathaway Energy Company and its subsidiaries
Consolidated Financial Section**

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Berkshire Hathaway Energy Company and subsidiaries (the "Company") as of March 31, 2025, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2024, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

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

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

/s/ Deloitte & Touche LLP

Des Moines, Iowa
May 2, 2025

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

	As of	
	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,757	\$ 1,392
Investments and restricted cash and cash equivalents	235	216
Trade receivables, net	2,458	2,551
Inventories	1,983	1,962
Mortgage loans held for sale	544	528
Regulatory assets	1,118	1,136
Other current assets	1,442	1,314
Total current assets	10,537	9,099
Property, plant and equipment, net	105,314	103,769
Goodwill	11,426	11,413
Regulatory assets	4,181	4,213
Investments and restricted cash, cash equivalents and investments	7,835	8,635
Other assets	2,976	3,011
Total assets	\$ 142,269	\$ 140,140

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

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

	As of	
	March 31, 2025	December 31, 2024
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 2,696	\$ 2,928
Accrued interest	802	728
Accrued property, income and other taxes	893	1,043
Accrued employee expenses	388	364
Short-term debt	685	1,123
Current portion of long-term debt	2,338	2,646
Other current liabilities	1,903	2,109
Total current liabilities	9,705	10,941
 BHE senior debt	 11,458	 11,457
Subsidiary senior debt	42,351	41,154
Subsidiary junior subordinated debt	1,140	—
Regulatory liabilities	6,708	6,754
Deferred income taxes	12,617	12,628
Other long-term liabilities	6,141	5,917
Total liabilities	90,120	88,851
 Commitments and contingencies (Note 9)		
Equity:		
BHE shareholder's equity:		
Preferred stock - 100,000,000 shares authorized, \$0.01 par value, — and 481,000 shares issued and outstanding	—	481
Common stock - 100 shares authorized, no par value, 1 share issued and outstanding	—	—
Additional paid-in capital	5,558	5,558
Retained earnings	47,493	46,311
Accumulated other comprehensive loss, net	(2,178)	(2,341)
Total BHE shareholder's equity	50,873	50,009
Noncontrolling interests	1,276	1,280
Total equity	52,149	51,289
 Total liabilities and equity	\$ 142,269	\$ 140,140

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Operating revenue:		
Energy	\$ 5,506	\$ 5,245
Real estate	860	866
Total operating revenue	<u>6,366</u>	<u>6,111</u>
Operating expenses:		
Energy:		
Cost of sales	1,531	1,670
Operations and maintenance	1,249	1,235
Depreciation and amortization	1,106	1,013
Property and other taxes	226	212
Real estate	871	1,086
Total operating expenses	<u>4,983</u>	<u>5,216</u>
Operating income	<u>1,383</u>	<u>895</u>
Other income (expense):		
Interest expense	(686)	(691)
Capitalized interest	40	46
Allowance for equity funds	66	83
Interest and dividend income	62	116
Gains (losses) on marketable securities	103	(123)
Other, net	(15)	31
Total other income (expense)	<u>(430)</u>	<u>(538)</u>
Income before income tax expense (benefit) and equity income (loss)	<u>953</u>	<u>357</u>
Income tax expense (benefit)	(399)	(371)
Equity income (loss)	<u>(120)</u>	<u>(39)</u>
Net income	<u>1,232</u>	<u>689</u>
Net income attributable to noncontrolling interests	<u>45</u>	<u>36</u>
Net income attributable to BHE shareholders	<u>1,187</u>	<u>653</u>
Preferred dividends	3	—
Earnings on common shares	<u><u>\$ 1,184</u></u>	<u><u>\$ 653</u></u>

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Net income	\$ 1,232	\$ 689
Other comprehensive income (loss), net of tax:		
Unrecognized amounts on retirement benefits, net of tax of \$2 and \$4	—	11
Foreign currency translation adjustment	169	(145)
Unrealized (losses) gains on cash flow hedges, net of tax of \$(2) and \$2	(6)	7
Total other comprehensive income (loss), net of tax	<u>163</u>	<u>(127)</u>
Comprehensive income	1,395	562
Comprehensive income attributable to noncontrolling interests	45	36
Comprehensive income attributable to BHE shareholders	<u>\$ 1,350</u>	<u>\$ 526</u>

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

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

	BHE Shareholder's Equity							
	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net	Noncontrolling Interests	Total Equity	
Balance, December 31, 2023	\$ —	\$ —	\$ 5,573	\$ 44,765	\$ (1,904)	\$ 1,306	\$ 49,740	
Net income	—	—	—	653	—	36	689	
Other comprehensive loss	—	—	—	—	(127)	—	(127)	
Distributions	—	—	—	—	—	(40)	(40)	
Other equity transactions	—	—	—	(1)	—	(2)	(3)	
Balance, March 31, 2024	\$ —	\$ —	\$ 5,573	\$ 45,417	\$ (2,031)	\$ 1,300	\$ 50,259	
Balance, December 31, 2024	\$ 481	\$ —	\$ 5,558	\$ 46,311	\$ (2,341)	\$ 1,280	\$ 51,289	
Net income	—	—	—	1,187	—	45	1,232	
Other comprehensive income	—	—	—	—	163	—	163	
Preferred stock redemptions	(481)	—	—	—	—	—	(481)	
Preferred stock dividend	—	—	—	(3)	—	—	(3)	
Distributions	—	—	—	—	—	(46)	(46)	
Other equity transactions	—	—	—	(2)	—	(3)	(5)	
Balance, March 31, 2025	\$ —	\$ —	\$ 5,558	\$ 47,493	\$ (2,178)	\$ 1,276	\$ 52,149	

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 1,232	\$ 689
Adjustments to reconcile net income to net cash flows from operating activities:		
(Gains) losses on marketable securities, net	(103)	123
Depreciation and amortization	1,116	1,025
Allowance for equity funds	(66)	(83)
Equity (income) loss, net of distributions	153	87
Net power cost deferrals	(88)	63
Amortization of net power cost deferrals	220	81
Other changes in regulatory assets and liabilities	(13)	(42)
Deferred income taxes and investment tax credits, net	(92)	(81)
Other, net	72	(8)
Changes in other operating assets and liabilities, net of effects from acquisitions:		
Trade receivables and other assets	107	67
Derivative collateral, net	10	(24)
Pension and other postretirement benefit plans	(1)	(2)
Accrued property, income and other taxes, net	(349)	(353)
Accounts payable and other liabilities	(161)	113
Wildfires insurance receivable	98	350
Wildfires liability	(114)	(19)
Net cash flows from operating activities	<u>2,021</u>	<u>1,986</u>
Cash flows from investing activities:		
Capital expenditures	(2,128)	(2,153)
Purchases of marketable securities	(94)	(100)
Proceeds from sales of marketable securities	667	108
Equity method investments	(22)	(17)
Other, net	4	13
Net cash flows from investing activities	<u>(1,573)</u>	<u>(2,149)</u>
Cash flows from financing activities:		
Preferred stock redemptions	(481)	—
Preferred dividends	(3)	—
Repayments of BHE senior debt	(400)	—
Proceeds from subsidiary debt	2,353	5,084
Repayments of subsidiary debt	(40)	(103)
Net repayments of short-term debt	(441)	(2,618)
Distributions to noncontrolling interests	(46)	(40)
Other, net	(17)	(10)
Net cash flows from financing activities	<u>925</u>	<u>2,313</u>
Effect of exchange rate changes	<u>4</u>	<u>(2)</u>
Net change in cash and cash equivalents and restricted cash and cash equivalents	1,377	2,148
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	1,586	1,811
Cash and cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 2,963</u>	<u>\$ 3,959</u>

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

BERKSHIRE HATHAWAY ENERGY COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) General

Berkshire Hathaway Energy Company ("BHE"), a wholly owned subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway"), is a holding company headquartered in Iowa that has investments in a highly diversified portfolio of locally managed and operated businesses principally engaged in the energy industry (collectively with its subsidiaries, the "Company"). The Company's operations are organized as eight business segments: PacifiCorp and its subsidiaries ("PacifiCorp"), MidAmerican Funding, LLC and its subsidiaries ("MidAmerican Funding") (which primarily consists of MidAmerican Energy Company ("MidAmerican Energy")), NV Energy, Inc. and its subsidiaries ("NV Energy") (which primarily consists of Nevada Power Company and its subsidiaries ("Nevada Power") and Sierra Pacific Power Company and its subsidiaries ("Sierra Pacific")), Northern Powergrid Holdings Company and its subsidiaries ("Northern Powergrid") (which primarily consists of Northern Powergrid (Northeast) plc and Northern Powergrid (Yorkshire) plc), BHE Pipeline Group, LLC and its subsidiaries (which primarily consists of BHE GT&S, LLC and its subsidiaries ("BHE GT&S")), Northern Natural Gas Company ("Northern Natural Gas") and Kern River Gas Transmission Company ("Kern River")), BHE Transmission (which consists of BHE Canada Holdings Corporation and its subsidiaries ("BHE Canada")) (which primarily consists of AltaLink, L.P. ("AltaLink")) and BHE U.S. Transmission, LLC and its subsidiaries), BHE Renewables, LLC and its subsidiaries ("BHE Renewables") and HomeServices of America, Inc. and its subsidiaries ("HomeServices"). The Company, through these locally managed and operated businesses, has investments in four utility companies in the U.S. serving customers in 11 states, two electricity distribution companies in Great Britain, five interstate natural gas pipeline companies and interests in a liquefied natural gas ("LNG") export, import and storage facility in the U.S., an electric transmission business in Canada, interests in electric transmission businesses in the U.S., a renewable energy business primarily investing in wind, solar, geothermal and hydroelectric projects, one of the largest residential real estate brokerage firms and residential real estate brokerage franchise networks in the U.S.

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2025, and for the three-month periods ended March 31, 2025 and 2024. The results of operations for the three-month period ended March 31, 2025, are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in the Company's accounting policies or its assumptions regarding significant accounting estimates during the three-month period ended March 31, 2025. Refer to Note 9 for discussion of loss contingencies related to the Oregon and Northern California 2020 wildfires (the "2020 Wildfires") and the wildfire that began in the Oak Knoll Ranger District of the Klamath National Forest in Siskiyou County, California in July 2022 (the "2022 McKinney Fire"), collectively referred to as the "Wildfires."

(2) New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes Topic 740, "Income Tax—Improvements to Income Tax Disclosures" which requires enhanced disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. This guidance is effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. The Company is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures Subtopic 220-40, "Disaggregation of Income Statement Expenses" which addresses requests from investors for more detailed information about certain expenses and requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption presented on the income statement. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. The Company is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

In March 2024, the United States Securities and Exchange Commission ("SEC") adopted final rules requiring disclosure of certain climate-related information in registrations statements and Form 10-Ks. The final rules require certain disclosures related to, among other things, severe weather events and other natural conditions and climate-related risks that materially impacted or are reasonably likely to materially impact the business strategy, results of operations or financial condition of the registrant. The final rules include phased-in compliance periods for all registrants, with the compliance date dependent on the registrant's filer status and the content of the disclosure. In April 2024, the SEC voluntarily stayed implementation of the final rules, pending the completion of judicial review of consolidated challenges by the Court of Appeals for the Eighth Circuit. In March 2025, the SEC voted to end its defense of the final rules.

(3) Property, Plant and Equipment, Net

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

	Depreciable Life	As of	
		March 31, 2025	December 31, 2024
Regulated assets:			
Utility generation, transmission and distribution systems	5-80 years	\$ 104,030	\$ 103,015
Interstate natural gas pipeline assets	3-80 years	20,327	20,237
		124,357	123,252
Accumulated depreciation and amortization		(39,687)	(38,940)
Regulated assets, net		84,670	84,312
Nonregulated assets:			
Independent power plants	2-50 years	9,082	8,619
Cove Point LNG facility	40 years	3,456	3,455
Other assets	2-30 years	2,851	2,766
		15,389	14,840
Accumulated depreciation and amortization		(4,320)	(4,176)
Nonregulated assets, net		11,069	10,664
		95,739	94,976
Construction work-in-progress		9,575	8,793
Property, plant and equipment, net		\$ 105,314	\$ 103,769

Construction work-in-progress includes \$8.8 billion as of March 31, 2025 and \$8.0 billion as of December 31, 2024, related to the construction of regulated assets.

(4) Investments and Restricted Cash and Cash Equivalents and Investments

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

	As of	
	March 31, 2025	December 31, 2024
Investments:		
BYD Company Limited common stock	\$ —	\$ 415
Rabbi trusts	516	525
Other	351	394
Total investments	<u>867</u>	<u>1,334</u>
Equity method investments:		
BHE Renewables tax equity investments	4,451	4,773
Electric Transmission Texas, LLC	783	761
Iroquois Gas Transmission System, L.P.	592	580
Other	313	339
Total equity method investments	<u>6,139</u>	<u>6,453</u>
Restricted cash and cash equivalents and investments:		
Quad Cities Station nuclear decommissioning trust funds	858	871
Other restricted cash and cash equivalents	206	194
Total restricted cash and cash equivalents and investments	<u>1,064</u>	<u>1,065</u>
Total investments and restricted cash and cash equivalents and investments	<u><u>\$ 8,070</u></u>	<u><u>\$ 8,852</u></u>
Reflected as:		
Other current assets	\$ 235	\$ 217
Noncurrent assets	7,835	8,635
Total investments and restricted cash and cash equivalents and investments	<u><u>\$ 8,070</u></u>	<u><u>\$ 8,852</u></u>

Investments

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Unrealized losses recognized on marketable securities held at the reporting date	\$ (8)	\$ (124)
Net gains recognized on marketable securities sold during the period	111	1
Gains (losses) on marketable securities, net	<u><u>\$ 103</u></u>	<u><u>\$ (123)</u></u>

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, U.S. Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents consist substantially of funds restricted for debt service obligations for certain of the Company's nonregulated renewable energy projects. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as presented on the Consolidated Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Consolidated Balance Sheets (in millions):

	As of	
	March 31,	December 31,
	2025	2024
Cash and cash equivalents	\$ 2,757	\$ 1,392
Investments and restricted cash and cash equivalents	190	177
Investments and restricted cash and cash equivalents and investments	16	17
Total cash and cash equivalents and restricted cash and cash equivalents	<u>\$ 2,963</u>	<u>\$ 1,586</u>

(5) Recent Financing Transactions

Long-Term Debt

In April 2025, Northern Powergrid (Yorkshire) plc issued £250 million of its 6.125% Bonds due April 2050 and intends to use the net proceeds for general corporate purposes.

In March 2025, PacifiCorp issued \$850 million of its 7.375% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due September 2055. PacifiCorp will pay interest on the notes at a rate of 7.375% through September 2030, subject to a reset every five years, not to reset below 7.375%. PacifiCorp initially used a portion of the net proceeds to repay outstanding short-term debt and intends to use the remaining net proceeds to fund capital expenditures and for general corporate purposes.

In February 2025, Nevada Power issued \$300 million of its 6.25% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due May 2055. Nevada Power will pay interest on the notes at a rate of 6.25% through May 2030, subject to a reset every five years. Nevada Power intends to use the net proceeds from the sale of the notes to fund capital expenditures and for general corporate purposes.

In January 2025, Eastern Energy Gas issued \$700 million of 5.80% Senior Notes due January 2035 and \$500 million of 6.20% Senior Notes due January 2055. Eastern Energy Gas used the net proceeds from the sale of the notes to rebalance its capitalization structure by returning a portion of the equity capital received from its indirect parent, BHE.

Credit Facilities

In February 2025, BHE Canada amended its existing C\$50 million unsecured revolving credit facility expiring December 2027. The amendment extended the expiration date to December 2028 and amended certain provisions of the existing credit agreement.

(6) Income Taxes

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Federal statutory income tax rate	21 %	21 %
Income tax credits	(59)	(108)
State income tax, net of federal income tax impacts	2	—
Income tax effect of foreign income	1	(6)
Effects of ratemaking ⁽¹⁾	(2)	(7)
Equity earnings	(3)	(2)
Noncontrolling interest	(1)	(2)
Other	(1)	—
Effective income tax rate	(42)%	(104)%

(1) Effects of ratemaking is primarily attributable to activity associated with excess deferred income taxes.

Income tax credits relate primarily to production tax credits ("PTCs") from wind- and solar-powered generating facilities owned by MidAmerican Energy, PacifiCorp, NV Energy and BHE Renewables. Federal renewable electricity PTCs are earned as energy from qualifying wind- and solar-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. Wind- and solar-powered generating facilities are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service. PTCs recognized for the three-month periods ended March 31, 2025 and 2024 totaled \$563 million and \$383 million, respectively.

The Company's provision for income taxes has been computed on a stand-alone basis. Berkshire Hathaway includes the Company in its consolidated U.S. federal and Iowa state income tax returns and the majority of the Company's U.S. federal income tax is remitted to or received from Berkshire Hathaway. The Company had no net cash payments for federal income taxes from Berkshire Hathaway for the three-month periods ended March 31, 2025 and 2024.

(7) Employee Benefit Plans

Domestic Operations

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Pension:		
Service cost	\$ 3	\$ 3
Interest cost	26	26
Expected return on plan assets	(30)	(31)
Net amortization	2	2
Net periodic benefit cost	\$ 1	\$ —
Other postretirement:		
Service cost	\$ 1	\$ 1
Interest cost	7	7
Expected return on plan assets	(9)	(8)
Net amortization	(1)	(1)
Net periodic benefit credit	\$ (2)	\$ (1)

Amounts other than the service cost for pension and other postretirement benefit plans are recorded in other, net on the Consolidated Statements of Operations. Employer contributions to the domestic pension and other postretirement benefit plans are expected to be \$13 million and \$1 million, respectively, during 2025. As of March 31, 2025, \$3 million and \$— million of contributions had been made to the domestic pension and other postretirement benefit plans, respectively.

Foreign Operations

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Service cost		
Interest cost	14	14
Expected return on plan assets	(20)	(20)
Net amortization	8	7
Net periodic benefit cost	\$ 3	\$ 2

Amounts other than the service cost for the United Kingdom pension plan are recorded in other, net on the Consolidated Statements of Operations. Employer contributions to the United Kingdom pension plan are expected to be £8 million during 2025. As of March 31, 2025, £2 million, or \$3 million, of contributions had been made to the United Kingdom pension plan.

(8) Fair Value Measurements

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

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

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

	Input Levels for Fair Value Measurements					Total	
	Level 1	Level 2	Level 3	Other⁽¹⁾			
As of March 31, 2025:							
Assets:							
Commodity derivatives	\$ —	\$ 87	\$ 3	\$ (16)	\$ 74		
Interest rate derivatives	31	32	15	—	78		
Mortgage loans held for sale	—	544	—	—	544		
Money market mutual funds	2,345	—	—	—	2,345		
Debt securities:							
U.S. government obligations	261	—	—	—	261		
Corporate obligations	—	126	—	—	126		
Municipal obligations	—	2	—	—	2		
Equity securities:							
U.S. companies	456	—	—	—	456		
International companies	9	—	—	—	9		
Investment funds	259	—	—	—	259		
	\$ 3,361	\$ 791	\$ 18	\$ (16)	\$ 4,154		
Liabilities:							
Commodity derivatives	\$ (15)	\$ (104)	\$ (95)	\$ 17	\$ (197)		
Foreign currency exchange rate derivatives	—	(13)	—	—	(13)		
Interest rate derivatives	—	(3)	(1)	2	(2)		
	\$ (15)	\$ (120)	\$ (96)	\$ 19	\$ (212)		

	Input Levels for Fair Value Measurements					Other ⁽¹⁾	Total						
	Level 1	Level 2	Level 3										
As of December 31, 2024:													
Assets:													
Commodity derivatives	\$ —	\$ 81	\$ 2	\$ (22)	\$ 61								
Interest rate derivatives	33	42	7	—	82								
Mortgage loans held for sale	—	528	—	—	528								
Money market mutual funds	927	—	—	—	927								
Debt securities:													
U.S. government obligations	271	—	—	—	271								
Corporate obligations	—	109	—	—	109								
Municipal obligations	—	2	—	—	2								
Equity securities:													
U.S. companies	479	—	—	—	479								
International companies	424	—	—	—	424								
Investment funds	313	—	—	—	313								
	\$ 2,447	\$ 762	\$ 9	\$ (22)	\$ 3,196								
Liabilities:													
Commodity derivatives	\$ (15)	\$ (141)	\$ (74)	\$ 31	\$ (199)								
Foreign currency exchange rate derivatives	—	(23)	—	—	(23)								
Interest rate derivatives	—	(1)	(2)	—	(3)								
	\$ (15)	\$ (165)	\$ (76)	\$ 31	\$ (225)								

(1) Represents netting under master netting arrangements and a net cash collateral receivable of \$3 million and \$9 million as of March 31, 2025 and December 31, 2024, respectively.

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

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

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

The following table reconciles the beginning and ending balances of the Company's financial assets and liabilities measured at fair value on a recurring basis using significant Level 3 inputs (in millions). Transfers out of Level 3 occur primarily due to increased price observability.

	Three-Month Periods			
	Ended March 31,			
	Interest	Commodity	Rate	Derivatives
Derivatives	Derivatives	Derivatives	Derivatives	Derivatives
2025:				
Beginning balance		\$ (72)	\$ 5	
Changes included in earnings ⁽¹⁾		—	9	
Changes in fair value recognized in net regulatory assets		(31)	—	
Settlements		11	—	
Ending balance		\$ (92)	\$ 14	
2024:				
Beginning balance		\$ (91)	\$ 7	
Changes included in earnings ⁽¹⁾		(3)	4	
Changes in fair value recognized in net regulatory assets		(56)	—	
Settlements		15	—	
Ending balance		\$ (135)	\$ 11	

(1) Changes included in earnings for interest rate derivatives are reported net of amounts related to the satisfaction of the associated loan commitment.

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

	As of March 31, 2025		As of December 31, 2024	
	Carrying	Fair	Carrying	Fair
	Value	Value	Value	Value
Long-term debt	\$ 57,287	\$ 52,726	\$ 55,257	\$ 50,179

(9) Commitments and Contingencies

Commitments

The Company has the following firm commitments that are not reflected on the Consolidated Balance Sheets.

Fuel Contracts

During the three-month period ended March 31, 2025, PacifiCorp received the full notice to proceed from a counterparty for four battery storage agreements with minimum obligations totaling approximately \$1.0 billion through 2046. The facilities associated with these contracts have not yet achieved commercial operation. To the extent these facilities do not achieve commercial operation, PacifiCorp would no longer have an obligation to the counterparty.

During the three-month period ended March 31, 2025, MidAmerican Energy entered into firm construction commitments totaling \$162 million for the remainder of 2025 related to the construction of wind-powered generating facilities in Iowa.

Environmental Laws and Regulations

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

Legal Matters

The Company is party to a variety of legal actions, including litigation, arising out of the normal course of business, some of which assert claims for damages in substantial amounts and are described below. For certain legal actions, parties at times may seek to impose fines, penalties and other costs.

Pursuant to ASC 450, "Contingencies," a provision for a loss contingency is recorded when it is probable a liability is likely to occur and the amount of loss can be reasonably estimated. The Company evaluates the related range of reasonably estimated losses and records a loss based on its best estimate within that range or the lower end of the range if there is no better estimate.

Wildfires

A significant number of complaints and demands alleging similar claims related to the Wildfires have been filed in Oregon and California, including a class action complaint in Oregon associated with 2020 Wildfires for which certain jury verdicts were issued as described below. The plaintiffs seek damages for economic losses, noneconomic losses, including mental suffering, emotional distress, personal injury and loss of life, punitive damages, other damages and attorneys' fees. Several insurance carriers have filed subrogation complaints in Oregon and California with allegations similar to those made in the aforementioned complaints. Additionally, PacifiCorp received correspondence from the U.S. and Oregon Departments of Justice regarding the potential recovery of certain costs and damages alleged to have occurred on federal and state lands in connection with certain of the 2020 Wildfires. In December 2024, the United States of America filed a complaint against PacifiCorp in conjunction with the correspondence from the U.S. Department of Justice. The civil cover sheet accompanying the complaint demands damages estimated to exceed \$900 million. PacifiCorp is actively cooperating with the U.S. and Oregon Departments of Justice on resolving these alleged claims.

Amounts sought in outstanding complaints and demands filed in Oregon and in certain demands made in California totaled approximately \$51 billion, excluding any doubling or trebling of damages or punitive damages included in the complaints. Generally, the complaints filed in California do not specify damages sought and are excluded from this amount. Of the \$51 billion, \$48 billion represents the economic and noneconomic damages sought in the *James* mass complaints described below. For class actions, amounts specified by the plaintiffs in the complaints include amounts based on estimates of the potential class size, which ultimately may be significantly greater than estimated. Additionally, damages are not limited to the amounts specified in the initially filed complaints as plaintiffs are frequently allowed to amend their complaints to add additional damages and amounts awarded in a court proceeding may be significantly greater than the damages specified. Oregon law provides for doubling of economic and property damages in the event the defendant is found to have acted with gross negligence, recklessness, willfulness or malice. Oregon law provides for trebling of damages associated with timber, shrubs and produce in the event the defendant is determined to have willfully and intentionally trespassed.

In California, under inverse condemnation, courts have held that investor-owned utilities can be liable for real and personal property damages from wildfires without the utility being found negligent and regardless of fault. California law also permits inverse condemnation plaintiffs to recover reasonable attorney fees and costs. In both Oregon and California, PacifiCorp has equipment in areas accessed through special use permits, easements or similar agreements that may contain provisions requiring it to pay for damages caused by its equipment regardless of fault. Even if inverse condemnation or other provisions do not apply, PacifiCorp could be found liable for all damage.

Based on available information to date, PacifiCorp believes it is probable that losses will be incurred associated with the Wildfires. Final determinations of liability will only be made following the completion of comprehensive investigations, litigation or similar processes, the outcome of which, if adverse, could, in the aggregate, have a material adverse effect on PacifiCorp's financial condition.

Investigations into the cause and origin of each wildfire are complex and ongoing and have been or are being conducted by various entities, including the U.S. Department of Agriculture Forest Service ("USFS"), the California Public Utilities Commission, the Oregon Department of Forestry ("ODF"), the Oregon Department of Justice, PacifiCorp and various experts engaged by PacifiCorp.

2020 Wildfires

In September 2020, a severe weather event with high winds, low humidity and warm temperatures contributed to several major wildfires, which resulted in real and personal property and natural resource damage, personal injuries and loss of life and widespread power outages in Oregon and Northern California. The wildfires spread across certain parts of PacifiCorp's service territory and surrounding areas across multiple counties in Oregon and California, including Siskiyou County, California; Jackson County, Oregon; Douglas County, Oregon; Marion County, Oregon; Lincoln County, Oregon; and Klamath County, Oregon, burning over 500,000 acres in aggregate and include the Santiam Canyon, Beachie Creek, South Obenchain, Echo Mountain Complex, 242, Archie Creek, Slater and other fires. The Slater fire occurred in both Oregon and California. Third-party reports for these wildfires indicate over 2,000 structures destroyed, including residences; several structures damaged; multiple individuals injured; and several fatalities.

In May 2022, the USFS issued its report of investigation into the Archie Creek fire concluding that the probable cause of the fire was power lines owned and operated by PacifiCorp. The report also states that evidence indicates failure of power line infrastructure. The USFS report of investigation into the Slater fire for the investigation period October 5, 2020 to December 8, 2020, concluded that the fire was caused by a downed power line owned and operated by PacifiCorp. The report states that evidence indicates a tree fell onto the power line and that wind blew over the 137-foot tree with internal rot that showed no outward signs of distress and would not have been classified or identified as a hazard tree.

Settlements have been reached with substantially all individual plaintiffs, timber companies and insurance subrogation plaintiffs in both the Archie Creek and Slater fires with government timber and suppression cost claims remaining.

In April 2023, the USFS issued its report of investigation into a wildland fire that began in the Opal Creek wilderness outside of the Santiam Canyon that was first reported on August 16, 2020 ("Beachie Creek Fire"), approximately three weeks prior to the September 2020 wind event described above. In March 2025, PacifiCorp received the ODF's final investigation report on the Santiam Canyon fires ("ODF's Report"), which concluded that embers from the pre-existing Beachie Creek Fire caused 12 fires within the Santiam Canyon. The ODF's Report also found that PacifiCorp's power lines did not contribute to the overall spread of fire into the Santiam Canyon even though its power lines ignited seven spot fires within the Santiam Canyon that were each suppressed.

The Beachie Creek fire that spread into the Santiam Canyon burned approximately 193,000 acres; the South Obenchain fire burned approximately 33,000 acres; the Echo Mountain Complex fire burned approximately 3,000 acres; and the 242 fire burned approximately 14,000 acres. The *James* cases described below are associated with the Beachie Creek (Santiam Canyon), South Obenchain, Echo Mountain Complex and 242 fires, which are four distinct fires located hundreds of miles apart.

The James Case

On September 30, 2020, a class action complaint against PacifiCorp was filed, captioned *Jeanye James et al. v. PacifiCorp*, ("James") in Oregon Circuit Court in Multnomah County, Oregon ("Multnomah County Circuit Court Oregon"). The complaint was filed by Oregon residents and businesses who seek to represent a class of all Oregon citizens and entities whose real or personal property was harmed beginning on September 7, 2020, by wildfires in Oregon allegedly caused by PacifiCorp. In November 2021, the plaintiffs filed an amended complaint to limit the class to include Oregon citizens allegedly impacted by the Santiam Canyon, Echo Mountain Complex, South Obenchain and 242 wildfires, as well as to add claims for noneconomic damages. The amended complaint alleged that PacifiCorp's assets contributed to the Oregon wildfires occurring on or after September 7, 2020, and that PacifiCorp acted with gross negligence, among other things. The amended complaint seeks damages similar to those described above, including not less than \$600 million of economic damages and in excess of \$1 billion of noneconomic damages for the plaintiffs and the class. Numerous cases were consolidated into the original *James* complaint.

In April, May, July and September 2024, and January 2025, six separate mass complaints against PacifiCorp naming 1,591 individual class members were filed in Multnomah County Circuit Court Oregon referencing *James* as the lead case. Complaints for five of the plaintiffs in the mass complaints were subsequently dismissed. These *James* mass complaints make damages-only allegations seeking economic, noneconomic and punitive damages, as well as doubling of economic damages. In December 2024, two additional complaints were filed in Multnomah County Circuit Court Oregon on behalf of eight plaintiffs also referencing *James* as the lead case, bringing the total class plaintiffs in the *James* case to 1,594. PacifiCorp believes the magnitude of damages sought by the class members in the *James* mass complaints and additional two complaints to be of remote likelihood of being awarded based on the amounts awarded in the jury verdicts described below that are being appealed.

In January, April and June 2024, the Multnomah County Circuit Court Oregon entered limited judgments and money awards for the *James* jury verdicts issued in June 2023 for the first trial in which the jury found PacifiCorp's conduct grossly negligent, reckless and willful as to each of the 17 named plaintiffs and the entire class, and the first two damages phase trials for which the verdicts were issued in January and March 2024. The limited judgments award aggregate damages of \$210 million, including \$32 million of doubled economic damages, \$147 million of noneconomic damages and \$41 million of punitive damages based on a 0.25 multiplier applied to economic and noneconomic damages, partially offset by insurance proceeds received by plaintiffs. For each limited judgment entered in the court, PacifiCorp posted a supersedeas bond, which stays any effort to seek payment of the judgments pending final resolution of any appeals. Under Oregon Revised Statutes 82.010, interest at a rate of 9% per annum will accrue on the judgments commencing at the date the judgments were entered until the entire money award is paid, amended or reversed by an appellate court. In January 2024, PacifiCorp filed a notice of appeal associated with the June 2023 verdict in *James*, including whether the case can proceed as a class action and filed a motion to stay further damages phase trials. PacifiCorp amended its appeal of the June 2023 *James* verdict to include both the January and March 2024 jury verdicts. The appeals process and further actions could take several years.

In February 2025, the jury for the third *James* damages phase trial awarded seven plaintiffs \$32 million of noneconomic damages in addition to \$4 million of economic damages stipulated for eight plaintiffs prior to the trial. In accordance with Oregon law, plaintiffs asked the court to double the economic damages to \$8 million after the verdict. PacifiCorp expects the court will award the doubling of economic damages and also increase the award for \$9 million in punitive damages by applying the 0.25 multiplier of economic and noneconomic damages consistent with the June 2023 *James* verdict. PacifiCorp filed a motion with the Multnomah County Circuit Court Oregon requesting the court offset the damage awards by deducting insurance proceeds received by any of the eight plaintiffs. In April 2025, the Multnomah County Circuit Court entered a limited judgment that awards approximately \$45 million, representing damages as discussed above, partially offset by insurance proceeds received by plaintiffs. PacifiCorp intends to appeal the jury's damage awards associated with the February 2025 jury verdict.

In March 2025, the jury for the fourth *James* damages phase trial awarded seven plaintiffs over \$2 million of economic damages and five plaintiffs \$34 million of noneconomic damages. PacifiCorp expects the court to award doubling of the economic damages to \$5 million and also to increase the award for \$9 million in punitive damages by applying the 0.25 multiplier of economic and noneconomic damages consistent with the June 2023 *James* verdict. As a result, PacifiCorp expects the total award for the seven plaintiffs to be approximately \$48 million. PacifiCorp filed a motion with the Multnomah County Circuit Court Oregon requesting the court offset the damage awards by deducting insurance proceeds received by any of the plaintiffs. PacifiCorp intends to appeal the jury's damage awards associated with the March 2025 jury verdict once judgment is entered.

In April 2025, the jury for the fifth *James* damages phase trial awarded nine plaintiffs \$11 million of noneconomic damages, in addition to over \$2 million of economic damages that were stipulated prior to the trial. PacifiCorp expects the court to award doubling of the economic damages to \$5 million and also to increase the award for \$3 million in punitive damages by applying the 0.25 multiplier of economic and noneconomic damages consistent with the June 2023 *James* verdict. As a result, PacifiCorp expects the total award for the nine plaintiffs to be approximately \$19 million. PacifiCorp filed a motion with the Multnomah County Circuit Court Oregon requesting the court offset the damage awards by deducting insurance proceeds received by any of the plaintiffs. PacifiCorp intends to appeal the jury's damage awards associated with the April 2025 jury verdict once judgment is entered.

In October 2024, the Multnomah County Circuit Court Oregon issued a case management order, setting forth nine additional damages phase trials with up to 10 plaintiffs per trial to be held in 2025. The first of these trials were held in February, March and April 2025, while the remaining are scheduled to begin May 12, June 2, July 7, September 9, October 6 and December 7, 2025. The jury verdicts for the first three of the damages phase trials were issued in February, March and April 2025, as described above. A hearing is scheduled for May 9, 2025, to evaluate scheduling additional damages phase trials in 2026. On March 20, 2025, PacifiCorp filed a motion to stay the remaining *James* damages phase trials in consideration of the ODF's Report. The motion was heard by the court and was denied on April 18, 2025.

On April 1, 2025, PacifiCorp filed its opening brief with the Oregon Court of Appeals in connection with its appeal of the June 2023 *James* verdict and the January and March 2024 verdicts for the first two *James* damages phase trials. In the opening brief, PacifiCorp addresses numerous procedural and legal issues, including that the class certification is improper due to the plaintiffs being impacted by distinct fires with independent ignition points that were hundreds of miles apart; awarding of non-economic damages is not allowed under Oregon law; plaintiffs failed to prove that PacifiCorp caused harm to every class member; and jury instructions applied incorrect legal standards in assessing class-wide evidence and individual claims. Additionally, PacifiCorp incorporated the ODF's Report into its opening appellate brief. Various parties who are not party to the *James* case have filed supportive amicus briefs with the court. Plaintiffs' reply brief and cross-appeal is due May 20, 2025.

2022 McKinney Fire

According to the California Department of Forestry and Fire Protection, a wildfire began on July 29, 2022, in the Oak Knoll Ranger District of the Klamath National Forest in Siskiyou County, California located in PacifiCorp's service territory, burning over 60,000 acres. Third-party reports indicate that the 2022 McKinney Fire resulted in 11 structures damaged; 185 structures destroyed, including residences; 12 injuries; and four fatalities. The USFS issued a Wildland Fire Origin and Cause Supplemental Incident Report. The report concluded that a tree coming in contact with a power line is the probable cause of the 2022 McKinney Fire.

Estimated Losses for and Settlements Associated with the Wildfires

Based on the facts and circumstances available to PacifiCorp as of the date of this filing, including (i) ongoing cause and origin investigations; (ii) ongoing settlement and mediation discussions; (iii) other litigation matters and upcoming legal proceedings; and (iv) the status of the *James* case, PacifiCorp recorded cumulative estimated probable losses associated with the Wildfires of \$2,753 million through March 31, 2025. PacifiCorp's cumulative accrual includes estimates of probable losses for fire suppression costs, real and personal property damages, natural resource damages and noneconomic damages such as personal injury damages and loss of life damages that it is reasonably able to estimate at this time and which is subject to change as additional relevant information becomes available.

Through March 31, 2025, PacifiCorp paid \$1,331 million in settlements associated with the Wildfires. As a result of the settlements, various trials have been cancelled. In April 2025 and through the date of this filing, PacifiCorp made additional settlement payments related to the Wildfires totaling \$2 million.

The following table presents changes in PacifiCorp's liability for estimated losses associated with the Wildfires (in millions):

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Beginning balance	\$ 1,536	\$ 1,723
Payments	(114)	(18)
Ending balance	\$ 1,422	\$ 1,705

As of March 31, 2025 and December 31, 2024, \$134 million and \$247 million of PacifiCorp's liability for estimated losses associated with the Wildfires was included in Other current liabilities on the Consolidated Balance Sheets. The amounts reflected as current as of March 31, 2025 reflect amounts reasonably expected to be paid out within the next year based on settlements reached as well as ongoing settlement and mediation efforts. The remainder of PacifiCorp's liability for estimated losses associated with the Wildfires as of March 31, 2025 and December 31, 2024 was included in Other long-term liabilities on the Consolidated Balance Sheets.

The following table presents changes in PacifiCorp's receivable for expected insurance recoveries associated with the Wildfires (in millions):

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Beginning balance	\$ 98	\$ 499
Payments received	(98)	(350)
Ending balance	\$ —	\$ 149

As of March 31, 2025, PacifiCorp had received all expected insurance recoveries. As of December 31, 2024, PacifiCorp's receivable for expected insurance recoveries was included in Other current assets on the Consolidated Balance Sheets. No additional insurance recoveries beyond those received to date are expected to be available.

It is reasonably possible PacifiCorp will incur material additional losses beyond the amounts accrued for the Wildfires that could have a material adverse effect on PacifiCorp's financial condition. PacifiCorp is currently unable to reasonably estimate a specific range of possible additional losses that could be incurred due to the number of properties and parties involved, including claimants in the class to the *James* case and the 2022 McKinney Fire, the variation in the types of properties and damages and the ultimate outcome of legal actions, including mediation, settlement negotiations, jury verdicts and the appeals process.

HomeServices Antitrust Cases

HomeServices is currently defending against several antitrust cases, all in federal district courts. In each case, plaintiffs claim HomeServices and certain of its subsidiaries (in one instance, HomeServices and BHE) conspired with co-defendants to artificially inflate real estate commissions by following and enforcing multiple listing service ("MLS") rules that require listing agents to offer a commission split to cooperating agents in order for the property to appear on the MLS ("Cooperative Compensation Rule"). None of the complaints specify damages sought. However, two cases allege Texas state law deceptive trade practices claims, for which plaintiffs have asserted damages totaling approximately \$9 billion by separate written notice as required by Texas law.

In April 2019, the *Burnett (formerly Sitzer) et al. v. HomeServices of America, Inc. et al.* complaint was filed in the U.S. District Court for the Western District of Missouri (the "Burnett case"). This lawsuit, which was certified as a class in April 2022, was originally brought on behalf of named plaintiffs Joshua Sitzer and Amy Winger against the National Association of Realtors ("NAR"), Anywhere Real Estate, HomeServices of America, Inc., RE/MAX, LLC, and Keller Williams Realty, Inc. HSF Affiliates LLC and BHH Affiliates, LLC, each a subsidiary of HomeServices, were subsequently added as defendants. Rhonda Burnett became a lead class plaintiff in June 2021. The jury trial commenced on October 16, 2023, and the jury returned a verdict for the plaintiffs on October 31, 2023, finding that the named defendants participated in a conspiracy to follow and enforce the Cooperative Compensation Rule, which conspiracy had the purpose or effect of raising, inflating, or stabilizing broker commission rates paid by home sellers. The jury further found that the class plaintiffs had proved damages in the amount of \$1.8 billion. Joint and several liability applies for the co-defendants. Federal law authorizes trebling of damages and the award of pre-judgment interest and attorney fees. Prior to the trial, Anywhere Real Estate and RE/MAX, LLC reached settlement agreements with the plaintiffs. Subsequent to the trial, settlements were reached by Keller Williams, NAR and HomeServices on February 1, 2024, March 15, 2024, and April 25, 2024, respectively. The Anywhere Real Estate, RE/MAX, LLC and Keller Williams settlements received final court approval on May 9, 2024, and the NAR and HomeServices settlements received final court approval on November 27, 2024. All settlements have been appealed to the U.S. Court of Appeals for the Eighth Circuit. The U.S. District Court for the Western District of Missouri entered final judgment on the NAR and HomeServices settlements on January 15, 2025.

The final HomeServices settlement agreement with the plaintiffs settles all claims asserted against HomeServices, HSF Affiliates LLC and BHH Affiliates, LLC in the Burnett case and effectuates a nationwide class settlement. The final settlement agreement includes scheduled payments over the next four years aggregating \$250 million, with payments of \$10 million in September 2024 and \$57 million in February 2025. HomeServices recognized an after-tax charge of approximately \$140 million in the first quarter of 2024, and the liability outstanding as of March 31, 2025 and December 31, 2024, was \$142 million and \$194 million, respectively. If the settlement is not affirmed by the U.S. Court of Appeals for the Eighth Circuit, HomeServices intends to vigorously appeal on multiple grounds the jury's findings and damage award in the Burnett case, including whether the case can proceed as a class action. The appeals process and further actions could take several years.

Guarantees

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

(10) Revenue from Contracts with Customers

Energy Products and Services

The following table summarizes the Company's energy products and services revenue from contracts with customers ("Customer Revenue") by regulated and nonregulated, with further disaggregation of regulated by line of business, including a reconciliation to the Company's reportable segment information included in Note 13 (in millions):

	For the Three-Month Period Ended March 31, 2025									Total
	PaciCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Pipeline Group	BHE Transmission	BHE Renewables	BHE and Other ⁽¹⁾		
Customer Revenue:										
Regulated:										
Retail electric	\$ 1,647	\$ 545	\$ 633	\$ —	\$ —	\$ —	\$ —	\$ (1)	\$ 2,824	
Retail gas	—	309	49	—	—	—	—	—	—	358
Wholesale	13	116	16	—	1	—	—	—	—	146
Transmission and distribution	48	14	17	372	—	155	—	—	—	606
Interstate pipeline	—	—	—	—	859	—	—	(46)	—	813
Other	27	—	—	—	—	—	—	—	—	27
Total Regulated	1,735	984	715	372	860	155	—	(47)	—	4,774
Nonregulated	—	2	2	25	315	29	211	—	—	584
Total Customer Revenue	1,735	986	717	397	1,175	184	211	(47)	—	5,358
Other revenue	33	28	1	29	10	1	46	—	—	148
Total	\$ 1,768	\$ 1,014	\$ 718	\$ 426	\$ 1,185	\$ 185	\$ 257	\$ (47)	\$ 5,506	

	For the Three-Month Period Ended March 31, 2024									Total
	PaciCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Pipeline Group	BHE Transmission	BHE Renewables	BHE and Other ⁽¹⁾		
Customer Revenue:										
Regulated:										
Retail electric	\$ 1,447	\$ 485	\$ 782	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,714	
Retail gas	—	254	85	—	—	—	—	—	—	339
Wholesale	29	72	18	—	—	—	—	(1)	—	118
Transmission and distribution	41	15	20	266	—	167	—	—	—	509
Interstate pipeline	—	—	—	—	869	—	—	(45)	—	824
Other	26	—	—	—	1	—	—	—	—	27
Total Regulated	1,543	826	905	266	870	167	—	(46)	—	4,531
Nonregulated	—	2	1	23	257	31	296	—	—	610
Total Customer Revenue	1,543	828	906	289	1,127	198	296	(46)	—	5,141
Other revenue	5	15	2	31	1	—	51	(1)	—	104
Total	\$ 1,548	\$ 843	\$ 908	\$ 320	\$ 1,128	\$ 198	\$ 347	\$ (47)	\$ 5,245	

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

Real Estate Services

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

	HomeServices	
	Three-Month Periods	
	Ended March 31,	
	2025	2024
Customer Revenue:		
Brokerage	\$ 781	\$ 794
Franchise	10	12
Total Customer Revenue	791	806
Mortgage and other revenue	69	60
Total	<u><u>\$ 860</u></u>	<u><u>\$ 866</u></u>

Remaining Performance Obligations

The following table summarizes the Company's revenue it expects to recognize in future periods related to significant unsatisfied remaining performance obligations for fixed contracts with expected durations in excess of one year as of March 31, 2025, by reportable segment (in millions):

	Performance obligations expected to be satisfied:		
	Less than 12 months	More than 12 months	Total
BHE Pipeline Group	\$ 3,098	\$ 19,013	\$ 22,111
BHE Transmission	469	—	469
Total	<u><u>\$ 3,567</u></u>	<u><u>\$ 19,013</u></u>	<u><u>\$ 22,580</u></u>

(11) BHE Shareholder's Equity

In February 2025, BHE redeemed at par 481,000 shares of its 4.00% Perpetual Preferred Stock from a subsidiary of Berkshire Hathaway Inc. for \$481 million, plus an additional amount equal to the accrued dividends on the pro rata shares redeemed.

(12) Components of Accumulated Other Comprehensive Loss, Net

The following table shows the change in accumulated other comprehensive loss by each component of other comprehensive income (loss), net of applicable income tax (in millions):

	Unrecognized Amounts On Retirement Benefits	Foreign Currency Translation Adjustment	Unrealized Gains on Cash Flow Hedges	Noncontrolling Interests	AOCI Attributable To BHE Shareholders, Net
Balance, December 31, 2023	\$ (426)	\$ (1,550)	\$ 71	\$ 1	\$ (1,904)
Other comprehensive income (loss)	11	(145)	7	—	(127)
Balance, March 31, 2024	<u><u>\$ (415)</u></u>	<u><u>\$ (1,695)</u></u>	<u><u>\$ 78</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ (2,031)</u></u>
 Balance, December 31, 2024	 \$ (421)	 \$ (1,999)	 \$ 78	 \$ 1	 \$ (2,341)
Other comprehensive income (loss)	—	169	(6)	—	163
Balance, March 31, 2025	<u><u>\$ (421)</u></u>	<u><u>\$ (1,830)</u></u>	<u><u>\$ 72</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ (2,178)</u></u>

(13) Segment Information

The Company's chief operating decision maker ("CODM") is its President and Chief Executive Officer. Earnings on common shares for each reportable segment are considered by the CODM in allocating resources and capital. The CODM generally considers actual results versus historical results, budgets or forecasts, as well as unique risks and opportunities, when making decisions about the allocation of resources and capital to each reportable segment. The Company's reportable segments with foreign operations include Northern Powergrid, whose business is principally in the United Kingdom, and BHE Transmission, whose business includes operations in Canada. Intersegment eliminations and adjustments, including the allocation of goodwill, have been made. Information related to the Company's reportable segments is shown below (in millions):

	For the Three-Month Period Ended March 31, 2025										
	PaciCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Pipeline Group	BHE Transmission	BHE Renewables ⁽²⁾	HomeServices	BHE and Other ⁽¹⁾	Total	
Operating revenue	\$ 1,768	\$ 1,014	\$ 718	\$ 426	\$ 1,185	\$ 186	\$ 257	\$ 860	\$ (48)	\$ 6,366	
Cost of sales	718	369	357	29	54	6	45	605	(47)	2,136	
Operations and maintenance	424	227	137	55	224	35	134	254	13	1,503	
Depreciation and amortization	299	307	138	87	152	55	68	10	—	1,116	
Interest expense	187	105	79	33	70	36	31	1	144	686	
Interest and dividend income	28	6	6	3	23	—	4	4	(12)	62	
Income tax expense (benefit)	(19)	(236)	3	57	144	4	(336)	(6)	(10)	(399)	
Equity income (loss)	—	—	1	—	27	23	(172)	1	—	(120)	
Other segment items	(9)	(20)	11	(23)	(103)	(11)	(7)	(16)	96	(82)	
Earnings on common shares	\$ 178	\$ 228	\$ 22	\$ 145	\$ 488	\$ 62	\$ 140	\$ (15)	\$ (64)	\$ 1,184	
Capital expenditures	\$ 688	\$ 405	\$ 456	\$ 157	\$ 188	\$ 81	\$ 112	\$ 1	\$ 40	\$ 2,128	

For the Three-Month Period Ended March 31, 2024

	PaciCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Pipeline Group	BHE Transmission	BHE Renewables ⁽²⁾	HomeServices	BHE and Other ⁽¹⁾	Total
Operating revenue	\$ 1,548	\$ 843	\$ 908	\$ 320	\$ 1,128	\$ 198	\$ 347	\$ 866	\$ (47)	\$ 6,111
Cost of sales	632	280	560	31	40	6	167	612	(46)	2,282
Operations and maintenance	416	218	128	53	224	37	126	460	33	1,695
Depreciation and amortization	292	227	139	88	139	58	67	12	3	1,025
Interest expense	192	108	73	34	40	37	35	4	168	691
Interest and dividend income	58	10	13	1	14	—	4	8	8	116
Income tax expense (benefit)	(12)	(220)	4	11	155	5	(258)	(54)	(2)	(371)
Equity income (loss)	—	—	1	—	43	21	(105)	1	—	(39)
Other segment items	28	(5)	9	(18)	(88)	(10)	(8)	—	(121)	(213)
Earnings on common shares	\$ 114	\$ 235	\$ 27	\$ 86	\$ 499	\$ 66	\$ 101	\$ (159)	\$ (316)	\$ 653
Capital expenditures	\$ 774	\$ 428	\$ 459	\$ 131	\$ 223	\$ 60	\$ 67	\$ 2	\$ 9	\$ 2,153

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

(2) Income tax expense (benefit) includes the tax attributes of disregarded entities that are not required to pay income taxes and the earnings of which are taxable directly to BHE.

The following table summarizes the other segment items category by the Company's reportable segments:

	PaciCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Pipeline Group	BHE Transmission	BHE Renewables	HomeServices
Property and other taxes	X	X	X	X	X	X	X	X
Capitalized interest	X	X	X	X	X	X	X	
Allowance for equity funds	X	X	X		X	X		
Gains (losses) on marketable securities, net	X	X	X		X	X	X	X
Other income (expense), net	X	X	X	X	X	X	X	X
Net income attributable to noncontrolling interests	X			X	X	X	X	X

The following table summarizes the Company's total assets by reportable segment (in millions):

	As of	
	March 31, 2025	December 31, 2024
Assets:		
PacifiCorp	\$ 36,784	\$ 36,134
MidAmerican Funding	28,360	28,203
NV Energy	19,175	18,708
Northern Powergrid	10,278	9,803
BHE Pipeline Group	22,382	22,114
BHE Transmission	9,142	9,098
BHE Renewables	12,253	11,963
HomeServices	3,314	3,382
BHE and Other ⁽¹⁾	581	735
Total assets	\$ 142,269	\$ 140,140

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

The following table shows the change in the carrying amount of goodwill by reportable segment for the three-month period ended March 31, 2025 (in millions):

	PacifiCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Pipeline Group	BHE Transmission	BHE Renewables	HomeServices	Total
December 31, 2024	\$ 1,129	\$ 2,102	\$ 2,369	\$ 940	\$ 1,814	\$ 1,373	\$ 95	\$ 1,591	\$ 11,413
Foreign currency translation	—	—	—	21	—	—	—	—	21
Other	—	—	—	—	—	—	—	(8)	(8)
March 31, 2025	\$ 1,129	\$ 2,102	\$ 2,369	\$ 961	\$ 1,814	\$ 1,373	\$ 95	\$ 1,583	\$ 11,426

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

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

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

Results of Operations for the First Quarter of 2025 and 2024

Overview

Operating revenue and earnings on common shares for the Company's reportable segments are summarized as follows (in millions):

	First Quarter			Change
	2025	2024		
Operating revenue:				
PacifiCorp	\$ 1,768	\$ 1,548	\$ 220	14 %
MidAmerican Funding	1,014	843	171	20
NV Energy	718	908	(190)	(21)
Northern Powergrid	426	320	106	33
BHE Pipeline Group	1,185	1,128	57	5
BHE Transmission	186	198	(12)	(6)
BHE Renewables	257	347	(90)	(26)
HomeServices	860	866	(6)	(1)
BHE and Other	(48)	(47)	(1)	(2)
Total operating revenue	<u>\$ 6,366</u>	<u>\$ 6,111</u>	<u>\$ 255</u>	4 %
Earnings on common shares:				
PacifiCorp	\$ 178	\$ 114	\$ 64	56 %
MidAmerican Funding	228	235	(7)	(3)
NV Energy	22	27	(5)	(19)
Northern Powergrid	145	86	59	69
BHE Pipeline Group	488	499	(11)	(2)
BHE Transmission	62	66	(4)	(6)
BHE Renewables ⁽¹⁾	140	101	39	39
HomeServices	(15)	(159)	144	91
BHE and Other	(64)	(316)	252	80
Total earnings on common shares	<u>\$ 1,184</u>	<u>\$ 653</u>	<u>\$ 531</u>	81 %

(1) Includes the tax attributes of disregarded entities that are not required to pay income taxes and the earnings of which are taxable directly to BHE.

Earnings on common shares increased \$531 million for the first quarter of 2025 compared to 2024. Included in these results was a pre-tax gain in the first quarter of 2025 of \$110 million (\$87 million after-tax) compared to a pre-tax loss in the first quarter of 2024 of \$137 million (\$108 million after-tax) related to the Company's investment in BYD Company Limited. Excluding the impact of this item, adjusted earnings on common shares for the first quarter of 2025 was \$1,097 million, an increase of \$336 million, or 44%, compared to adjusted earnings on common shares for the first quarter of 2024 of \$761 million.

The increase in earnings on common shares for the first quarter of 2025 compared to 2024 was primarily due to the following:

- The Utilities' earnings increased \$52 million, primarily due to higher electric utility margin and higher PTCs recognized, partially offset by higher depreciation and amortization expense, lower interest and dividend income, increased operations and maintenance expense, lower allowances for equity and borrowed funds used during construction and unfavorable changes in the cash surrender value of corporate-owned life insurance policies. Electric retail customer volumes increased 4.2% for the first quarter of 2025 compared to 2024, primarily due to the favorable impact of weather and an increase in the average number of customers;
- Northern Powergrid's earnings increased \$59 million, primarily due to higher distribution revenue, partially offset by higher income tax expense from a charge related to the March 2025 enactment of a change in the Energy Profits Levy income tax and lower group relief tax claims. Units distributed increased 1.9% mainly due to higher customer usage;
- BHE Pipeline Group's earnings decreased \$11 million, primarily due to higher interest expense from debt issuances in January 2025 and debt refinancings in the fourth quarter of 2024 at higher interest rates, lower margin on gas sales and lower equity earnings, partially offset by higher transportation and storage revenues at Northern Natural Gas and EGTS and higher variable revenue at Cove Point;
- BHE Renewables' earnings increased \$39 million, primarily due to higher earnings from the wind tax equity investment portfolio, favorable derivative contract valuations and higher solar earnings from higher generation;
- HomeServices' earnings increased \$144 million, primarily due to an after-tax charge of approximately \$140 million recognized in the first quarter of 2024 associated with a settlement reached in the ongoing real estate industry litigation matters; and
- BHE and Other's earnings increased \$252 million, primarily due to the \$195 million favorable comparative change related to the Company's investment in BYD Company Limited and higher federal income tax credits recognized on a consolidated basis, partially offset by unfavorable changes in the cash surrender value of corporate-owned life insurance policies.

Reportable Segment Results

PacifiCorp

Operating revenue increased \$220 million for the first quarter of 2025 compared to 2024, primarily due to higher retail revenue of \$202 million and higher wholesale and other revenue of \$18 million. Retail revenue increased primarily due to price impacts of \$164 million from higher average rates, largely from tariff changes, and \$38 million from higher retail volumes. Retail customer volumes increased 2.4% primarily due to the favorable impact of weather and an increase in the average number of customers. Wholesale and other revenue increased primarily due to higher wholesale volumes, partially offset by lower average wholesale prices.

Earnings increased \$64 million for the first quarter of 2025 compared to 2024, primarily due to higher utility margin of \$134 million and higher PTCs recognized of \$22 million. These items were partially offset by lower interest and dividend income of \$30 million, decreased allowances for equity and borrowed funds used during construction of \$28 million, higher operations and maintenance expense of \$8 million and increased depreciation and amortization expense of \$7 million. Utility margin increased primarily due to higher retail rates and volumes, lower purchased electricity costs and higher wholesale volumes, partially offset by unfavorable deferred net power costs and higher thermal generation costs. Operations and maintenance expense increased due to increased amortization of demand-side management costs, higher insurance premiums and increased salary and benefit expenses, partially offset by lower vegetation management and other wildfire prevention costs and the timing of federal grant reimbursement accruals. Depreciation and amortization increased due to additional assets placed in-service, partially offset by the impacts of certain regulatory mechanisms.

MidAmerican Funding

Operating revenue increased \$171 million for the first quarter of 2025 compared to 2024, primarily due to higher electric operating revenue of \$102 million and higher natural gas operating revenue of \$69 million. Electric operating revenue increased due to higher retail revenue of \$64 million and higher wholesale and other revenue of \$38 million. Electric retail revenue increased primarily due to higher recoveries through adjustment clauses of \$27 million (fully offset in cost of sales, operations and maintenance expense and income tax benefit), higher retail volumes of \$27 million and price impacts of \$9 million from changes in sales mix. Electric retail customer volumes increased 11.3%, primarily due to higher customer usage, the favorable impact of weather and an increase in the average number of customers. Electric wholesale and other revenue increased mainly due to higher average wholesale prices of \$39 million. Natural gas operating revenue increased primarily due to higher energy-related rates of \$69 million (fully offset in cost of sales) from a higher average per-unit cost of natural gas sold and the favorable impact of weather of \$7 million, partially offset by lower base rates of \$7 million.

Earnings decreased \$7 million for the first quarter of 2025 compared to 2024, primarily due to higher depreciation and amortization expense of \$80 million, unfavorable changes in the cash surrender value of corporate-owned life insurance policies of \$14 million and higher operations and maintenance expense of \$9 million. These items were partially offset by higher electric utility margin of \$81 million and higher PTCs recognized of \$19 million. Depreciation and amortization expense increased primarily due to the impacts of certain regulatory mechanisms and additional assets placed in-service. Operations and maintenance expense increased primarily due to increased general and plant maintenance costs, partially offset by lower technology and other costs. Electric utility margin increased primarily due to higher retail and wholesale revenues, partially offset by higher thermal generation and purchased electricity costs.

NV Energy

Operating revenue decreased \$190 million for the first quarter of 2025 compared to 2024, primarily due to lower electric operating revenue of \$154 million and lower natural gas operating revenue of \$37 million, largely due to lower energy-related rates (fully offset in cost of sales) from a lower average per-unit cost of natural gas sold. Electric operating revenue decreased primarily due to lower fully bundled energy rates (fully offset in cost of sales) of \$164 million, partially offset by higher base rates of \$11 million at Sierra Pacific. Electric retail customer volumes increased 0.8%, primarily due to an increase in the average number of customers, partially offset by lower customer usage.

Earnings decreased \$5 million for the first quarter of 2025 compared to 2024, primarily due to higher operations and maintenance expense of \$9 million, lower interest and dividend income of \$7 million and higher interest expense of \$6 million. These items were partially offset by higher electric utility margin of \$10 million and higher allowances for equity and borrowed funds of \$3 million. Operations and maintenance expense increased primarily due to higher insurance premiums and increased general and plant maintenance costs, partially offset by lower technology and other costs. Interest and dividend income decreased mainly from carrying charges on higher deferred energy balances in 2024. Interest expense increased due to higher debt outstanding. Electric utility margin increased primarily due to higher base rates at Sierra Pacific Power.

Northern Powergrid

Operating revenue increased \$106 million for the first quarter of 2025 compared to 2024, primarily due to higher distribution revenue of \$108 million. Distribution revenue increased primarily due to higher tariff rates of \$114 million driven by the impacts of inflation and an increase in units distributed of 1.9% mainly due to higher customer usage, partially offset by lower recoveries of Supplier of Last Resort payments of \$12 million (largely offset in cost of sales).

Earnings increased \$59 million for the first quarter of 2025 compared to 2024, primarily due to higher distribution revenue, partially offset by higher income tax expense from a charge related to the March 2025 enactment of a change in the Energy Profits Levy income tax of \$14 million and lower group relief tax claims of \$6 million.

BHE Pipeline Group

Operating revenue increased \$57 million for the first quarter of 2025 compared to 2024, primarily due to higher operating revenue of \$51 million at BHE GT&S and higher non-regulated revenues of \$9 million from additional compressor units placed in-service, partially offset by lower operating revenue of \$3 million at Northern Natural Gas. The increase in operating revenue at BHE GT&S was primarily due to higher revenues at Cove Point of \$31 million, largely from favorable variable revenue, increased non-regulated revenue of \$9 million (largely offset in cost of sales) primarily from higher volumes, higher regulated gas transmission and storage services revenue of \$7 million at EGTS largely due to higher volumes and increased regulated gas transmission services revenue of \$6 million at Carolina Gas Transmission, LLC due to the impacts of a general rate case. The decrease in operating revenue at Northern Natural Gas was primarily due to lower gas sales of \$18 million from system balancing activities, partially offset by higher transportation and storage revenues of \$14 million due to higher volumes and rates.

Earnings decreased \$11 million for the first quarter of 2025 compared to 2024, primarily due to lower earnings of \$20 million at Northern Natural Gas, partially offset by higher earnings of \$7 million at BHE GT&S. The decrease at Northern Natural Gas was primarily due to lower margin on gas sales of \$19 million from system balancing activities, higher operations and maintenance expense of \$7 million, largely from increased costs for operations projects, and decreased interest and dividend income of \$5 million, partially offset by higher transportation and storage revenues. The increase at BHE GT&S was primarily due to higher earnings at Cove Point of \$18 million, largely from favorable variable revenue, increased interest and dividend income of \$14 million, higher regulated gas transmission and storage services revenue at EGTS and lower operations and maintenance expense of \$6 million due to decreased general and plant maintenance costs and lower salary and benefit expenses, partially offset by higher interest expense of \$27 million, primarily from debt issuances in January 2025 and debt refinancings in the fourth quarter of 2024 at higher interest rates, and lower equity earnings of \$15 million.

BHE Transmission

Operating revenue decreased \$12 million for the first quarter of 2025 compared to 2024, primarily due to \$11 million from the stronger U.S. dollar.

Earnings decreased \$4 million for the first quarter of 2025 compared to 2024, primarily due to \$3 million from the stronger U.S. dollar.

BHE Renewables

Operating revenue decreased \$90 million for the first quarter of 2025 compared to 2024, primarily due to lower electric and natural gas retail energy services revenue of \$131 million from the sale of customer contracts in December 2024, partially offset by higher natural gas revenue of \$17 million from higher pricing and higher generation, higher wind revenue of \$13 million from favorable changes in the valuations of certain derivative contracts and higher solar revenue of \$13 million from higher generation.

Earnings increased \$39 million for the first quarter of 2025 compared to 2024, primarily due to higher wind earnings of \$31 million and higher solar earnings of \$10 million from higher generation. Wind earnings increased due to higher earnings from the wind tax equity investment portfolio of \$19 million, primarily due to the addition of eight tax equity investments from a common control merger completed in December 2024, and higher earnings from owned wind projects of \$12 million mainly due to favorable derivative contract valuations.

HomeServices

Operating revenue decreased \$6 million for the first quarter of 2025 compared to 2024, primarily due to lower brokerage and settlement services revenue of \$15 million, partially offset by higher mortgage revenue of \$10 million. The decrease in brokerage and settlement services revenue resulted from a 7% decrease in closed brokerage units driven by the continued slowdown of overall market activity due to increased interest rates and low inventory. The increase in mortgage revenue was due to a 12% increase in funded volume and an 8% increase in average loan size.

Earnings increased \$144 million for the first quarter of 2025 compared to 2024, primarily due to an after-tax charge of approximately \$140 million recognized in the first quarter of 2024 associated with a settlement reached in the ongoing real estate industry litigation matters.

BHE and Other

Earnings increased \$252 million for the first quarter of 2025 compared to 2024, primarily due to the \$195 million favorable comparative change related to the Company's investment in BYD Company Limited and \$70 million of higher federal income tax credits recognized on a consolidated basis, partially offset by unfavorable changes in the cash surrender value of corporate-owned life insurance policies of \$14 million.

Liquidity and Capital Resources

Each of BHE's direct and indirect subsidiaries is organized as a legal entity separate and apart from BHE and its other subsidiaries. It should not be assumed that the assets of any subsidiary will be available to satisfy BHE's obligations or the obligations of its other subsidiaries. However, unrestricted cash or other assets that are available for distribution may, subject to applicable law, regulatory commitments and the terms of financing and ring-fencing arrangements for such parties, be advanced, loaned, paid as dividends or otherwise distributed or contributed to BHE or affiliates thereof. The Company's long-term debt may include provisions that allow BHE or its subsidiaries to redeem such debt in whole or in part at any time. These provisions generally include make-whole premiums. Refer to Note 18 of Notes to Consolidated Financial Statements in Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2024 for further discussion regarding the limitation of distributions from BHE's subsidiaries.

As of March 31, 2025, the Company's total net liquidity was as follows (in millions):

	BHE	PacifiCorp	MidAmerican Funding	NV Energy	Northern Powergrid	BHE Canada	HomeServices	BHE Pipeline Group and Other	Total
Cash and cash equivalents	\$ 693	\$ 449	\$ 404	\$ 165	\$ 165	\$ 82	\$ 245	\$ 554	\$ 2,757
Credit facilities ⁽¹⁾	3,500	2,900	1,509	1,000	355	643	1,700	—	11,607
Less:									
Short-term debt	—	—	—	—	(97)	(69)	(519)	—	(685)
Tax-exempt bond support and letters of credit	—	(52)	(258)	—	—	(2)	—	—	(312)
Net credit facilities	3,500	2,848	1,251	1,000	258	572	1,181	—	10,610
Total net liquidity	<u>\$4,193</u>	<u>\$ 3,297</u>	<u>\$ 1,655</u>	<u>\$ 1,165</u>	<u>\$ 423</u>	<u>\$ 654</u>	<u>\$ 1,426</u>	<u>\$ 554</u>	<u>\$13,367</u>
Credit facilities:									
Maturity dates	<u>2027</u>	<u>2025, 2027</u>	<u>2025, 2027</u>	<u>2027</u>	<u>2026</u>	<u>2027, 2028, 2029</u>	<u>2025, 2026</u>		

(1) Includes \$97 million drawn on capital expenditure and other uncommitted credit facilities at Northern Powergrid.

The Company's operating results and capital expenditures for certain projects may be affected in future periods by impacts of ongoing macroeconomic and geopolitical events. The pace of changes in these events, including international trade policies and tariffs, has accelerated in 2025. Considerable uncertainty remains as to the ultimate outcome of these events. The Company is unable to reliably predict the ultimate outcome or the potential impact on its business.

Operating Activities

Net cash flows from operating activities for the three-month periods ended March 31, 2025 and 2024, were \$2,021 million and \$1,986 million, respectively. The increase was primarily due to favorable operating results, partially offset by higher wildfire liability settlement payments, higher cash paid for interest and changes in working capital, including lower receipts of insurance reimbursements related to wildfire liabilities.

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

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2025 and 2024, were \$(1.6) billion and \$(2.1) billion, respectively. The change was primarily due to higher proceeds from sales, net of purchases of marketable securities of \$565 million and lower capital expenditures of \$25 million. Refer to "Future Uses of Cash" for a discussion of capital expenditures.

Financing Activities

Net cash flows from financing activities for the three-month period ended March 31, 2025, was \$0.9 billion. Sources of cash totaled \$2.4 billion and consisted of proceeds from subsidiary debt issuances. Uses of cash totaled \$1.4 billion and consisted mainly of preferred stock redemptions of \$481 million, net repayments of short-term debt totaling \$441 million and repayments of BHE senior debt of \$400 million.

For a discussion of recent financing transactions and BHE shareholder's equity transactions, refer to Notes 5 and 11 of Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Net cash flows from financing activities for the three-month period ended March 31, 2024, was \$2.3 billion. Sources of cash totaled \$5.1 billion and consisted of proceeds from subsidiary debt issuances. Uses of cash totaled \$2.8 billion and consisted mainly of net repayments of short-term debt totaling \$2.6 billion and repayments of subsidiary debt totaling \$103 million.

Future Uses of Cash

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

Capital Expenditures

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

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

	Three-Month Periods		Annual
	Ended March 31, 2024	2025	Forecast 2025
Capital expenditures by business:			
PacifiCorp	\$ 774	\$ 688	\$ 3,185
MidAmerican Funding	428	405	1,910
NV Energy	459	456	2,425
Northern Powergrid	131	157	782
BHE Pipeline Group	223	188	1,486
BHE Transmission	60	81	356
BHE Renewables	67	112	585
HomeServices	2	1	18
BHE and Other ⁽¹⁾	9	40	72
Total	<u>\$ 2,153</u>	<u>\$ 2,128</u>	<u>\$ 10,819</u>
Capital expenditures by type:			
Electric distribution	\$ 519	\$ 554	\$ 2,494
Electric transmission	345	372	2,118
Wind generation	127	99	1,033
Natural gas transmission and storage	116	100	1,027
Wildfire prevention	68	179	757
Electric battery storage	5	31	619
Solar generation	31	75	463
Other	942	718	2,308
Total	<u>\$ 2,153</u>	<u>\$ 2,128</u>	<u>\$ 10,819</u>

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

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

- Electric distribution includes both growth and operating expenditures. Growth expenditures include spending for new customer connections and enhancements to existing customer connections. Operating expenditures include spending for ongoing distribution systems infrastructure enhancements at the Utilities and Northern Powergrid, storm damage restoration and repairs and investments in routine expenditures for distribution needed to serve existing and expected demand.
- Electric transmission includes both growth and operating expenditures. Operating expenditures include spending for system reinforcement, upgrades and replacements of facilities to maintain system reliability and investments in routine expenditures for transmission needed to serve existing and expected demand. Growth expenditures include spending for the following:
 - PacifiCorp's transmission investment primarily reflects costs associated with major transmission projects totaling \$49 million and \$126 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for major transmission projects that are expected to be placed in-service through 2034 totals \$287 million for the remainder of 2025.
 - Nevada Utilities' Greenlink Nevada transmission expansion program. Expenditures for the expansion program and other growth projects totaled \$121 million and \$28 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for the expansion program estimated to be placed in-service in 2027 through 2028 and other growth projects totals \$665 million for the remainder of 2025.

- Wind generation includes both growth and operating expenditures. Growth expenditures include spending for the following:
 - Construction of wind-powered generating facilities at MidAmerican Energy totaling \$54 million and \$31 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for the construction of additional wind-powered generating facilities totals \$218 million for the remainder of 2025.
 - Repowering of wind-powered generating facilities at MidAmerican Energy totaling \$14 million and \$21 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for the repowering of wind-powered generating facilities totals \$430 million for the remainder of 2025. MidAmerican Energy expects its repowered facilities to meet Internal Revenue Service guidelines for the re-establishment of PTCs under the prevailing wage and apprenticeship guidelines for 10 years from the date the facilities are placed in-service.
 - Construction of new wind-powered generating facilities and construction at existing wind-powered generating facility sites acquired from third parties at PacifiCorp totaling \$6 million and \$51 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for the construction of additional wind-powered generating facilities and those at acquired sites totals \$210 million for the remainder of 2025 and is primarily for the Rock Creek I and Rock Creek II wind-powered generating facilities totaling approximately 529 MWs that are expected to be placed in-service in 2025.
 - Repowering of wind-powered generating facilities at BHE Renewables totaling \$3 million for the three-month period ended March 31, 2024. Repowered facilities were placed in-service in the first quarter of 2024 and meet IRS guidelines for the re-establishment of PTCs for 10 years.
- Natural gas transmission and storage includes both growth and operating expenditures. Growth expenditures include, among other items, spending for customer driven expansion projects. Operating expenditures include spending for pipeline integrity projects, automation and controls upgrades, corrosion control, unit exchanges, compressor modifications, projects related to Pipeline and Hazardous Materials Safety Administration natural gas storage rules and natural gas transmission, storage, LNG terminalling infrastructure needs to serve existing and expected demand and asset modernization programs.
- Wildfire prevention includes growth and operating expenditures, including spending for the following:
 - Expenditures at PacifiCorp totaling \$170 million and \$56 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for wildfire prevention totals \$460 million for the remainder of 2025, and is comprised of reducing wildfire risk in the fire high consequence areas by conversion of overhead systems to underground, replacing overhead bare wire conductor with covered conductors and deployment of advanced protection devices for faster fault detection. The efforts will also include an expansion of the weather station network and predictive tools for situational awareness across the entire service territory.
 - Expenditures at the Nevada Utilities totaling \$6 million and \$7 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for wildfire prevention totals \$112 million for the remainder of 2025, and is comprised of reducing wildfire risk in Tier 3 HTAs by rebuilding distribution lines with covered conductor, converting overhead distribution lines to underground and copper wire and pole replacement projects.

- Solar generation and electric battery storage include growth expenditures, including spending for the following:
 - Construction and operation of solar-powered generating facilities at MidAmerican Energy. Planned spending totals \$14 million for the remainder of 2025.
 - Construction of solar-powered generating facilities and co-located battery storage at the Nevada Utilities. Spending for the solar-powered generating facilities totaled \$61 million and \$5 million, respectively, while spending for the co-located battery storage totaled \$5 million and \$4 million, respectively, for the three-month periods ended March 31, 2025 and 2024. Planned spending for the solar-powered generating facility and co-located battery storage total \$185 million and \$429 million, respectively, for the remainder of 2025. Construction includes expenditures for a 150-MW solar photovoltaic facility with an additional 100 MWs of co-located battery storage that was developed in Clark County, Nevada which commenced commercial operation in May 2024 and a 400-MW solar photovoltaic facility with an additional 400 MWs of co-located battery storage that is being developed in Churchill County, Nevada with ownership share approved by the PUCN of 10% Nevada Power and 90% Sierra Pacific. Commercial operation of the solar facility is expected by early 2027 and commercial operation of the co-located battery storage is expected by mid-2026.
 - Construction of solar-powered generating facilities and co-located battery storage at BHE Renewables. Spending for the solar-powered generating facilities totaled \$12 million and \$20 million, respectively, while spending for the co-located battery storage totaled \$17 million and \$11 million, respectively, for the three-month periods ended March 31, 2025 and 2024. Planned spending for the solar-powered generating facilities and co-located battery storage total \$97 million and \$89 million, respectively, for the remainder of 2025. Construction includes expenditures for a 48-MW solar photovoltaic facility with an additional 46 MWs of co-located battery storage that will be developed in Kern County, California, with commercial operation expected in 2025 and a 106-MW solar photovoltaic facility with an additional 50 MWs of co-located battery storage located in Jackson County, West Virginia, with commercial operation being completed in three phases between 2025 and 2027.
- Other includes both growth and operating expenditures including spending for routine expenditures for generation and other infrastructure needed to serve existing and expected demand, natural gas distribution, technology, and environmental spending relating to emissions control equipment and the management of coal combustion residuals.

Material Cash Requirements

As of March 31, 2025, there have been no material changes in cash requirements from the information provided in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2024, other than those disclosed in Notes 5 and 9 of the Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Regulatory Matters

BHE's regulated subsidiaries and certain affiliates are subject to comprehensive regulation. The discussion below contains material developments to those matters disclosed in Item 1 of each Registrant's Annual Report on Form 10-K for the year ended December 31, 2024, and new regulatory matters occurring in 2025.

PacifiCorp

Utah

In May 2024, PacifiCorp filed its EBA application to recover deferred net power costs from 2023. In June 2024, the UPSC approved an interim rate increase of \$256 million, or 11.6%, effective July 1, 2024, allowing for recovery of a total \$432 million of deferred net power costs. In February 2025, the UPSC issued a final order reducing the total final EBA recovery by \$24 million, primarily for costs related to the Washington Cap and Invest program. The reductions from the final order will be reflected in the 2024 EBA filing made in May 2025. In March 2025, PacifiCorp filed a request for review or rehearing regarding the disallowed costs that was denied by the UPSC in April 2024.

In June 2024, PacifiCorp filed a general rate case requesting a rate increase over two years that included increased net power costs, capital investments in transmission and wind-powered generating facilities and higher insurance premiums for third-party liability coverage. In August 2024, PacifiCorp filed an amended application that removed the second rate increase that was associated with net power costs and updated costs associated with insurance premiums. The amended filing requested a rate increase of \$394 million, or 16.7%, effective February 23, 2025. In November and December 2024, PacifiCorp filed updated testimony that further revised the requested rate increase to \$330 million, or 14.0%. In April 2025, the UPSC issued a final order approving a rate increase of \$87 million, or 3.7%, effective April 25, 2025. Most significantly, the final order substantially limits PacifiCorp's recovery of costs associated with insurance premiums, lowers PacifiCorp's authorized return on equity and equity component of its capital structure, reduces forecast base net power costs and substantially limits recovery for amounts previously deferred under the wildland fire mitigation balancing account.

In May 2025, PacifiCorp filed its EBA application to recover deferred net power costs from 2024. The filing requests recovery of a total \$472 million of deferred net power costs, effective on an interim basis July 1, 2025. The request would result in a rate increase of \$40 million, or 1.6%.

Oregon

In February 2025, PacifiCorp filed an application for reconsideration or rehearing with the OPUC regarding the level of recovery provided for Oregon's share of wildfire mitigation investments and PacifiCorp's return on investment in its 416-mile, 500-kV high voltage transmission line set forth in the December 2024 general rate case order. In April 2025, the OPUC denied reconsideration, and PacifiCorp is pursuing review of this decision with the Oregon Court of Appeals.

In April 2025, PacifiCorp filed a renewable adjustment clause application with the OPUC to recover the full costs of certain wind-powered generating facilities and associated transmission lines that are being only partially recovered as a result of the 2024 general rate case. The application seeks a rate increase of \$51 million, or 2.5%, effective January 1, 2026.

Wyoming

In August 2024, PacifiCorp filed a general rate case requesting a rate increase of \$124 million, or 14.7%, to become effective June 1, 2025. The request included new capital investments in transmission and wind-powered generating facilities, a new insurance cost adjustment mechanism and proposed adjustments to the ECAM. In January 2025, PacifiCorp filed updated testimony that reduced the requested rate increase to \$110 million, or 13.1%. In March 2025, a multi-party settlement stipulation was filed that requested a rate increase of \$86 million, or 10.2%. In April 2025, the Wyoming Public Service Commission approved the stipulation as filed, with rates effective June 1, 2025.

In April 2025, PacifiCorp filed its ECAM and renewable revenue adjustment mechanism to recover deferred net power costs from 2024. The combined filing requests a rate decrease of \$47 million, or 5.8%, to be effective on an interim basis on July 1, 2025.

Washington

In March 2023, PacifiCorp filed a general rate case requesting a two-year rate plan with a rate increase that included recovery of increases in net power costs and new major capital investments in transmission and wind-powered generating facilities. In March 2024, the WUTC accepted the multi-party settlement stipulation for which the first-year rate increase went into effect April 3, 2024. In March 2025, PacifiCorp submitted a compliance filing for the second year of the two-year rate plan, resulting in a rate increase of \$16 million, or 3.8%, effective April 3, 2025. The compliance filing included updated net power cost forecasts that resulted in a \$5 million decrease to the stipulated second year increase.

As part of the stipulation in the above two-year general rate case, PacifiCorp agreed to file a review and potential refund of provisional capital not placed in-service. After the determination of any refund under the capital review process, PacifiCorp's restated actual rate of return will be compared against the authorized rate of return to determine if any deferral is necessary under Washington's multiyear rate plan legislation. In July 2024, PacifiCorp submitted a provisional capital report for calendar year 2023. During review of the provisional capital report in February 2025, the WUTC ordered a refund of \$64,000 related to specific wind-powered generating facilities.

In April 2025, PacifiCorp filed a power cost only rate case, as directed by the WUTC in the 2023 general rate case, to reset the baseline net power costs to remove coal-fueled resources from rates. The filing requests a \$34 million, or 7.9%, rate increase effective January 1, 2026.

Idaho

In March 2025, PacifiCorp filed its ECAM to recover deferred net power costs from 2024. The filing requested a rate increase of \$8 million, or 2.2%, effective June 1, 2025. The filing excludes costs associated with the Washington Cap and Invest program, for which PacifiCorp filed a deferral application in March 2025, for \$2 million in costs incurred in 2024, since recovery of such costs under the 2023 ECAM filing are under appeal in the Idaho Supreme Court.

California

In May 2022, PacifiCorp filed a general rate case requesting an overall rate change to become effective January 1, 2023. In November 2022, the CPUC granted the requested rate effective date and directed PacifiCorp to establish a memorandum account to track the change in rates beginning January 1, 2023 until the new rates become effective. In February 2023, the CPUC issued a ruling requesting additional information on PacifiCorp's wildfire and risk analyses and requested additional information regarding wildfire memorandum accounts and in March 2023, the CPUC split the general rate case into two tracks. The first track addressed the general rate case and the second track addresses the wildfire memorandum accounts. In December 2023, the CPUC issued an order for the first track approving a rate increase effective January 12, 2024 and recovery of the aforementioned memorandum account over three years. In the second track of the general rate case, PacifiCorp filed the independent audit of the wildfire memorandum accounts in January 2024, indicating no findings. In January 2025, the CPUC issued a proposed decision authorizing PacifiCorp to recover \$36 million related to historic wildfire mitigation costs. In February 2025, the CPUC issued a final decision authorizing PacifiCorp to recover these costs over six years, effective April 15, 2025.

MidAmerican Energy

Iowa Transmission Legislation

In June 2020, Iowa enacted legislation that grants incumbent electric transmission owners the right to construct, own and maintain electric transmission lines that have been approved for construction in a federally registered planning authority's transmission plan and that connect to the incumbent electric transmission owner's facility. This Right of First Refusal ("ROFR") law gave MidAmerican Energy, as an incumbent electric transmission owner, the legal right to construct, own and maintain transmission lines in MidAmerican Energy's service territory that have been approved by the MISO (or another federally registered planning authority) and are eligible to receive regional cost allocation. In October 2020, national transmission interests filed a lawsuit that challenged the law on state constitutional grounds. After an appeal in which the Iowa Supreme Court held the national transmission interests had standing to challenge the law and remanded the case to the Iowa district court for a decision on the merits, the district court, in December 2023, found the legislature impermissibly "log-rolled" the ROFR law into a state appropriations bill in violation of the title and single-subject provisions of the Iowa Constitution and held that the law was unconstitutional and unenforceable. The district court issued an injunction that enjoins MidAmerican Energy and ITC Midwest from further developing the Long Range Transmission Projects ("LRTP") Tranche 1 projects to the extent authority to construct was claimed pursuant to, under, or in reliance on the invalid ROFR law, but allows either company to proceed with projects assigned in a manner not relying on the claimed existence of the law.

In April 2024, MidAmerican Energy and ITC Midwest filed an appeal to the Iowa Supreme Court that challenges the application of the injunction to the LRTP Tranche 1 projects; MISO filed an amicus brief that supports the positions taken by MidAmerican Energy and ITC Midwest. The Iowa Supreme Court retained the case for decision rather than sending it to the court of appeals. Oral arguments were held April 16, 2025. MidAmerican Energy expects a ruling on the appeal by the end of June, which is the conclusion of the court's term. The district court injunction remains in effect while the appeal is pending.

In May 2024, MISO issued a public notice that advised it was proceeding with a variance analysis under its tariff to assess actions that could be taken to mitigate the obstacle to construct posed by the district court injunction. The notice confirmed the injunction did not change ownership of the projects or cause any project facility classification to be modified to a competitive transmission facility under MISO's tariff. It also confirmed the injunction did not suspend either company's obligation to construct the projects under MISO's tariff. In August 2024, MISO issued notice of the outcome of its variance analysis, determining that a mitigation plan was the appropriate outcome under the MISO tariff. As part of the mitigation plan, MISO's Competitive Transmission Executive Committee determined the projects should be assigned to the incumbent transmission owners under the transmission owners agreement, which results in no change to the project assignments. MISO's notice reaffirmed that MidAmerican Energy and ITC Midwest remain obligated to construct the projects under MISO's tariff. In October 2024, the national transmission interests filed a motion with the district court that asks the court to enforce the injunction and enjoin MidAmerican Energy and ITC Midwest from proceeding with the projects under MISO's mitigation plan, arguing the injunction remains applicable because the mitigation plan relies on the continued existence of the ROFR law. MidAmerican Energy and ITC Midwest resisted, arguing that the motion is legally and factually erroneous and that the injunction would improperly interfere with MISO's exclusive authority under federally authorized tariffs. A hearing on the motion was held on February 20, 2025, where the district court denied the motion without prejudice on procedural grounds. The national transmission interests could refile as a contempt action.

The litigation regarding the ROFR law would only affect the manner in which MidAmerican Energy would secure the right to construct transmission lines that are eligible for regional cost allocation and are otherwise subject to competitive bidding under the MISO tariff; it does not negatively affect or implicate MidAmerican Energy's ongoing rights to construct any other transmission lines, including lines required to serve new or expanded retail load, connect new generators or meet reliability criteria.

NV Energy (Nevada Power and Sierra Pacific)

In February 2025, Nevada Power filed an electric regulatory rate review with the PUCN that requested an annual revenue increase of \$215 million, or 9.0%. Nevada Power filed its certification filing in April 2025 that updated the requested annual revenue increase to \$224 million, or 9.4%. Hearings in the cost of capital phase are scheduled for June 2025 and hearings for the revenue requirement and rate design phases are scheduled for July 2025. An order is expected by the third quarter of 2025 and, if approved, rates are proposed to be effective October 1, 2025.

Environmental Laws and Regulations

Each Registrant is subject to federal, state, local and foreign laws and regulations regarding air quality, climate change, emissions performance standards, water quality, coal ash disposal and other environmental matters that have the potential to impact each Registrant's current and future operations. In addition to imposing continuing compliance obligations, these laws and regulations provide regulators with the authority to levy substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. These laws and regulations are administered by various federal, state, local and international agencies. Each Registrant believes it is in material compliance with all applicable laws and regulations, although many are subject to interpretation that may ultimately be resolved by the courts. There were no material developments to those matters disclosed in Item 1 of each Registrant's Annual Report on Form 10-K for the year ended December 31, 2024, or new environmental matters occurring in 2025.

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Consolidated Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, impairment of goodwill and long-lived assets, pension and other postretirement benefits, income taxes and loss contingencies. For additional discussion of the Company's critical accounting estimates, see Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in the Company's assumptions regarding critical accounting estimates since December 31, 2024. Refer to Note 9 of the Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for discussion of loss contingencies related to the Wildfires.

**PacifiCorp and its subsidiaries
Consolidated Financial Section**

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of
PacificCorp

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of PacificCorp and subsidiaries ("PacificCorp") as of March 31, 2025, the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of PacificCorp as of December 31, 2024, and the related consolidated statements of operations, comprehensive income (loss), changes in shareholders' equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

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

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

/s/ Deloitte & Touche LLP

Portland, Oregon
May 2, 2025

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

	As of	
	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 447	\$ 46
Trade receivables, net	934	960
Other receivables, net	212	245
Inventories	855	828
Derivative contracts	5	9
Regulatory assets	866	891
Prepaid expenses	267	283
Other current assets	59	35
Total current assets	<u>3,645</u>	<u>3,297</u>
Property, plant and equipment, net	29,487	29,120
Regulatory assets	1,968	2,026
Other assets	<u>553</u>	<u>561</u>
Total assets	<u>\$ 35,653</u>	<u>\$ 35,004</u>

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

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

	As of	
	March 31, 2025	December 31, 2024
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,365	\$ 1,462
Accrued interest	208	239
Accrued property, income and other taxes	118	85
Accrued employee expenses	138	96
Short-term debt	—	240
Current portion of long-term debt	402	302
Regulatory liabilities	97	92
Wildfires liabilities (Note 10)	134	247
Other current liabilities	389	466
Total current liabilities	2,851	3,229
Senior debt	13,188	13,286
Junior subordinated debt	842	—
Regulatory liabilities	2,567	2,550
Deferred income taxes	3,232	3,222
Wildfires liabilities (Note 10)	1,288	1,289
Other long-term liabilities	998	916
Total liabilities	24,966	24,492
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Preferred stock	1	2
Common stock - 750 shares authorized, no par value, 357 shares issued and outstanding	—	—
Additional paid-in capital	4,479	4,479
Retained earnings	6,216	6,040
Accumulated other comprehensive loss, net	(9)	(9)
Total shareholders' equity	10,687	10,512
Total liabilities and shareholders' equity	<u>\$ 35,653</u>	<u>\$ 35,004</u>

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Operating revenue	\$ 1,768	\$ 1,548
Operating expenses:		
Cost of fuel and energy	718	632
Operations and maintenance	424	407
Depreciation and amortization	299	292
Property and other taxes	59	52
Total operating expenses	<u>1,500</u>	<u>1,383</u>
Operating income	268	165
Other income (expense):		
Interest expense	(187)	(192)
Allowance for borrowed funds	22	28
Allowance for equity funds	27	49
Interest and dividend income	28	58
Other, net	—	4
Total other income (expense)	<u>(110)</u>	<u>(53)</u>
Income before income tax expense (benefit)	158	112
Income tax expense (benefit)	(19)	(9)
Net income	<u>\$ 177</u>	<u>\$ 121</u>

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

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

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net	Total Shareholders' Equity
Balance, December 31, 2023	\$ 2	\$ —	\$ 4,479	\$ 5,501	\$ (10)	\$ 9,972
Net income	—	—	—	121	—	121
Balance, March 31, 2024	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 4,479</u>	<u>\$ 5,622</u>	<u>\$ (10)</u>	<u>\$ 10,093</u>
Balance, December 31, 2024	\$ 2	\$ —	\$ 4,479	\$ 6,040	\$ (9)	\$ 10,512
Net income	—	—	—	177	—	177
Preferred stock redemptions	(1)	—	—	(1)	—	(2)
Balance, March 31, 2025	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 4,479</u>	<u>\$ 6,216</u>	<u>\$ (9)</u>	<u>\$ 10,687</u>

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 177	\$ 121
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	299	292
Allowance for equity funds	(27)	(49)
Net power cost deferrals	(112)	(205)
Amortization of net power cost deferrals	206	84
Other changes in regulatory assets and liabilities	(11)	(18)
Deferred income taxes and amortization of investment tax credits	(9)	(14)
Other, net	5	(1)
Changes in other operating assets and liabilities:		
Trade receivables, other receivables and other assets	16	8
Inventories	(27)	(85)
Derivative collateral, net	5	(14)
Prepaid expenses	27	24
Accrued property, income and other taxes, net	14	219
Accounts payable and other liabilities	(59)	(11)
Wildfires insurance receivable	98	350
Wildfires liability	(114)	(18)
Net cash flows from operating activities	<u>488</u>	<u>683</u>
Cash flows from investing activities:		
Capital expenditures	(688)	(774)
Other, net	5	6
Net cash flows from investing activities	<u>(683)</u>	<u>(768)</u>
Cash flows from financing activities:		
Proceeds from senior debt	—	3,764
Proceeds from junior subordinated debt	842	—
Net repayments of short-term debt	(240)	(1,604)
Redemptions and repurchases of preferred stock	(2)	—
Other, net	(2)	(1)
Net cash flows from financing activities	<u>598</u>	<u>2,159</u>
Net change in cash and cash equivalents and restricted cash and cash equivalents	403	2,074
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	61	192
Cash and cash equivalents and restricted cash and cash equivalents at end of period	\$ 464	\$ 2,266

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

PACIFICORP AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) General

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

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2025, and for the three-month periods ended March 31, 2025 and 2024. The Consolidated Statements of Comprehensive Income (Loss) have been omitted as net income (loss) materially equals comprehensive income (loss) for the three-month periods ended March 31, 2025 and 2024. The results of operations for the three-month period ended March 31, 2025, are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in PacifiCorp's Annual Report on Form 10-K for the year ended December 31, 2024, describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in PacifiCorp's accounting policies or its assumptions regarding significant accounting estimates during the three-month period ended March 31, 2025. Refer to Note 10 for discussion of loss contingencies related to the Oregon and Northern California 2020 wildfires (the "2020 Wildfires") and the wildfire that began in the Oak Knoll Ranger District of the Klamath National Forest in Siskiyou County, California in July 2022 (the "2022 McKinney Fire"), collectively referred to as the "Wildfires."

Segment Information

PacifiCorp currently has one reportable segment, its regulated electric utility operations, which derives its revenue from regulated retail sales of electricity to residential, commercial, industrial and irrigation customers and from wholesale sales. PacifiCorp's chief operating decision maker ("CODM") is its Chief Executive Officer. The CODM uses net income, as reported on the Consolidated Statements of Operations, and generally considers actual results versus historical results, budgets or forecasts, as well as unique risks and opportunities, when making decisions about the allocation of resources and capital. The segment expenses regularly provided to the CODM align with the captions presented on the Consolidated Statements of Operations. PacifiCorp's segment capital expenditures are reported on the Consolidated Statements of Cash Flows as capital expenditures. PacifiCorp's segment assets are reported on the Consolidated Balance Sheet as total assets.

(2) New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes Topic 740, "Income Tax—Improvements to Income Tax Disclosures" which requires enhanced disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. This guidance is effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. PacifiCorp is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures Subtopic 220-40, "Disaggregation of Income Statement Expenses" which addresses requests from investors for more detailed information about certain expenses and requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption presented on the income statement. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. PacifiCorp is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

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

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

	As of	
	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 447	\$ 46
Restricted cash and cash equivalents included in other current assets	14	12
Restricted cash included in other assets	3	3
Total cash and cash equivalents and restricted cash and cash equivalents	<u><u>\$ 464</u></u>	<u><u>\$ 61</u></u>

(4) Property, Plant and Equipment, Net

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

	Depreciable Life	As of	
		March 31,	December 31,
		2025	2024
Utility plant:			
Generation	15 - 59 years	\$ 14,446	\$ 14,316
Transmission	60 - 90 years	11,276	10,939
Distribution	20 - 75 years	10,169	9,842
Intangible plant and other	2 - 75 years	2,506	2,958
Utility plant in-service		38,397	38,055
Accumulated depreciation and amortization		(12,726)	(12,504)
Utility plant in-service, net		25,671	25,551
Nonregulated, net of accumulated depreciation and amortization	14 - 75 years	19	19
		25,690	25,570
Construction work-in-progress		3,797	3,550
Property, plant and equipment, net		\$ 29,487	\$ 29,120

On January 1, 2025, PacifiCorp implemented the Federal Energy Regulatory Commission's ("FERC") Order 898, "Accounting and Reporting Treatment of Certain Renewable Energy Assets," which required certain plant balances to be reclassified to different functions. As a result of the implementation, \$229 million, \$42 million and \$169 million was transferred to Transmission, Generation and Distribution plant, respectively, from Intangible plant and other primarily due to communications assets previously reported as other plant being functionalized to the noted categories.

Government Grants

On January 20, 2025, U.S. federal executive order entitled *Unleashing American Energy* was issued requiring federal agencies to immediately pause disbursement of federal funds appropriated under the Inflation Reduction Act of 2022 and the Infrastructure Investment and Jobs Act, subject to respective agency review within 90 days of the date of the order of the agency's processes, policies and programs for issuing grants consistent with the policies stated in the executive order. Based on discussions with the Department of Energy ("DOE") contracting officers, PacifiCorp does not believe the executive order will impact funding for PacifiCorp's contracted awards. PacifiCorp has been working closely with DOE contracting officers regarding submission of costs for reimbursement.

As of March 31, 2025 and December 31, 2024, approximately \$22 million and \$11 million, respectively, of federal grant funds reduced additions to Property, plant and equipment – net on the Consolidated Balance Sheets. During the three-month period ended March 31, 2025, approximately \$13 million of federal grant funds reduced operating expenses on the Consolidated Statements of Operations. Federal grant funds received during the three-month period ended March 31, 2024 were insignificant.

(5) Recent Financing Transactions

Junior Subordinated Debt

In March 2025, PacifiCorp issued \$850 million of its 7.375% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due September 2055. PacifiCorp will pay interest on the notes at a rate of 7.375% through September 2030, subject to a reset every five years, not to reset below 7.375%. PacifiCorp initially used a portion of the net proceeds to repay outstanding short-term debt and intends to use the remaining net proceeds to fund capital expenditures and for general corporate purposes.

(6) Income Taxes

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Federal statutory income tax rate	21 %	21 %
State income tax, net of federal income tax impacts	5	3
Income tax credits	(30)	(22)
Effects of ratemaking ⁽¹⁾	(8)	(11)
Other	—	1
Effective income tax rate	<u>(12)%</u>	<u>(8)%</u>

(1) Effects of ratemaking is primarily attributable to activity associated with excess deferred income taxes.

Income tax credits relate primarily to production tax credits ("PTC") from PacifiCorp's wind-powered generating facilities. Federal renewable electricity PTCs are earned as energy from qualifying wind-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. Wind-powered generating facilities are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service. PTCs recognized for the three-month periods ended March 31, 2025 and 2024, totaled \$47 million and \$25 million, respectively.

Berkshire Hathaway includes BHE and its subsidiaries in its U.S. federal income tax return. Consistent with established regulatory practice, PacifiCorp's provision for federal and state income tax has been computed on a stand-alone basis, and substantially all of its currently payable or receivable income tax is remitted to or received from BHE. For the three-month period ended March 31, 2025, PacifiCorp made net cash payments for state income taxes to BHE totaling \$2 million. For the three-month period ended March 31, 2024, PacifiCorp received net cash payments for federal and state income taxes from BHE totaling \$189 million. As of March 31, 2025, federal income taxes receivable from BHE were \$22 million and state income taxes payable to BHE were \$17 million. As of December 31, 2024, federal income taxes receivable from BHE were \$3 million and state income taxes payable to BHE were \$11 million.

(7) Employee Benefit Plans

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Pension:		
Interest cost	\$ 9	\$ 9
Expected return on plan assets	(11)	(12)
Net amortization	2	2
Net periodic benefit credit	<u>\$ —</u>	<u>\$ (1)</u>
Other postretirement:		
Service cost	\$ —	\$ —
Interest cost	3	3
Expected return on plan assets	(3)	(3)
Net amortization	(1)	(1)
Net periodic benefit credit	<u>\$ (1)</u>	<u>\$ (1)</u>

Amounts other than the service cost for pension and other postretirement benefit plans are recorded in other, net on the Consolidated Statements of Operations. Employer contributions to the pension and other postretirement benefit plans are expected to be \$4 million and \$— million, respectively, during 2025. As of March 31, 2025, \$1 million of contributions had been made to the pension plans.

(8) Risk Management and Hedging Activities

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

PacifiCorp has established a risk management process that is designed to identify, assess, manage and report on each of the various types of risk involved in its business. To mitigate a portion of its commodity price risk, PacifiCorp uses commodity derivative contracts, which may include forwards, futures, options, swaps and other agreements, to effectively secure future supply or sell future production generally at fixed prices. PacifiCorp manages its interest rate risk by limiting its exposure to variable interest rates primarily through the issuance of fixed-rate long-term debt and by monitoring market changes in interest rates. Additionally, PacifiCorp may from time to time enter into interest rate derivative contracts, such as interest rate swaps or locks, to mitigate PacifiCorp's exposure to interest rate risk. No interest rate derivatives were in place during the periods presented. PacifiCorp does not hedge all of its commodity price and interest rate risks, thereby exposing the unhedged portion to changes in market prices. Refer to Note 9 for additional information related to the fair value measurements associated with derivative contracts.

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

	Derivative Contracts -		Other		Other		
	Current Assets	Other Assets	Current Liabilities	Long-term Liabilities		Total	
As of March 31, 2025							
Not designated as hedging contracts⁽¹⁾:							
Commodity assets	\$ 5	\$ —	\$ 10	\$ 3	\$ 18		
Commodity liabilities	—	—	(79)	(20)	(99)		
Total	<u>5</u>	<u>—</u>	<u>(69)</u>	<u>(17)</u>	<u>(81)</u>		
Total derivatives	5	—	(69)	(17)	(81)		
Cash collateral receivable	—	—	1	—	1		
Total derivatives - net basis	<u>\$ 5</u>	<u>\$ —</u>	<u>\$ (68)</u>	<u>\$ (17)</u>	<u>\$ (80)</u>		
As of December 31, 2024							
Not designated as hedging contracts⁽¹⁾:							
Commodity assets	\$ 10	\$ —	\$ 16	\$ 1	\$ 27		
Commodity liabilities	(1)	—	(105)	(18)	(124)		
Total	<u>9</u>	<u>—</u>	<u>(89)</u>	<u>(17)</u>	<u>(97)</u>		
Total derivatives	9	—	(89)	(17)	(97)		
Cash collateral receivable	—	—	6	—	6		
Total derivatives - net basis	<u>\$ 9</u>	<u>\$ —</u>	<u>\$ (83)</u>	<u>\$ (17)</u>	<u>\$ (91)</u>		

(1) PacifiCorp's commodity derivatives are generally included in rates. As of March 31, 2025, a regulatory asset of \$81 million was recorded related to the net derivative liability of \$81 million. As of December 31, 2024, a regulatory asset of \$97 million was recorded related to the net derivative liability of \$97 million.

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Beginning balance	\$ 97	\$ 76
Changes in fair value recognized in regulatory assets	10	91
Net gains reclassified to operating revenue	8	1
Net losses reclassified to energy costs	(34)	(55)
Ending balance	<u>\$ 81</u>	<u>\$ 113</u>

Derivative Contract Volumes

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

	Unit of Measure	March 31, 2025	December 31, 2024
Electricity sales, net	Megawatt hours	—	(1)
Natural gas purchases	Decatherms	129	124

Credit Risk

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

Collateral and Contingent Features

In accordance with industry practice, certain wholesale agreements, including derivative contracts, contain credit support provisions that in part base certain collateral requirements on credit ratings for senior unsecured debt as reported by one or more of the recognized credit rating agencies. These agreements may provide bilateral rights to demand cash or other security if credit exposures on a net basis exceed specified rating-dependent threshold levels ("credit-risk-related contingent features"). These agreements and other agreements that do not refer to specified rating-dependent thresholds may provide the right for counterparties to demand "adequate assurance" if there is a material adverse change in PacifiCorp's creditworthiness. These rights can vary by contract and by counterparty. As of March 31, 2025, PacifiCorp's issuer credit ratings for its senior secured debt and its issuer credit ratings for senior unsecured debt from the recognized credit rating agencies were investment grade.

The aggregate fair value of PacifiCorp's derivative contracts in liability positions with objective credit-risk-related contingent features totaled \$97 million and \$123 million as of March 31, 2025 and December 31, 2024, respectively, for which PacifiCorp had posted collateral of \$1 million and \$6 million, respectively, in the form of cash deposits. If all credit-risk-related contingent features for derivative contracts in liability positions had been triggered as of March 31, 2025 and December 31, 2024, PacifiCorp would have been required to post \$83 million and \$100 million, respectively, of additional collateral. PacifiCorp's collateral requirements could fluctuate considerably due to market price volatility, changes in credit ratings, changes in legislation or regulation or other factors.

(9) Fair Value Measurements

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

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

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

	Input Levels for Fair Value Measurements					Other ⁽¹⁾	Total						
	Level 1	Level 2	Level 3										
As of March 31, 2025:													
Assets:													
Commodity derivatives	\$ —	\$ 18	\$ —	\$ (13)	\$ 5								
Money market mutual funds	433	—	—	—	—	433							
Investment funds	25	—	—	—	—	25							
	\$ 458	\$ 18	\$ —	\$ (13)	\$ 463								
Liabilities:													
Commodity derivatives	\$ —	\$ (99)	\$ —	\$ 14	\$ (85)								
As of December 31, 2024:													
Assets:													
Commodity derivatives	\$ —	\$ 27	\$ —	\$ (18)	\$ 9								
Money market mutual funds	34	—	—	—	—	34							
Investment funds	29	—	—	—	—	29							
	\$ 63	\$ 27	\$ —	\$ (18)	\$ 72								
Liabilities:													
Commodity derivatives	\$ —	\$ (124)	\$ —	\$ 24	\$ (100)								

(1) Represents netting under master netting arrangements and a net cash collateral receivable of \$1 million and \$6 million as of March 31, 2025 and December 31, 2024, respectively.

Derivative contracts are recorded on the Consolidated Balance Sheets as either assets or liabilities and are stated at estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. A discounted cash flow valuation method was used to estimate fair value. When available, the fair value of derivative contracts is estimated using unadjusted quoted prices for identical contracts in the market in which PacifiCorp transacts. When quoted prices for identical contracts are not available, PacifiCorp uses forward price curves. Forward price curves represent PacifiCorp's estimates of the prices at which a buyer or seller could contract today for delivery or settlement at future dates. PacifiCorp bases its forward price curves upon market price quotations, when available, or internally developed and commercial models, with internal and external fundamental data inputs. Market price quotations are obtained from independent energy brokers, exchanges, direct communication with market participants and actual transactions executed by PacifiCorp. Market price quotations for certain major electricity and natural gas trading hubs are generally readily obtainable for the first three years; therefore, PacifiCorp's forward price curves for those locations and periods reflect observable market quotes. Market price quotations for other electricity and natural gas trading hubs are not as readily obtainable for the first three years. Given that limited market data exists for these contracts, as well as for those contracts that are not actively traded, PacifiCorp uses forward price curves derived from internal models based on perceived pricing relationships to major trading hubs that are based on unobservable inputs. The estimated fair value of these derivative contracts is a function of underlying forward commodity prices, interest rates, currency rates, related volatility, counterparty creditworthiness and duration of contracts. Refer to Note 8 for further discussion regarding PacifiCorp's risk management and hedging activities.

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

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

	As of March 31, 2025		As of December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 14,432	\$ 13,556	\$ 13,588	\$ 12,580

(10) Commitments and Contingencies

Commitments

PacifiCorp has the following firm commitments that are not reflected on the Consolidated Balance Sheets.

Purchased Electricity Contracts - Non-Commercially Operable

During the three-month period ended March 31, 2025, PacifiCorp received the full notice to proceed from a counterparty for four battery storage agreements with minimum obligations totaling approximately \$1.0 billion through 2046. The facilities associated with these contracts have not yet achieved commercial operation. To the extent these facilities do not achieve commercial operation, PacifiCorp would no longer have an obligation to the counterparty.

Environmental Laws and Regulations

PacifiCorp is subject to federal, state and local laws and regulations regarding air quality, climate change, emissions performance standards, water quality, coal ash disposal, wildfire prevention and mitigation and other environmental matters that have the potential to impact its current and future operations. PacifiCorp believes it is in material compliance with all applicable laws and regulations.

Lower Klamath Hydroelectric Project

In November 2022, the FERC issued a license surrender order for the Lower Klamath Project, which was accepted by the Klamath River Renewal Corporation ("KRRC") and the states of Oregon and California ("States") in December 2022, along with the transfer of the Lower Klamath Project dams. The KRRC has \$450 million in funding available for dam removal and restoration; \$200 million collected from PacifiCorp's Oregon and California customers and \$250 million in California bond funds. PacifiCorp and the States have also agreed to equally share cost overruns that may occur above the initial \$450 million in funding. Specifically, PacifiCorp and the States have agreed to equally fund an initial \$45 million supplemental fund and equally share any additional costs above that amount to ensure dam removal and restoration is complete. In May 2024, the KRRC communicated to PacifiCorp and the States that it expects to require the \$45 million of supplemental funds. In October 2024, PacifiCorp provided approximately \$11 million in supplemental funding to the KRRC. As of October 2024, removal of the Lower Klamath Project dams was complete.

Legal Matters

PacifiCorp is party to a variety of legal actions, including litigation, arising out of the normal course of business, some of which assert claims for damages in substantial amounts and are described below. For certain legal actions, parties at times may seek to impose fines, penalties and other costs.

Pursuant to ASC 450, "Contingencies," a provision for a loss contingency is recorded when it is probable a liability is likely to occur and the amount of loss can be reasonably estimated. PacifiCorp evaluates the related range of reasonably estimated losses and records a loss based on its best estimate within that range or the lower end of the range if there is no better estimate.

Wildfires

A significant number of complaints and demands alleging similar claims related to the Wildfires have been filed in Oregon and California, including a class action complaint in Oregon associated with 2020 Wildfires for which certain jury verdicts were issued as described below. The plaintiffs seek damages for economic losses, noneconomic losses, including mental suffering, emotional distress, personal injury and loss of life, punitive damages, other damages and attorneys' fees. Several insurance carriers have filed subrogation complaints in Oregon and California with allegations similar to those made in the aforementioned complaints. Additionally, PacifiCorp received correspondence from the U.S. and Oregon Departments of Justice regarding the potential recovery of certain costs and damages alleged to have occurred on federal and state lands in connection with certain of the 2020 Wildfires. In December 2024, the United States of America filed a complaint against PacifiCorp in conjunction with the correspondence from the U.S. Department of Justice. The civil cover sheet accompanying the complaint demands damages estimated to exceed \$900 million. PacifiCorp is actively cooperating with the U.S. and Oregon Departments of Justice on resolving these alleged claims.

Amounts sought in outstanding complaints and demands filed in Oregon and in certain demands made in California totaled approximately \$51 billion, excluding any doubling or trebling of damages or punitive damages included in the complaints. Generally, the complaints filed in California do not specify damages sought and are excluded from this amount. Of the \$51 billion, \$48 billion represents the economic and noneconomic damages sought in the *James* mass complaints described below. For class actions, amounts specified by the plaintiffs in the complaints include amounts based on estimates of the potential class size, which ultimately may be significantly greater than estimated. Additionally, damages are not limited to the amounts specified in the initially filed complaints as plaintiffs are frequently allowed to amend their complaints to add additional damages and amounts awarded in a court proceeding may be significantly greater than the damages specified. Oregon law provides for doubling of economic and property damages in the event the defendant is found to have acted with gross negligence, recklessness, willfulness or malice. Oregon law provides for trebling of damages associated with timber, shrubs and produce in the event the defendant is determined to have willfully and intentionally trespassed.

In California, under inverse condemnation, courts have held that investor-owned utilities can be liable for real and personal property damages from wildfires without the utility being found negligent and regardless of fault. California law also permits inverse condemnation plaintiffs to recover reasonable attorney fees and costs. In both Oregon and California, PacifiCorp has equipment in areas accessed through special use permits, easements or similar agreements that may contain provisions requiring it to pay for damages caused by its equipment regardless of fault. Even if inverse condemnation or other provisions do not apply, PacifiCorp could be found liable for all damage.

Based on available information to date, PacifiCorp believes it is probable that losses will be incurred associated with the Wildfires. Final determinations of liability will only be made following the completion of comprehensive investigations, litigation or similar processes, the outcome of which, if adverse, could, in the aggregate, have a material adverse effect on PacifiCorp's financial condition.

Investigations into the cause and origin of each wildfire are complex and ongoing and have been or are being conducted by various entities, including the U.S. Department of Agriculture Forest Service ("USFS"), the California Public Utilities Commission, the Oregon Department of Forestry ("ODF"), the Oregon Department of Justice, PacifiCorp and various experts engaged by PacifiCorp.

2020 Wildfires

In September 2020, a severe weather event with high winds, low humidity and warm temperatures contributed to several major wildfires, which resulted in real and personal property and natural resource damage, personal injuries and loss of life and widespread power outages in Oregon and Northern California. The wildfires spread across certain parts of PacifiCorp's service territory and surrounding areas across multiple counties in Oregon and California, including Siskiyou County, California; Jackson County, Oregon; Douglas County, Oregon; Marion County, Oregon; Lincoln County, Oregon; and Klamath County, Oregon, burning over 500,000 acres in aggregate and include the Santiam Canyon, Beachie Creek, South Obenchain, Echo Mountain Complex, 242, Archie Creek, Slater and other fires. The Slater fire occurred in both Oregon and California. Third-party reports for these wildfires indicate over 2,000 structures destroyed, including residences; several structures damaged; multiple individuals injured; and several fatalities.

In May 2022, the USFS issued its report of investigation into the Archie Creek fire concluding that the probable cause of the fire was power lines owned and operated by PacifiCorp. The report also states that evidence indicates failure of power line infrastructure. The USFS report of investigation into the Slater fire for the investigation period October 5, 2020 to December 8, 2020, concluded that the fire was caused by a downed power line owned and operated by PacifiCorp. The report states that evidence indicates a tree fell onto the power line and that wind blew over the 137-foot tree with internal rot that showed no outward signs of distress and would not have been classified or identified as a hazard tree.

Settlements have been reached with substantially all individual plaintiffs, timber companies and insurance subrogation plaintiffs in both the Archie Creek and Slater fires with government timber and suppression cost claims remaining.

In April 2023, the USFS issued its report of investigation into a wildland fire that began in the Opal Creek wilderness outside of the Santiam Canyon that was first reported on August 16, 2020 ("Beachie Creek Fire"), approximately three weeks prior to the September 2020 wind event described above. In March 2025, PacifiCorp received the ODF's final investigation report on the Santiam Canyon fires ("ODF's Report"), which concluded that embers from the pre-existing Beachie Creek Fire caused 12 fires within the Santiam Canyon. The ODF's Report also found that PacifiCorp's power lines did not contribute to the overall spread of fire into the Santiam Canyon even though its power lines ignited seven spot fires within the Santiam Canyon that were each suppressed.

The Beachie Creek fire that spread into the Santiam Canyon burned approximately 193,000 acres; the South Obenchain fire burned approximately 33,000 acres; the Echo Mountain Complex fire burned approximately 3,000 acres; and the 242 fire burned approximately 14,000 acres. The *James* cases described below are associated with the Beachie Creek (Santiam Canyon), South Obenchain, Echo Mountain Complex and 242 fires, which are four distinct fires located hundreds of miles apart.

The James Case

On September 30, 2020, a class action complaint against PacifiCorp was filed, captioned *Jeanye James et al. v. PacifiCorp*, ("James") in Oregon Circuit Court in Multnomah County, Oregon ("Multnomah County Circuit Court Oregon"). The complaint was filed by Oregon residents and businesses who seek to represent a class of all Oregon citizens and entities whose real or personal property was harmed beginning on September 7, 2020, by wildfires in Oregon allegedly caused by PacifiCorp. In November 2021, the plaintiffs filed an amended complaint to limit the class to include Oregon citizens allegedly impacted by the Santiam Canyon, Echo Mountain Complex, South Obenchain and 242 wildfires, as well as to add claims for noneconomic damages. The amended complaint alleged that PacifiCorp's assets contributed to the Oregon wildfires occurring on or after September 7, 2020, and that PacifiCorp acted with gross negligence, among other things. The amended complaint seeks damages similar to those described above, including not less than \$600 million of economic damages and in excess of \$1 billion of noneconomic damages for the plaintiffs and the class. Numerous cases were consolidated into the original *James* complaint.

In April, May, July and September 2024, and January 2025, six separate mass complaints against PacifiCorp naming 1,591 individual class members were filed in Multnomah County Circuit Court Oregon referencing *James* as the lead case. Complaints for five of the plaintiffs in the mass complaints were subsequently dismissed. These *James* mass complaints make damages-only allegations seeking economic, noneconomic and punitive damages, as well as doubling of economic damages. In December 2024, two additional complaints were filed in Multnomah County Circuit Court Oregon on behalf of eight plaintiffs also referencing *James* as the lead case, bringing the total class plaintiffs in the *James* case to 1,594. PacifiCorp believes the magnitude of damages sought by the class members in the *James* mass complaints and additional two complaints to be of remote likelihood of being awarded based on the amounts awarded in the jury verdicts described below that are being appealed.

In January, April and June 2024, the Multnomah County Circuit Court Oregon entered limited judgments and money awards for the *James* jury verdicts issued in June 2023 for the first trial in which the jury found PacifiCorp's conduct grossly negligent, reckless and willful as to each of the 17 named plaintiffs and the entire class, and the first two damages phase trials for which the verdicts were issued in January and March 2024. The limited judgments award aggregate damages of \$210 million, including \$32 million of doubled economic damages, \$147 million of noneconomic damages and \$41 million of punitive damages based on a 0.25 multiplier applied to economic and noneconomic damages, partially offset by insurance proceeds received by plaintiffs. For each limited judgment entered in the court, PacifiCorp posted a supersedeas bond, which stays any effort to seek payment of the judgments pending final resolution of any appeals. Under Oregon Revised Statutes 82.010, interest at a rate of 9% per annum will accrue on the judgments commencing at the date the judgments were entered until the entire money award is paid, amended or reversed by an appellate court. In January 2024, PacifiCorp filed a notice of appeal associated with the June 2023 verdict in *James*, including whether the case can proceed as a class action and filed a motion to stay further damages phase trials. PacifiCorp amended its appeal of the June 2023 *James* verdict to include both the January and March 2024 jury verdicts. The appeals process and further actions could take several years.

In February 2025, the jury for the third *James* damages phase trial awarded seven plaintiffs \$32 million of noneconomic damages in addition to \$4 million of economic damages stipulated for eight plaintiffs prior to the trial. In accordance with Oregon law, plaintiffs asked the court to double the economic damages to \$8 million after the verdict. PacifiCorp expects the court will award the doubling of economic damages and also increase the award for \$9 million in punitive damages by applying the 0.25 multiplier of economic and noneconomic damages consistent with the June 2023 *James* verdict. PacifiCorp filed a motion with the Multnomah County Circuit Court Oregon requesting the court offset the damage awards by deducting insurance proceeds received by any of the eight plaintiffs. In April 2025, the Multnomah County Circuit Court entered a limited judgment that awards approximately \$45 million, representing damages as discussed above, partially offset by insurance proceeds received by plaintiffs. PacifiCorp intends to appeal the jury's damage awards associated with the February 2025 jury verdict.

In March 2025, the jury for the fourth *James* damages phase trial awarded seven plaintiffs over \$2 million of economic damages and five plaintiffs \$34 million of noneconomic damages. PacifiCorp expects the court to award doubling of the economic damages to \$5 million and also to increase the award for \$9 million in punitive damages by applying the 0.25 multiplier of economic and noneconomic damages consistent with the June 2023 *James* verdict. As a result, PacifiCorp expects the total award for the seven plaintiffs to be approximately \$48 million. PacifiCorp filed a motion with the Multnomah County Circuit Court Oregon requesting the court offset the damage awards by deducting insurance proceeds received by any of the plaintiffs. PacifiCorp intends to appeal the jury's damage awards associated with the March 2025 jury verdict once judgment is entered.

In April 2025, the jury for the fifth *James* damages phase trial awarded nine plaintiffs \$11 million of noneconomic damages, in addition to over \$2 million of economic damages that were stipulated prior to the trial. PacifiCorp expects the court to award doubling of the economic damages to \$5 million and also to increase the award for \$3 million in punitive damages by applying the 0.25 multiplier of economic and noneconomic damages consistent with the June 2023 *James* verdict. As a result, PacifiCorp expects the total award for the nine plaintiffs to be approximately \$19 million. PacifiCorp filed a motion with the Multnomah County Circuit Court Oregon requesting the court offset the damage awards by deducting insurance proceeds received by any of the plaintiffs. PacifiCorp intends to appeal the jury's damage awards associated with the April 2025 jury verdict once judgment is entered.

In October 2024, the Multnomah County Circuit Court Oregon issued a case management order, setting forth nine additional damages phase trials with up to 10 plaintiffs per trial to be held in 2025. The first of these trials were held in February, March and April 2025, while the remaining are scheduled to begin May 12, June 2, July 7, September 9, October 6 and December 7, 2025. The jury verdicts for the first three of the damages phase trials were issued in February, March and April 2025, as described above. A hearing is scheduled for May 9, 2025, to evaluate scheduling additional damages phase trials in 2026. On March 20, 2025, PacifiCorp filed a motion to stay the remaining *James* damages phase trials in consideration of the ODF's Report. The motion was heard by the court and was denied on April 18, 2025.

On April 1, 2025, PacifiCorp filed its opening brief with the Oregon Court of Appeals in connection with its appeal of the June 2023 *James* verdict and the January and March 2024 verdicts for the first two *James* damages phase trials. In the opening brief, PacifiCorp addresses numerous procedural and legal issues, including that the class certification is improper due to the plaintiffs being impacted by distinct fires with independent ignition points that were hundreds of miles apart; awarding of non-economic damages is not allowed under Oregon law; plaintiffs failed to prove that PacifiCorp caused harm to every class member; and jury instructions applied incorrect legal standards in assessing class-wide evidence and individual claims. Additionally, PacifiCorp incorporated the ODF's Report into its opening appellate brief. Various parties who are not party to the *James* case have filed supportive amicus briefs with the court. Plaintiffs' reply brief and cross-appeal is due May 20, 2025.

2022 McKinney Fire

According to the California Department of Forestry and Fire Protection, a wildfire began on July 29, 2022, in the Oak Knoll Ranger District of the Klamath National Forest in Siskiyou County, California located in PacifiCorp's service territory, burning over 60,000 acres. Third-party reports indicate that the 2022 McKinney Fire resulted in 11 structures damaged; 185 structures destroyed, including residences; 12 injuries; and four fatalities. The USFS issued a Wildland Fire Origin and Cause Supplemental Incident Report. The report concluded that a tree coming in contact with a power line is the probable cause of the 2022 McKinney Fire.

Estimated Losses for and Settlements Associated with the Wildfires

Based on the facts and circumstances available to PacifiCorp as of the date of this filing, including (i) ongoing cause and origin investigations; (ii) ongoing settlement and mediation discussions; (iii) other litigation matters and upcoming legal proceedings; and (iv) the status of the *James* case, PacifiCorp recorded cumulative estimated probable losses associated with the Wildfires of \$2,753 million through March 31, 2025. PacifiCorp's cumulative accrual includes estimates of probable losses for fire suppression costs, real and personal property damages, natural resource damages and noneconomic damages such as personal injury damages and loss of life damages that it is reasonably able to estimate at this time and which is subject to change as additional relevant information becomes available.

Through March 31, 2025, PacifiCorp paid \$1,331 million in settlements associated with the Wildfires. As a result of the settlements, various trials have been cancelled. In April 2025 and through the date of this filing, PacifiCorp made additional settlement payments related to the Wildfires totaling \$2 million.

The following table presents changes in PacifiCorp's liability for estimated losses associated with the Wildfires (in millions):

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Beginning balance	\$ 1,536	\$ 1,723
Payments	(114)	(18)
Ending balance	<u>\$ 1,422</u>	<u>\$ 1,705</u>

As of March 31, 2025 and December 31, 2024, \$134 million and \$247 million of PacifiCorp's liability for estimated losses associated with the Wildfires was classified as a current liability captioned Wildfires liabilities on the Consolidated Balance Sheets. The amounts reflected as current as of March 31, 2025 reflect amounts reasonably expected to be paid out within the next year based on settlements reached as well as ongoing settlement and mediation efforts. The remainder of PacifiCorp's liability for estimated losses associated with the Wildfires as of March 31, 2025 and December 31, 2024 was classified as a noncurrent liability captioned Wildfires liabilities on the Consolidated Balance Sheets.

The following table presents changes in PacifiCorp's receivable for expected insurance recoveries associated with the Wildfires (in millions):

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Beginning balance	\$ 98	\$ 499
Payments received	(98)	(350)
Ending balance	<u>\$ —</u>	<u>\$ 149</u>

As of March 31, 2025, PacifiCorp had received all expected insurance recoveries. As of December 31, 2024, PacifiCorp's receivable for expected insurance recoveries was included in Other receivables, net on the Consolidated Balance Sheets. No additional insurance recoveries beyond those received to date are expected to be available.

It is reasonably possible PacifiCorp will incur material additional losses beyond the amounts accrued for the Wildfires that could have a material adverse effect on PacifiCorp's financial condition. PacifiCorp is currently unable to reasonably estimate a specific range of possible additional losses that could be incurred due to the number of properties and parties involved, including claimants in the class to the *James* case and the 2022 McKinney Fire, the variation in the types of properties and damages and the ultimate outcome of legal actions, including mediation, settlement negotiations, jury verdicts and the appeals process.

Guarantees

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

(11) Revenue from Contracts with Customers

The following table summarizes PacifiCorp's revenue from contracts with customers ("Customer Revenue") by line of business, with further disaggregation of retail by customer class (in millions):

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Customer Revenue:		
Retail:		
Residential	\$ 672	\$ 610
Commercial	564	472
Industrial	344	319
Other retail	67	46
Total retail	<u>1,647</u>	<u>1,447</u>
Wholesale	13	29
Transmission	48	41
Other Customer Revenue	27	26
Total Customer Revenue	<u>1,735</u>	<u>1,543</u>
Other revenue	33	5
Total operating revenue	<u>\$ 1,768</u>	<u>\$ 1,548</u>

(12) Preferred Stock

On April 23, 2025, PacifiCorp repurchased the sole outstanding share of its 7.00% Serial Preferred Stock from PPW Holdings LLC, for a purchase price of \$1,800,000. As of the date of this filing, there are no shares of PacifiCorp Serial Preferred Stock outstanding.

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

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

Results of Operations for the First Quarter of 2025 and 2024

Overview

Net income for the first quarter of 2025 was \$177 million, an increase of \$56 million, or 46% compared to 2024. The increase in net income was primarily due to higher utility margin and higher income tax benefit, partially offset by lower allowances for equity and borrowed funds used during construction and higher net interest expense, operations and maintenance expense, depreciation expense and property taxes. Utility margin increased primarily due to higher retail revenue from higher prices and volumes, lower purchased electricity volumes and average market prices, higher wholesale revenue volumes and lower natural gas-fueled generation costs, partially offset by lower net power cost deferrals, driven by higher amortization of prior deferrals and lower current year deferrals, higher coal-fueled generation costs and lower wholesale average market prices. Retail customer volumes increased 2.4%, primarily due to the favorable impact of weather and an increase in the average number of customers. Energy generated volumes increased 16% for the first quarter of 2025 compared to 2024 primarily due to higher coal-fueled and wind-powered generation, partially offset by lower natural gas-fueled and hydroelectric-fueled generation. Wholesale electricity sales volumes increased 75% and energy purchased volumes decreased 19%.

Non-GAAP Financial Measure

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

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

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

	First Quarter		
	2025	2024	Change
Utility margin:			
Operating revenue	\$ 1,768	\$ 1,548	\$ 220
Cost of fuel and energy	718	632	86
Utility margin	1,050	916	134
Operations and maintenance	424	407	17
Depreciation and amortization	299	292	7
Property and other taxes	59	52	7
Operating income	\$ 268	\$ 165	\$ 103
			62 %

Utility Margin

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

	First Quarter			Change
	2025	2024		
Utility margin (in millions):				
Operating revenue	\$ 1,768	\$ 1,548	\$ 220	14 %
Cost of fuel and energy	718	632	86	14
Utility margin	<u>\$ 1,050</u>	<u>\$ 916</u>	<u>\$ 134</u>	15 %
Sales (GWhs):				
Residential	4,917	4,830	87	2 %
Commercial ⁽¹⁾	5,529	5,159	370	7
Industrial ⁽¹⁾	4,127	4,251	(124)	(3)
Other ⁽¹⁾	50	43	7	16
Total retail	14,623	14,283	340	2
Wholesale	1,031	590	441	75
Total sales	<u>15,654</u>	<u>14,873</u>	<u>781</u>	5 %
Average number of retail customers (in thousands)				
	2,127	2,090	37	2 %
Average revenue per MWh:				
Retail	\$ 112.67	\$ 101.21	\$ 11.46	11 %
Wholesale	\$ 43.09	\$ 55.95	\$(12.86)	(23)%
Heating degree days	4,615	4,432	183	4 %
Cooling degree days	1	—	1	N/A
Sources of energy (GWhs)⁽¹⁾:				
Coal	5,968	4,498	1,470	33 %
Natural gas	3,838	3,953	(115)	(3)
Wind ⁽²⁾	2,300	1,838	462	25
Hydroelectric and other ⁽²⁾	879	936	(57)	(6)
Total energy generated	12,985	11,225	1,760	16
Energy purchased	4,019	4,960	(941)	(19)
Total	<u>17,004</u>	<u>16,185</u>	<u>819</u>	5 %
Average cost of energy per MWh:				
Energy generated ⁽³⁾	\$ 25.99	\$ 25.89	\$ 0.10	— %
Energy purchased	\$ 59.62	\$ 84.91	\$(25.29)	(30)%

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

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

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

Quarter Ended March 31, 2025 compared to Quarter Ended March 31, 2024

Utility margin increased \$134 million for the first quarter of 2025 compared to 2024 primarily due to:

- \$202 million increase in retail revenue due to higher average prices and higher volumes. Retail customer volumes increased 2.4%, primarily due to higher Utah and Oregon commercial customer usage, favorable weather-related impacts and increase in the average number of commercial and residential customers across the service territory, mainly in Utah and Oregon, partially offset by decrease in residential customer usage across the service territory, except in Idaho and decrease in industrial customer usage across the service territory;
- \$182 million of lower purchased electricity costs from lower volumes and lower average market prices;
- \$11 million increase in wholesale revenue due to higher volumes, partially offset by lower average market prices; and
- \$10 million of lower natural gas-fueled generation costs from lower prices and volumes.

The increases above were partially offset by:

- \$215 million of lower net power costs deferrals in accordance with established adjustment mechanisms; and
- \$57 million of higher coal-fueled generation costs from higher volumes and higher average market prices.

Operations and maintenance increased \$17 million, or 4%, for the first quarter of 2025 compared to 2024 primarily due to:

- \$21 million increase in demand side management amortization driven by higher spend (offset in retail revenue);
- \$20 million of higher insurance expense due to higher premiums associated with third-party liability coverage;
- \$7 million of higher salary and benefit expenses; and
- \$4 million of higher legal expenses.

The increases above were partially offset by:

- \$24 million decrease in vegetation management and other wildfire prevention costs primarily from higher current quarter cost deferrals in California and lower amortization of prior deferrals; and
- \$12 million due to timing of federal grant reimbursement accruals.

Depreciation and amortization increased \$7 million, or 2%, for the first quarter of 2025 compared to 2024 primarily due to higher plant-in-service balances in the current year, partially offset by cessation of accelerated depreciation in Washington and deceleration of depreciation in Oregon as a result of the December 2024 general rate case order.

Property and other taxes increased \$7 million, or 13%, for the first quarter of 2025 compared to 2024 primarily due to higher property taxes in Utah and Washington and higher franchise taxes primarily in Oregon.

Interest expense decreased \$5 million, or 3%, for the first quarter of 2025 compared to 2024 primarily due to lower net interest on regulatory assets and liabilities.

Allowance for borrowed and equity funds decreased \$28 million, or 36%, for the first quarter of 2025 compared to 2024 primarily due to lower qualified construction work-in-progress balances and lower rates.

Interest and dividend income decreased \$30 million, or 52%, for the first quarter of 2025 compared to 2024 primarily due to lower current year investment balances and lower interest rates.

Income tax benefit increased \$10 million for the first quarter of 2025 compared to 2024 and the effective tax rate was (12)% for 2025 and (8)% for 2024. The \$10 million increase is primarily due to higher recognized PTCs from PacifiCorp's wind-powered generating facilities, partially offset by higher income tax expense from higher pre-tax book income.

Liquidity and Capital Resources

As of March 31, 2025, PacifiCorp's total net liquidity was as follows (in millions):

Cash and cash equivalents	\$ 447
Credit facilities ⁽¹⁾	2,900
Less:	
Tax-exempt bond support and letters of credit	(52)
Net credit facility	2,848
Total net liquidity	\$ 3,295
Maturity dates	2025, 2027

(1) Refer to "Credit Facilities and Letters of Credit" below for further discussion regarding PacifiCorp's credit facilities.

PacifiCorp's operating results and capital expenditures for certain projects may be affected in future periods by impacts of ongoing macroeconomic and geopolitical events. The pace of changes in these events, including international trade policies and tariffs, has accelerated in 2025. Considerable uncertainty remains as to the ultimate outcome of these events. PacifiCorp is unable to reliably predict the ultimate outcome or the potential impact on its business.

Operating Activities

Net cash flows from operating activities for the three-month periods ended March 31, 2025 and 2024 were \$488 million and \$683 million, respectively. The decrease is primarily due to lower insurance reimbursements related to wildfire liabilities and higher cash paid for income taxes, interest and wildfire liability settlement payments, partially offset by lower wholesale purchases and higher collections from retail customers.

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

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2025 and 2024 were \$(683) million and \$(768) million, respectively. The change is primarily due to a decrease in capital expenditures of \$86 million. Refer to "Future Uses of Cash" for discussion of capital expenditures.

Financing Activities

Net cash flows from financing activities for the three-month period ended March 31, 2025 were \$598 million. Sources of cash consisted of net proceeds from the issuance of junior subordinated debt of \$842 million. Uses of cash consisted primarily of \$240 million for the repayment of short-term debt.

For a discussion of recent financing transactions, refer to Note 5 of Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Net cash flows from financing activities for the three-month period ended March 31, 2024 were \$2.16 billion. Sources of cash consisted of net proceeds from the issuance of long-term debt of \$3.76 billion. Uses of cash consisted primarily of \$1.60 billion for the repayment of short-term debt.

Short-term Debt

Regulatory authorities limit PacifiCorp to \$3.0 billion of short-term debt. As of March 31, 2025, PacifiCorp had no short-term debt outstanding. As of December 31, 2024, PacifiCorp had \$240 million of short-term debt outstanding at a weighted average rate of 4.65%.

Debt Authorizations

PacifiCorp currently has regulatory authority from the OPUC and the IPUC to issue an additional \$4.15 billion of long-term debt. PacifiCorp's authorization from the IPUC is through April 2029. PacifiCorp must make a notice filing with the WUTC prior to any future issuance. PacifiCorp currently has an effective shelf registration statement filed with the SEC to issue an indeterminate amount of first mortgage bonds and unsecured debt securities through July 2027.

Credit Facilities and Letters of Credit

As of March 31, 2025, PacifiCorp had no letters of credit outstanding under its \$2.0 billion revolving credit facility and had an additional \$14 million of letters of credit outstanding in support of certain transactions required by third parties.

As of March 31, 2025, PacifiCorp had a fully available \$900 million 364-day unsecured credit facility expiring June 2025.

Future Uses of Cash

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

Capital Expenditures

PacifiCorp has significant future capital requirements. Capital expenditure needs are reviewed regularly by management and may change significantly as a result of these reviews, which may consider, among other factors, impacts to customer rates; changes in environmental and other rules and regulations; outcomes of regulatory proceedings, including regulatory filings for Certificates of Public Convenience and Necessity; outcomes of legal actions associated with the Wildfires; changes in income tax laws; general business conditions; new customer requests; load projections; system reliability standards; the cost and efficiency of construction labor, equipment and materials; commodity prices; and the cost and availability of capital.

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

	Three-Month Periods		Annual Forecast	
	Ended March 31,		2025	
	2024	2025	2025	
Electric distribution	\$ 181	\$ 198	\$ 894	
Electric transmission	202	125	809	
Wildfire prevention	56	170	630	
Wind generation	59	10	238	
Other	276	185	614	
Total	\$ 774	\$ 688	\$ 3,185	

PacifiCorp's IRP is a roadmap for PacifiCorp's energy transition to renewable and carbon free generation resources, coal-to-natural gas conversion of certain coal-fueled units, renewable generation, associated transmission, load forecast and resource adequacy. PacifiCorp anticipates that the additional new renewable and carbon free generation will be a mixture of owned and contracted resources. PacifiCorp has included estimates for these new renewable and carbon free generation resources, conversion of certain coal-fueled units to natural gas-fueled units and associated transmission assets in its forecast capital expenditures. These estimates are likely to change as a result of the IRP update and RFP process. PacifiCorp's historical and forecast capital expenditures include the following:

- Electric distribution includes both growth projects and operating expenditures. Growth expenditures include spending on new customer connections totaling \$83 million and \$87 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for new customer connections totals \$353 million for the remainder of 2025. The remaining investments primarily relate to expenditures for distribution operations.
- Electric transmission includes both growth projects and operating expenditures. Transmission growth primarily reflects costs associated with major transmission projects totaling \$49 million and \$126 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for major transmission projects that are expected to be placed in-service through 2034 totals \$287 million for the remainder of 2025.
- Wildfire prevention includes operating expenditures totaling \$170 million and \$56 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for wildfire prevention totals \$460 million for the remainder of 2025.
- Wind generation includes both growth projects and operating expenditures. Growth projects include construction of new wind-powered generating facilities and construction at existing wind-powered generating facility sites acquired from third parties totaling \$6 million and \$51 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for the construction of additional wind-powered generating facilities and those at acquired sites totals \$210 million for the remainder of 2025 and is primarily for the Rock Creek I and Rock Creek II wind-powered generating facilities totaling approximately 529 MWs that are expected to be placed in-service in 2025.
- Other includes both growth projects and operating expenditures. Expenditures for information technology totaled \$41 million and \$54 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned information technology spending totals \$137 million for the remainder of 2025. The remaining investments relate to operating projects that consist of routine expenditures for generation and other infrastructure needed to serve existing and expected demand.

Energy Supply Planning

As required by certain state regulations, PacifiCorp uses an IRP to develop a long-term resource plan to ensure that PacifiCorp can continue to provide reliable and cost-effective electric service to its customers while maintaining compliance with existing and evolving environmental laws and regulations. PacifiCorp files its IRP biennially with the state commissions in each of the six states where PacifiCorp operates. Five states indicate whether the IRP meets the state commission's IRP standards and guidelines, a process referred to as "acknowledgment" in some states. Acknowledgment by a state commission does not address cost recovery or prudence of resources ultimately selected.

In March 2025, PacifiCorp filed its 2025 IRP in Utah, Oregon, Wyoming, Washington, Idaho and California. The 2025 IRP highlights a need for investment in transmission infrastructure, renewable solar and wind resources, new energy storage, conversion of coal-fueled generating units to natural gas, demand response and energy efficiency programs and carbon capture technology.

Requests for Proposals

PacifiCorp issues individual RFPs to procure resources identified in the IRP or resources driven by customer demands and regulatory policy changes. The IRP and the RFPs provide for the identification and staged procurement of resources to meet load or state-specific compliance obligations. Depending upon the specific RFP, applicable laws and regulations may require PacifiCorp to file draft RFPs with the UPSC, the OPUC and the WUTC. Approval by the UPSC, the OPUC or the WUTC may be required depending on the nature of the RFPs.

In April 2025, PacifiCorp filed an expedited application with the OPUC seeking approval to issue to market an RFP for new generating and energy storage resources that will serve Oregon customers and be recovered via Oregon retail rates. The filing seeks approval of the RFP that will enable it to be issued to the market by June 1, 2025, as directed by an OPUC order.

Material Cash Requirements

As of March 31, 2025, there have been no material changes in cash requirements from the information provided in Item 7 of PacifiCorp's Annual Report on Form 10-K for the year ended December 31, 2024, other than those disclosed in Notes 5 and 10 of the Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Regulatory Matters

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

Environmental Laws and Regulations

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

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

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Consolidated Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, pension and other postretirement benefits, income taxes and wildfire loss contingencies. For additional discussion of PacifiCorp's critical accounting estimates, see Item 7 of PacifiCorp's Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in PacifiCorp's assumptions regarding critical accounting estimates since December 31, 2024. Refer to Note 10 of the Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for discussion of loss contingencies related to the Wildfires.

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

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of
MidAmerican Energy Company

Results of Review of Interim Financial Information

We have reviewed the accompanying balance sheet of MidAmerican Energy Company ("MidAmerican Energy") as of March 31, 2025, the related statements of operations, changes in shareholder's equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the balance sheet of MidAmerican Energy as of December 31, 2024, and the related statements of operations, changes in shareholder's equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2025, we expressed an unqualified opinion on those financial statements. In our opinion, the information set forth in the accompanying balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

Basis for Review Results

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

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

/s/ Deloitte & Touche LLP

Des Moines, Iowa
May 2, 2025

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

	As of	
	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 403	\$ 549
Trade receivables, net	316	230
Income tax receivable	223	2
Inventories	310	369
Prepayments	138	117
Other current assets	<u>69</u>	<u>63</u>
Total current assets	1,459	1,330
Property, plant and equipment, net	22,831	22,765
Regulatory assets	607	622
Investments and restricted investments	1,125	1,147
Other assets	<u>250</u>	<u>252</u>
Total assets	<u>\$ 26,272</u>	<u>\$ 26,116</u>

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

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

	As of	
	March 31, 2025	December 31, 2024
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 365	\$ 375
Accrued interest	92	117
Accrued property, income and other taxes	163	192
Current portion of long-term debt	4	17
Other current liabilities	93	91
Total current liabilities	717	792
Long-term debt	8,808	8,807
Regulatory liabilities	1,232	1,264
Deferred income taxes	3,618	3,626
Asset retirement obligations	833	823
Other long-term liabilities	652	623
Total liabilities	15,860	15,935
Commitments and contingencies (Note 8)		
Shareholder's equity:		
Common stock - 350 shares authorized, no par value, 71 shares issued and outstanding	—	—
Additional paid-in capital	561	561
Retained earnings	9,851	9,620
Total shareholder's equity	10,412	10,181
Total liabilities and shareholder's equity	\$ 26,272	\$ 26,116

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Operating revenue:		
Regulated electric	\$ 667	\$ 565
Regulated natural gas and other	347	278
Total operating revenue	<u>1,014</u>	<u>843</u>
Operating expenses:		
Cost of fuel and energy	124	103
Cost of natural gas purchased for resale and other	245	177
Operations and maintenance	227	218
Depreciation and amortization	307	227
Property and other taxes	44	42
Total operating expenses	<u>947</u>	<u>767</u>
Operating income	<u>67</u>	<u>76</u>
Other income (expense):		
Interest expense	(101)	(104)
Allowance for borrowed funds	7	6
Allowance for equity funds	18	16
Other, net	5	25
Total other income (expense)	<u>(71)</u>	<u>(57)</u>
(Loss) income before income tax expense (benefit)	<u>(4)</u>	<u>19</u>
Income tax expense (benefit)	<u>(236)</u>	<u>(219)</u>
Net income	<u><u>\$ 232</u></u>	<u><u>\$ 238</u></u>

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

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

	<u>Common Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Total Shareholder's Equity</u>
Balance, December 31, 2023	\$ —	\$ 561	\$ 9,042	\$ 9,603
Net income	—	—	238	238
Common stock dividend	—	—	(425)	(425)
Other equity transactions	—	—	(1)	(1)
Balance, March 31, 2024	<u><u>\$ —</u></u>	<u><u>\$ 561</u></u>	<u><u>\$ 8,854</u></u>	<u><u>\$ 9,415</u></u>
Balance, December 31, 2024	\$ —	\$ 561	\$ 9,620	\$ 10,181
Net income	—	—	232	232
Other equity transactions	—	—	(1)	(1)
Balance, March 31, 2025	<u><u>\$ —</u></u>	<u><u>\$ 561</u></u>	<u><u>\$ 9,851</u></u>	<u><u>\$ 10,412</u></u>

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 232	\$ 238
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	307	227
Amortization of utility plant to other operating expenses	8	9
Allowance for equity funds	(18)	(16)
Deferred income taxes and investment tax credits, net	(12)	65
Other, net	48	(9)
Changes in other operating assets and liabilities:		
Trade receivables and other assets	(99)	(36)
Inventories	59	6
Accrued property, income and other taxes, net	(251)	(137)
Accounts payable and other liabilities	(6)	(79)
Net cash flows from operating activities	<u>268</u>	<u>268</u>
Cash flows from investing activities:		
Capital expenditures	(405)	(428)
Purchases of marketable securities	(84)	(81)
Proceeds from sales of marketable securities	86	76
Other, net	2	8
Net cash flows from investing activities	<u>(401)</u>	<u>(425)</u>
Cash flows from financing activities:		
Common stock dividends	—	(425)
Proceeds from long-term debt	—	592
Repayments of long-term debt	(14)	(1)
Net proceeds from short-term debt	—	15
Other, net	—	(1)
Net cash flows from financing activities	<u>(14)</u>	<u>180</u>
Net change in cash and cash equivalents and restricted cash and cash equivalents	(147)	23
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	555	642
Cash and cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 408</u>	<u>\$ 665</u>

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

MIDAMERICAN ENERGY COMPANY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

(1) General

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

The unaudited Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Financial Statements as of March 31, 2025, and for the three-month periods ended March 31, 2025 and 2024. The results of operations for the three-month period ended March 31, 2025, are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Financial Statements. Note 2 of Notes to Financial Statements included in MidAmerican Energy's Annual Report on Form 10-K for the year ended December 31, 2024, describes the most significant accounting policies used in the preparation of the unaudited Financial Statements. There have been no significant changes in MidAmerican Energy's accounting policies or its assumptions regarding significant accounting estimates during the three-month period ended March 31, 2025.

(2) New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes Topic 740, "Income Tax—Improvements to Income Tax Disclosures" which requires enhanced disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. This guidance is effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. MidAmerican Energy is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures Subtopic 220-40, "Disaggregation of Income Statement Expenses" which addresses requests from investors for more detailed information about certain expenses and requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption presented on the income statement. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. MidAmerican Energy is currently evaluating the impact of adopting this guidance on its Financial Statements and disclosures included within Notes to Financial Statements.

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

Cash equivalents consist of funds invested in money market mutual funds, U.S. Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents consist substantially of funds restricted for wildlife preservation. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as presented on the Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Balance Sheets (in millions):

	As of	
	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 403	\$ 549
Restricted cash and cash equivalents in other current assets	5	6
Total cash and cash equivalents and restricted cash and cash equivalents	\$ 408	\$ 555

(4) Property, Plant and Equipment, Net

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

	Depreciable Life	As of	
		March 31, 2025	December 31, 2024
Utility plant:			
Generation	20-62 years	\$ 18,383	\$ 18,446
Transmission	55-80 years	3,061	3,029
Electric distribution	15-80 years	5,952	5,890
Natural gas distribution	30-75 years	2,431	2,413
Utility plant in-service		29,827	29,778
Accumulated depreciation and amortization		(8,763)	(8,572)
Utility plant in-service, net		21,064	21,206
Nonregulated, net of accumulated depreciation and amortization	20-50 years	6	6
		21,070	21,212
Construction work-in-progress		1,761	1,553
Property, plant and equipment, net		\$ 22,831	\$ 22,765

Under a revenue sharing arrangement in Iowa, MidAmerican Energy accrues throughout the year a regulatory liability based on the extent to which its anticipated annual equity return exceeds specified thresholds, with an equal amount recorded in depreciation and amortization expense. The annual regulatory liability accrual reduces utility plant upon final determination of the amount. For the three-month periods ended March 31, 2025 and 2024, \$61 million and \$— million, respectively, is reflected in depreciation and amortization expense on the Statements of Operations.

(5) Income Taxes

The effective income tax rate for the three-month period ended March 31, 2025, of 5,900% resulted from a \$236 million income tax benefit from federal income tax credits associated with a \$4 million pre-tax loss.

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Federal statutory income tax rate	21 %	21 %
Income tax credits	5,900	(1,158)
State income tax, net of federal income tax impacts	—	(11)
Effects of ratemaking	(25)	—
Other, net	4	(5)
Effective income tax rate	<u>5,900 %</u>	<u>(1,153)%</u>

Income tax credits relate primarily to production tax credits ("PTC") earned by MidAmerican Energy's wind- and solar-powered generating facilities. Federal renewable electricity PTCs are earned as energy from qualifying wind- and solar-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. MidAmerican Energy recognizes its renewable electricity PTCs throughout the year based on when the credits are earned and excludes them from the annual effective tax rate that is the basis for the interim recognition of the remaining income tax expense. Wind- and solar-powered generating facilities are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service. PTCs recognized for the three-month periods ended March 31, 2025 and 2024, totaled \$236 million and \$220 million, respectively.

Berkshire Hathaway includes BHE and subsidiaries in its U.S. federal and Iowa state income tax returns. Consistent with established regulatory practice, MidAmerican Energy's provision for income tax has been computed on a stand-alone basis, and substantially all of its currently payable or receivable income tax is remitted to or received from BHE. MidAmerican Energy received net cash payments for income tax from BHE totaling \$— million and \$179 million for the three-month periods ended March 31, 2025 and 2024, respectively.

(6) Employee Benefit Plans

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

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

	Three-Month Periods		
	Ended March 31,	2025	2024
Pension:			
Service cost	\$ 2	\$ 2	2
Interest cost	8	8	8
Expected return on plan assets	(8)	(8)	(8)
Net periodic benefit cost	<u><u>\$ 2</u></u>	<u><u>\$ 2</u></u>	<u><u>2</u></u>
Other postretirement:			
Service cost	\$ 1	\$ 1	1
Interest cost	3	3	3
Expected return on plan assets	(5)	(4)	(4)
Net periodic benefit credit	<u><u>\$ (1)</u></u>	<u><u>\$ —</u></u>	<u><u>—</u></u>

Amounts other than the service cost for pension and other postretirement benefit plans are recorded in other, net on the Statements of Operations. Employer contributions to the pension and other postretirement benefit plans during 2025 are expected to be \$7 million and \$1 million, respectively. As of March 31, 2025, \$2 million and \$— million of contributions had been made to the pension and other postretirement benefit plans, respectively.

(7) Fair Value Measurements

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

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

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

	Input Levels for Fair Value Measurements					Other ⁽¹⁾	Total						
	Level 1	Level 2	Level 3										
As of March 31, 2025:													
Assets:													
Commodity derivatives	\$ —	\$ 13	\$ 2	\$ (3)	\$ 12								
Money market mutual funds	386	—	—	—	—	386							
Debt securities:													
U.S. government obligations	261	—	—	—	—	261							
Corporate obligations	—	126	—	—	—	126							
Municipal obligations	—	2	—	—	—	2							
Equity securities:													
U.S. companies	456	—	—	—	—	456							
International companies	9	—	—	—	—	9							
Investment funds	18	—	—	—	—	18							
	\$ 1,130	\$ 141	\$ 2	\$ (3)	\$ 1,270								
Liabilities:													
Commodity derivatives	\$ (1)	\$ (2)	\$ (1)	\$ 3	\$ (1)								
	Input Levels for Fair Value Measurements					Other ⁽¹⁾	Total						
	Level 1	Level 2	Level 3										
As of December 31, 2024:													
Assets:													
Commodity derivatives	\$ —	\$ 5	\$ 1	\$ (3)	\$ 3								
Money market mutual funds	538	—	—	—	—	538							
Debt securities:													
U.S. government obligations	271	—	—	—	—	271							
Corporate obligations	—	109	—	—	—	109							
Municipal obligations	—	2	—	—	—	2							
Equity securities:													
U.S. companies	479	—	—	—	—	479							
International companies	9	—	—	—	—	9							
Investment funds	23	—	—	—	—	23							
	\$ 1,320	\$ 116	\$ 1	\$ (3)	\$ 1,434								
Liabilities:													
Commodity derivatives	\$ —	\$ (15)	\$ (3)	\$ 6	\$ (12)								

(1) Represents netting under master netting arrangements and a net cash collateral receivable of \$— million and \$3 million as of March 31, 2025 and December 31, 2024, respectively.

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

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

	Three-Month Periods	
	Ended March 31, 2025	2024
Beginning balance	\$ (2)	\$ (11)
Changes in fair value recognized in net regulatory assets	1	(4)
Settlements	2	9
Ending balance	\$ 1	\$ (6)

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

	As of March 31, 2025		As of December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 8,812	\$ 7,988	\$ 8,824	\$ 7,911

(8) Commitments and Contingencies

Commitments

MidAmerican Energy has the following firm commitments that are not reflected on the Balance Sheets.

Construction Commitments

During the three-month period ended March 31, 2025, MidAmerican Energy entered into firm construction commitments totaling \$162 million for the remainder of 2025 related to the construction of wind-powered generating facilities in Iowa.

Environmental Laws and Regulations

MidAmerican Energy is subject to federal, state and local laws and regulations regarding air quality, climate change, emissions performance standards, water quality, coal ash disposal and other environmental matters that have the potential to impact its current and future operations. MidAmerican Energy believes it is in material compliance with all applicable laws and regulations.

Legal Matters

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

(9) Revenue from Contracts with Customers

The following table summarizes MidAmerican Energy's revenue from contracts with customers ("Customer Revenue") by line of business, with further disaggregation of retail by customer class, including a reconciliation to MidAmerican Energy's reportable segment information included in Note 10 (in millions):

	For the Three-Month Period Ended March 31, 2025			
	Electric	Natural Gas	Other	Total
Customer Revenue:				
Retail:				
Residential	\$ 181	\$ 202	\$ —	\$ 383
Commercial	80	80	—	160
Industrial	251	9	—	260
Natural gas transportation services	—	16	—	16
Other retail	33	2	—	35
Total retail	545	309	—	854
Wholesale	80	36	—	116
Multi-value transmission projects	14	—	—	14
Other Customer Revenue	—	—	2	2
Total Customer Revenue	639	345	2	986
Other revenue	28	—	—	28
Total operating revenue	\$ 667	\$ 345	\$ 2	\$ 1,014

	For the Three-Month Period Ended March 31, 2024			
	Electric	Natural Gas	Other	Total
Customer Revenue:				
Retail:				
Residential	\$ 160	\$ 167	\$ —	\$ 327
Commercial	72	64	—	136
Industrial	218	6	—	224
Natural gas transportation services	—	14	—	14
Other retail	35	3	—	38
Total retail	485	254	—	739
Wholesale	51	21	—	72
Multi-value transmission projects	15	—	—	15
Other Customer Revenue	—	—	2	2
Total Customer Revenue	551	275	2	828
Other revenue	14	1	—	15
Total operating revenue	\$ 565	\$ 276	\$ 2	\$ 843

(10) Segment Information

MidAmerican Energy's chief operating decision maker ("CODM") is its President and Chief Executive Officer. Net income for each reportable segment is considered by the CODM in allocating resources and capital. The CODM generally considers actual results versus historical results, budgets or forecasts, as well as unique risks and opportunities, when making decisions about the allocation of resources and capital to each reportable segment.

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

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

	Three-Month Periods Ended March 31, 2025			
	Electric	Natural Gas	Other ⁽¹⁾	Total
Operating revenue	\$ 667	\$ 345	\$ 2	\$ 1,014
Cost of sales	124	245	—	369
Operations and maintenance	193	33	1	227
Depreciation and amortization	290	17	—	307
Property and other taxes	40	4	—	44
Operating income	20	46	1	67
Interest expense	(93)	(8)	—	(101)
Interest and dividend income	6	1	—	7
Income tax expense (benefit)	(246)	10	—	(236)
Other segment items ⁽²⁾	23	1	(1)	23
Net income	<u>\$ 202</u>	<u>\$ 30</u>	<u>\$ —</u>	<u>\$ 232</u>
Capital expenditures	<u>\$ 374</u>	<u>\$ 31</u>	<u>\$ —</u>	<u>\$ 405</u>

	Three-Month Periods Ended March 31, 2024			
	Electric	Natural Gas	Other ⁽¹⁾	Total
Operating revenue	\$ 565	\$ 276	\$ 2	\$ 843
Cost of sales	103	177	—	280
Operations and maintenance	182	36	—	218
Depreciation and amortization	210	17	—	227
Property and other taxes	38	4	—	42
Operating income	32	42	2	76
Interest expense	(96)	(8)	—	(104)
Interest and dividend income	9	1	—	10
Income tax expense (benefit)	(229)	10	—	(219)
Other segment items ⁽²⁾	33	4	—	37
Net income	<u>\$ 207</u>	<u>\$ 29</u>	<u>\$ 2</u>	<u>\$ 238</u>
Capital expenditures	<u>\$ 404</u>	<u>\$ 23</u>	<u>\$ 1</u>	<u>\$ 428</u>

	As of	
	March 31, 2025	December 31, 2024
Assets:		
Regulated electric	\$ 24,323	\$ 24,159
Regulated natural gas	1,948	1,956
Other ⁽¹⁾	1	1
Total assets	<u>\$ 26,272</u>	<u>\$ 26,116</u>

(1) The differences between the reportable segment amounts and the consolidated amounts, described as Other, relate to nonregulated activities of MidAmerican Energy.

(2) Other segment items include allowance for borrowed and equity funds, gains (losses) on marketable securities and other income (expense).

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of MidAmerican Funding, LLC and subsidiaries ("MidAmerican Funding") as of March 31, 2025, the related consolidated statements of operations, changes in member's equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) and in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of MidAmerican Funding as of December 31, 2024, and the related consolidated statements of operations, changes in member's equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

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

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

/s/ Deloitte & Touche LLP

Des Moines, Iowa
May 2, 2025

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

	As of	
	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 404	\$ 552
Trade receivables, net	316	230
Income tax receivable	224	2
Inventories	310	369
Prepayments	138	117
Other current assets	68	62
Total current assets	1,460	1,332
 Property, plant and equipment, net		
Goodwill	22,832	22,766
Regulatory assets	1,270	1,270
Investments and restricted investments	607	622
Other assets	1,126	1,149
Total assets	\$ 27,546	\$ 27,390

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

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

	As of	
	March 31, 2025	December 31, 2024
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 365	\$ 375
Accrued interest	93	122
Accrued property, income and other taxes	163	192
Note payable to affiliate	20	13
Current portion of long-term debt	4	17
Other current liabilities	93	92
Total current liabilities	738	811
Long-term debt	9,048	9,047
Regulatory liabilities	1,232	1,264
Deferred income taxes	3,616	3,624
Asset retirement obligations	833	823
Other long-term liabilities	652	622
Total liabilities	16,119	16,191
Commitments and contingencies (Note 8)		
Member's equity:		
Paid-in capital	1,679	1,679
Retained earnings	9,748	9,520
Total member's equity	11,427	11,199
Total liabilities and member's equity	\$ 27,546	\$ 27,390

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Operating revenue:		
Regulated electric	\$ 667	\$ 565
Regulated natural gas and other	347	278
Total operating revenue	<u>1,014</u>	<u>843</u>
Operating expenses:		
Cost of fuel and energy	124	103
Cost of natural gas purchased for resale and other	245	177
Operations and maintenance	227	218
Depreciation and amortization	307	227
Property and other taxes	44	42
Total operating expenses	<u>947</u>	<u>767</u>
Operating income	<u>67</u>	<u>76</u>
Other income (expense):		
Interest expense	(105)	(108)
Allowance for borrowed funds	7	6
Allowance for equity funds	18	16
Other, net	5	25
Total other income (expense)	<u>(75)</u>	<u>(61)</u>
(Loss) income before income tax expense (benefit)	<u>(8)</u>	<u>15</u>
Income tax expense (benefit)	<u>(236)</u>	<u>(220)</u>
Net income	<u><u>\$ 228</u></u>	<u><u>\$ 235</u></u>

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

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

	Paid-in Capital	Retained Earnings	Total Member's Equity
Balance, December 31, 2023	\$ 1,679	\$ 8,954	\$ 10,633
Net income	—	235	235
Distribution to member	—	(425)	(425)
Balance, March 31, 2024	<u>\$ 1,679</u>	<u>\$ 8,764</u>	<u>\$ 10,443</u>
Balance, December 31, 2024	\$ 1,679	\$ 9,520	\$ 11,199
Net income	—	228	228
Balance, March 31, 2025	<u>\$ 1,679</u>	<u>\$ 9,748</u>	<u>\$ 11,427</u>

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 228	\$ 235
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	307	227
Amortization of utility plant to other operating expenses	8	9
Allowance for equity funds	(18)	(16)
Deferred income taxes and investment tax credits, net	(12)	65
Other, net	48	(9)
Changes in other operating assets and liabilities:		
Trade receivables and other assets	(99)	(36)
Inventories	59	6
Accrued property, income and other taxes, net	(252)	(137)
Accounts payable and other liabilities	(10)	(84)
Net cash flows from operating activities	<u>259</u>	<u>260</u>
Cash flows from investing activities:		
Capital expenditures	(405)	(428)
Purchases of marketable securities	(84)	(81)
Proceeds from sales of marketable securities	86	76
Other, net	2	8
Net cash flows from investing activities	<u>(401)</u>	<u>(425)</u>
Cash flows from financing activities:		
Distribution to member	—	(425)
Proceeds from long-term debt	—	592
Repayments of long-term debt	(14)	(1)
Net change in note payable to affiliate	7	8
Net proceeds from short-term debt	—	15
Other, net	—	(1)
Net cash flows from financing activities	<u>(7)</u>	<u>188</u>
Net change in cash and cash equivalents and restricted cash and cash equivalents	(149)	23
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	558	643
Cash and cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 409</u>	<u>\$ 666</u>

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

MIDAMERICAN FUNDING, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) General

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

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2025, and for the three-month periods ended March 31, 2025 and 2024. The results of operations for the three-month period ended March 31, 2025, are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in MidAmerican Funding's Annual Report on Form 10-K for the year ended December 31, 2024, describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in MidAmerican Funding's accounting policies or its assumptions regarding significant accounting estimates during the three-month period ended March 31, 2025.

(2) New Accounting Pronouncements

Refer to Note 2 of MidAmerican Energy's Notes to Financial Statements.

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

Cash equivalents consist of funds invested in money market mutual funds, U.S. Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents consist substantially of funds restricted for wildlife preservation. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as presented on the Consolidated Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Consolidated Balance Sheets (in millions):

	As of	
	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 404	\$ 552
Restricted cash and cash equivalents in other current assets	5	6
Total cash and cash equivalents and restricted cash and cash equivalents	\$ 409	\$ 558

(4) Property, Plant and Equipment, Net

Refer to Note 4 of MidAmerican Energy's Notes to Financial Statements.

(5) Income Taxes

The effective income tax rate for the three-month period ended March 31, 2025, of 2,950% resulted from a \$236 million income tax benefit from federal income tax credits associated with an \$8 million pre-tax loss.

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

	Three-Month Periods	
	Ended March 31,	2024
	2025	2024
Federal statutory income tax rate	21 %	21 %
Income tax credits	2,950	(1,467)
State income tax, net of federal income tax impacts	—	(20)
Effects of ratemaking	(13)	—
Other, net	(8)	(1)
Effective income tax rate	<u>2,950 %</u>	<u>(1,467)%</u>

Income tax credits relate primarily to production tax credits ("PTC") earned by MidAmerican Energy's wind- and solar-powered generating facilities. Federal renewable electricity PTCs are earned as energy from qualifying wind- and solar-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. MidAmerican Funding recognizes its renewable electricity PTCs throughout the year based on when the credits are earned and excludes them from the annual effective tax rate that is the basis for the interim recognition of the remaining income tax expense. Wind- and solar-powered generating facilities are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service. PTCs recognized for the three-month periods ended March 31, 2025 and 2024, totaled \$236 million and \$220 million, respectively.

Berkshire Hathaway includes BHE and subsidiaries in its U.S. federal and Iowa state income tax returns. Consistent with established regulatory practice, MidAmerican Funding's and MidAmerican Energy's provisions for income tax have been computed on a stand-alone basis, and substantially all of their currently payable or receivable income tax is remitted to or received from BHE. MidAmerican Funding received net cash payments for income tax from BHE totaling \$— million and \$180 million for the three-month periods ended March 31, 2025 and 2024, respectively.

(6) Employee Benefit Plans

Refer to Note 6 of MidAmerican Energy's Notes to Financial Statements.

(7) Fair Value Measurements

Refer to Note 7 of MidAmerican Energy's Notes to Financial Statements. MidAmerican Funding's long-term debt is carried at cost on the Consolidated Financial Statements. The fair value of MidAmerican Funding's long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The carrying value of MidAmerican Funding's variable-rate long-term debt approximates fair value because of the frequent repricing of these instruments at market rates. The following table presents the carrying value and estimated fair value of MidAmerican Funding's long-term debt (in millions):

	As of March 31, 2025		As of December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 9,052	\$ 8,246	\$ 9,064	\$ 8,166

(8) Commitments and Contingencies

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

Refer to Note 8 of MidAmerican Energy's Notes to Financial Statements.

(9) Revenue from Contracts with Customers

Refer to Note 9 of MidAmerican Energy's Notes to Financial Statements.

(10) Segment Information

MidAmerican Funding's chief operating decision maker ("CODM") is its President. Net income for each reportable segment is considered by the CODM in allocating resources and capital. The CODM generally considers actual results versus historical results, budgets or forecasts, as well as unique risks and opportunities, when making decisions about the allocation of resources and capital to each reportable segment.

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

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

	Three-Month Periods Ended March 31, 2025			
	Electric	Natural Gas	Other⁽¹⁾	Total
Operating revenue	\$ 667	\$ 345	\$ 2	\$ 1,014
Cost of sales	124	245	—	369
Operations and maintenance	193	33	1	227
Depreciation and amortization	290	17	—	307
Property and other taxes	40	4	—	44
Operating income	20	46	1	67
Interest expense	(93)	(8)	(4)	(105)
Interest and dividend income	6	1	—	7
Income tax expense (benefit)	(246)	10	—	(236)
Other segment items ⁽²⁾	23	1	(1)	23
Net income	<u>\$ 202</u>	<u>\$ 30</u>	<u>\$ (4)</u>	<u>\$ 228</u>
Capital expenditures	<u>\$ 374</u>	<u>\$ 31</u>	<u>\$ —</u>	<u>\$ 405</u>

	Three-Month Periods Ended March 31, 2024			
	Electric	Natural Gas	Other ⁽¹⁾	Total
Operating revenue	\$ 565	\$ 276	\$ 2	\$ 843
Cost of sales	103	177	—	280
Operations and maintenance	182	36	—	218
Depreciation and amortization	210	17	—	227
Property and other taxes	38	4	—	42
Operating income	32	42	2	76
Interest expense	(96)	(8)	(4)	(108)
Interest and dividend income	9	1	—	10
Income tax expense (benefit)	(229)	10	(1)	(220)
Other segment items ⁽²⁾	33	4	—	37
Net income	<u>\$ 207</u>	<u>\$ 29</u>	<u>\$ (1)</u>	<u>\$ 235</u>
Capital expenditures	<u>\$ 404</u>	<u>\$ 23</u>	<u>\$ 1</u>	<u>\$ 428</u>

	As of	
	March 31, 2025	December 31, 2024
Assets:		
Regulated electric	\$ 25,514	\$ 25,350
Regulated natural gas	2,027	2,035
Other ⁽¹⁾	5	5
Total assets	<u>\$ 27,546</u>	<u>\$ 27,390</u>
Goodwill:		
Regulated electric	\$ 1,191	\$ 1,191
Regulated natural gas	79	79
Total goodwill	<u>\$ 1,270</u>	<u>\$ 1,270</u>

(1) The differences between the reportable segment amounts and the consolidated amounts, described as Other, consists of the nonregulated subsidiaries of MidAmerican Funding not engaged in the energy business.

(2) Other segment items include allowance for borrowed and equity funds, gains (losses) on marketable securities and other income (expense).

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

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

Results of Operations for the First Quarter of 2025 and 2024

Overview

MidAmerican Energy -

MidAmerican Energy's net income for the first quarter of 2025 was \$232 million, a decrease of \$6 million, or 3%, compared to 2024, primarily due to higher depreciation and amortization expense, unfavorable changes in the cash surrender value of corporate-owned life insurance policies, higher operations and maintenance expense, lower interest income and higher property and other taxes. These items were partially offset by higher electric utility margin, a favorable income tax benefit, higher AFUDC and lower interest expense. Electric utility margin increased primarily due to higher wholesale margin, higher electric retail customer usage and the favorable impact of weather. Electric retail customer volumes increased 11.3% primarily due to the favorable impact of weather and higher customer usage. Wholesale electricity sales volumes increased 4% due to favorable market conditions. Energy generated increased 8% primarily due to 9% higher renewable-powered generation. Energy purchased volumes increased 1%. Natural gas retail customer volumes increased 18% due to the favorable impact of weather.

MidAmerican Funding -

MidAmerican Funding's net income for the first quarter of 2025 was \$228 million, a decrease of \$7 million, or 3%, compared to 2024. The variance in net income was primarily due to the changes in MidAmerican Energy's earnings discussed above.

Non-GAAP Financial Measure

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

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

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

	First Quarter			Change
	2025	2024		
Electric utility margin:				
Operating revenue	\$ 667	\$ 565	\$ 102	18 %
Cost of fuel and energy	124	103	21	20
Electric utility margin	543	462	81	18
Natural gas utility margin:				
Operating revenue	345	276	69	25
Natural gas purchased for resale	245	177	68	38
Natural gas utility margin	100	99	1	1
Utility margin	643	561	82	15
Other operating revenue	2	2	—	—
Operations and maintenance	227	218	9	4
Depreciation and amortization	307	227	80	35
Property and other taxes	44	42	2	5
Operating income	\$ 67	\$ 76	\$ (9)	(12)%

Electric Utility Margin

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

	First Quarter		
	2025	2024	Change
Utility margin (in millions):			
Operating revenue	\$ 667	\$ 565	\$ 102 18 %
Cost of fuel and energy	124	103	21 20
Utility margin	<u>\$ 543</u>	<u>\$ 462</u>	<u>\$ 81</u> 18 %
Sales (GWhs):			
Residential	1,904	1,658	246 15 %
Commercial	1,037	952	85 9
Industrial	4,642	4,192	450 11
Other	419	388	31 8
Total retail	8,002	7,190	812 11
Wholesale	4,373	4,210	163 4
Total sales	<u>12,375</u>	<u>11,400</u>	<u>975</u> 9 %
Average number of retail customers (in thousands)			
	835	826	9 1 %
Average revenue per MWh:			
Retail	\$ 68.14	\$ 67.57	\$ 0.57 1 %
Wholesale	\$ 21.73	\$ 12.92	\$ 8.81 68 %
Heating degree days			
	3,081	2,706	375 14 %
Cooling degree days			
	6	—	6 N/A
Sources of energy (GWhs)⁽¹⁾:			
Wind, solar and hydroelectric ⁽²⁾	8,337	7,645	692 9 %
Coal	2,277	1,732	545 31
Nuclear	823	930	(107) (12)
Natural gas	225	454	(229) (50)
Total energy generated	11,662	10,761	901 8
Energy purchased	883	873	10 1
Total	<u>12,545</u>	<u>11,634</u>	<u>911</u> 8 %
Average cost of energy per MWh:			
Energy generated ⁽³⁾	\$ 5.74	\$ 5.01	\$ 0.73 15 %
Energy purchased	\$ 63.85	\$ 56.70	\$ 7.15 13 %

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

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

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

Natural Gas Utility Margin

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

	First Quarter			Change
	2025	2024		
Utility margin (in millions):				
Operating revenue	\$ 345	\$ 276	\$ 69	25 %
Natural gas purchased for resale	245	177	68	38
Utility margin	<u>\$ 100</u>	<u>\$ 99</u>	<u>\$ 1</u>	1 %
Throughput (000's Dths):				
Residential	25,565	21,578	3,987	18 %
Commercial	12,095	10,184	1,911	19
Industrial	1,777	1,587	190	12
Other	41	36	5	14
Total retail sales	39,478	33,385	6,093	18
Wholesale sales	10,396	11,990	(1,594)	(13)
Total sales	49,874	45,375	4,499	10
Natural gas transportation service	30,641	29,506	1,135	4
Total throughput	<u>80,515</u>	<u>74,881</u>	<u>5,634</u>	8 %
Average number of retail customers (in thousands)				
	805	800	5	1 %
Average revenue per retail Dth sold				
	\$ 7.44	\$ 7.20	\$ 0.24	3 %
Heating degree days				
	3,193	2,806	387	14 %
Average cost of natural gas per retail Dth sold				
	\$ 5.31	\$ 4.66	\$ 0.65	14 %
Combined retail and wholesale average cost of natural gas per Dth sold				
	\$ 4.93	\$ 3.89	\$ 1.04	27 %

Quarter Ended March 31, 2025 Compared to Quarter Ended March 31, 2024

MidAmerican Energy -

Electric utility margin increased \$81 million, or 18%, for the first quarter of 2025 compared to 2024 primarily due to:

- a \$44 million increase in wholesale utility margin due to higher margin per unit of \$42 million, reflecting higher market prices, and higher volumes of \$2 million or 3.9%; and
- a \$37 million increase in retail utility margin primarily due to \$20 million from higher customer usage, \$9 million due to price impacts from changes in sales mix, \$7 million from the favorable impact of weather and \$5 million, net of energy costs, from higher recoveries through bill riders (partially offset in operations and maintenance expense and income tax benefit), partially offset by \$2 million from lower wind-turbine performance settlements. Retail customer volumes increased 11.3%.

Natural gas utility margin increased \$1 million, or 1%, for the first quarter of 2025 compared to 2024 primarily due to:

- a \$7 million increase due to the favorable impact of weather; and
- a \$1 million increase from higher natural gas transportation margin; partially offset by
- a \$7 million decrease from lower base rates.

Operations and maintenance increased \$9 million, or 4%, for the first quarter of 2025 compared to 2024 primarily due to higher electric distribution costs of \$6 million, higher steam power generation costs of \$6 million, higher gas distribution costs of \$3 million and higher energy efficiency costs of \$3 million, partially offset by lower technology and other costs of \$9 million.

Depreciation and amortization increased \$80 million, or 35%, for the first quarter of 2025 compared to 2024 primarily due to \$61 million from higher Iowa revenue sharing accruals, \$11 million from a regulatory mechanism that provides customers the retail energy benefits of certain wind-powered generation projects and \$8 million related to additional assets placed in-service.

Property and other taxes increased \$2 million, or 5%, for the first quarter of 2025 compared to 2024 due to \$2 million from higher replacement and wind turbine property taxes.

Interest expense decreased \$3 million, or 3%, for the first quarter of 2025 compared to 2024 due to lower long-term debt balances.

Allowance for borrowed and equity funds increased \$3 million, or 14%, for the first quarter of 2025 compared to 2024 primarily due to higher construction work-in-progress balances related to wind- and solar-powered generation projects.

Other, net decreased \$20 million, or 80%, for the first quarter of 2025 compared to 2024 primarily due to unfavorable investment earnings, largely attributable to lower cash surrender values of corporate-owned life insurance policies from unfavorable market performance and lower interest income.

Income tax benefit increased \$17 million, or 8%, for the first quarter of 2025 compared to 2024 primarily due to \$16 million of higher PTCs due to higher wind generation. PTCs for the first quarter of 2025 and 2024 totaled \$236 million and \$220 million, respectively.

MidAmerican Funding -

Income tax benefit increased \$16 million, or 7%, for the first quarter of 2025 compared to 2024 primarily due to the changes in MidAmerican Energy's income tax benefit discussed above.

Liquidity and Capital Resources

As of March 31, 2025, the total net liquidity for MidAmerican Energy and MidAmerican Funding was as follows (in millions):

MidAmerican Energy:

Cash and cash equivalents	\$ 403
Credit facilities, maturing 2025 and 2027	1,505
Less:	
Tax-exempt bond support	(258)
Net credit facilities	1,247
MidAmerican Energy total net liquidity	\$ 1,650

MidAmerican Funding:

MidAmerican Energy total net liquidity	\$ 1,650
Cash and cash equivalents	1
MHC, Inc. credit facility, maturing 2025	4
MidAmerican Funding total net liquidity	\$ 1,655

MidAmerican Energy's operating results and capital expenditures for certain projects may be affected in future periods by impacts of ongoing macroeconomic and geopolitical events. The pace of changes in these events, including international trade policies and tariffs, has accelerated in 2025. Considerable uncertainty remains as to the ultimate outcome of these events. MidAmerican Energy is unable to reliably predict the ultimate outcome or the potential impact on its business.

Operating Activities

MidAmerican Energy's net cash flows from operating activities for the three-month periods ended March 31, 2025 and 2024, were \$268 million and \$268 million, respectively. MidAmerican Funding's net cash flows from operating activities for the three-month periods ended March 31, 2025 and 2024, were \$259 million and \$260 million, respectively. Cash flows from operating activities reflect lower income tax receipts, higher payments related to fuel and energy costs, higher interest payments and higher property tax payments, partially offset by lower payments to vendors and higher collections from electric and natural gas customers.

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

Investing Activities

MidAmerican Energy's net cash flows from investing activities for the three-month periods ended March 31, 2025 and 2024, were \$(401) million and \$(425) million, respectively. MidAmerican Funding's net cash flows from investing activities for the three-month periods ended March 31, 2025 and 2024, were \$(401) million and \$(425) million, respectively. Net cash flows from investing activities consist almost entirely of capital expenditures. Refer to "Future Uses of Cash" for further discussion of capital expenditures. Purchases and proceeds related to marketable securities substantially consist of activity within the Quad Cities Generating Station nuclear decommissioning trust and other trust investments.

Financing Activities

MidAmerican Energy's net cash flows from financing activities for the three-month periods ended March 31, 2025 and 2024 were \$(14) million and \$180 million, respectively. MidAmerican Funding's net cash flows from financing activities for the three-month periods ended March 31, 2025 and 2024, were \$(7) million and \$188 million, respectively. In February 2024, MidAmerican Funding paid \$425 million in cash distributions to its sole member, BHE. Proceeds from long-term debt reflect MidAmerican Energy's issuance in January 2024 of \$600 million of its 5.30% First Mortgage Bonds due February 2055. In 2025 and 2024, MidAmerican Energy repaid \$14 million and \$1 million of long-term debt, respectively. In 2025 and 2024, MidAmerican Funding received \$7 million and \$8 million, respectively, through its note payable with BHE. In 2024, through its credit facilities, MidAmerican Energy received net proceeds from short-term borrowings of \$15 million.

Debt Authorizations and Related Matters

Short-term Debt

MidAmerican Energy has authority from the FERC to issue, through April 2, 2026, commercial paper and bank notes aggregating \$1.5 billion. MidAmerican Energy has a \$1.5 billion unsecured credit facility expiring in June 2027. The credit facility, which supports MidAmerican Energy's commercial paper program and its variable-rate tax-exempt bond obligations and provides for the issuance of letters of credit, has a variable interest rate based on the Secured Overnight Financing Rate, plus a spread that varies based on MidAmerican Energy's credit ratings for senior unsecured long-term debt securities. Additionally, MidAmerican Energy has a \$5 million unsecured credit facility for general corporate purposes.

Long-term Debt and Preferred Stock

MidAmerican Energy currently has an effective shelf registration statement with the SEC to issue an additional \$1.3 billion of long-term debt securities and preferred stock through March 10, 2026. MidAmerican Energy has authorization from the FERC to issue, through June 30, 2025, long-term debt securities up to an aggregate of \$1.05 billion and preferred stock up to an aggregate of \$500 million. MidAmerican Energy has authorization from the Illinois Commerce Commission through April 24, 2028, to issue long-term debt securities up to an aggregate of \$3.15 billion and preferred stock up to an aggregate of \$500 million. In April 2025, MidAmerican Energy filed an application with the FERC requesting \$2.5 billion of long-term debt authorization and preferred stock up to an aggregate of \$500 million for two years from the date of approval.

Future Uses of Cash

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

Capital Expenditures

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

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

	Three-Month Periods		Annual
	Ended March 31, 2024	2025	Forecast 2025
Wind generation	\$ 65	\$ 77	\$ 783
Electric distribution	74	81	304
Electric transmission	54	51	239
Solar generation	—	—	14
Other	235	196	570
Total	\$ 428	\$ 405	\$ 1,910

MidAmerican Energy's capital expenditures provided above consist of the following:

- Wind generation includes the construction, acquisition, repowering and operation of wind-powered generating facilities in Iowa.
 - Construction of wind-powered generating facilities totaling \$54 million and \$31 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for the construction of additional wind-powered generating facilities totals \$218 million for the remainder of 2025.
 - Repowering of wind-powered generating facilities totaling \$14 million and \$21 million for the three-month periods ended March 31, 2025 and 2024, respectively. Planned spending for the repowering of wind-powered generating facilities totals \$430 million for the remainder of 2025. MidAmerican Energy expects its repowered facilities to meet Internal Revenue Service guidelines for the re-establishment of PTCs under the prevailing wage and apprenticeship guidelines for 10 years from the date the facilities are placed in-service.
- Electric distribution includes expenditures for new facilities to meet retail demand growth and for replacement of existing facilities to maintain system reliability.
- Electric transmission includes expenditures to meet retail demand growth, upgrades to accommodate third-party generator requirements and replacement of existing facilities to maintain system reliability.
- Solar generation includes the construction and operation of solar-powered generating facilities. Planned spending totals \$14 million for the remainder of 2025.
- Remaining expenditures primarily relate to routine projects for other generation, natural gas distribution, technology, facilities and other operational needs to serve existing and expected demand.

Material Cash Requirements

As of March 31, 2025, there have been no material changes in MidAmerican Energy's and MidAmerican Funding's cash requirements from the information provided in Item 7 of their Annual Report on Form 10-K for the year ended December 31, 2024, other than those disclosed in Note 8 of the Notes to Financial Statements in Part I, Item 1 of this Form 10-Q.

Regulatory Matters

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

Environmental Laws and Regulations

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

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

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, impairment of goodwill, pension and other postretirement benefits and income taxes. For additional discussion of MidAmerican Energy's and MidAmerican Funding's critical accounting estimates, see Item 7 of their Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in MidAmerican Energy's and MidAmerican Funding's assumptions regarding critical accounting estimates since December 31, 2024.

**Nevada Power Company and its subsidiaries
Consolidated Financial Section**

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholder of
Nevada Power Company

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Nevada Power Company and subsidiaries ("Nevada Power") as of March 31, 2025, the related consolidated statements of operations, changes in shareholder's equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of Nevada Power as of December 31, 2024, and the related consolidated statements of operations, changes in shareholder's equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

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

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

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
May 2, 2025

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

	As of	
	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 16	\$ 23
Trade receivables, net	220	314
Inventories	203	190
Regulatory assets	121	124
Prepayments	80	67
Income taxes receivable	83	77
Other current assets	26	23
Total current assets	<u>749</u>	<u>818</u>
Property, plant and equipment, net	9,608	9,401
Regulatory assets	469	459
Other assets	<u>391</u>	<u>400</u>
Total assets	<u>\$ 11,217</u>	<u>\$ 11,078</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 364	\$ 343
Accrued interest	53	46
Accrued property, income and other taxes	32	34
Regulatory liabilities	47	41
Customer deposits	57	93
Derivative contracts	67	53
Other current liabilities	<u>63</u>	<u>50</u>
Total current liabilities	<u>683</u>	<u>660</u>
Senior debt	3,396	3,395
Junior subordinated debt	297	—
Finance lease obligations	261	266
Regulatory liabilities	983	997
Deferred income taxes	817	802
Other long-term liabilities	<u>525</u>	<u>510</u>
Total liabilities	<u>6,962</u>	<u>6,630</u>
Commitments and contingencies (Note 10)		
Shareholder's equity:		
Common stock - \$1.00 stated value; 1,000 shares authorized, issued and outstanding	—	—
Additional paid-in capital	2,943	2,943
Retained earnings	1,313	1,506
Accumulated other comprehensive loss, net	<u>(1)</u>	<u>(1)</u>
Total shareholder's equity	<u>4,255</u>	<u>4,448</u>
Total liabilities and shareholder's equity	<u>\$ 11,217</u>	<u>\$ 11,078</u>

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Operating revenue	\$ 431	\$ 561
Operating expenses:		
Cost of fuel and energy	213	341
Operations and maintenance	78	71
Depreciation and amortization	98	92
Property and other taxes	14	15
Total operating expenses	<u>403</u>	<u>519</u>
Operating income	28	42
Other income (expense):		
Interest expense	(55)	(53)
Capitalized interest	4	8
Allowance for equity funds	8	8
Interest and dividend income	3	9
Other, net	<u>3</u>	<u>4</u>
Total other income (expense)	<u>(37)</u>	<u>(24)</u>
(Loss) income before income tax expense (benefit)	(9)	18
Income tax expense (benefit)	<u>(1)</u>	<u>3</u>
Net (loss) income	<u><u>\$ (8)</u></u>	<u><u>\$ 15</u></u>

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

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

	Accumulated						Total
	Common Stock		Additional		Other		
	Shares	Amount	Paid-in Capital	Retained Earnings	Comprehensive Loss, Net	Shareholder's Equity	
Balance, December 31, 2023	1,000	\$ —	\$ 2,733	\$ 1,232	\$ (1)	\$ 3,964	
Net income	—	—	—	15	—	—	15
Contributions	—	—	100	—	—	—	100
Balance, March 31, 2024	1,000	\$ —	\$ 2,833	\$ 1,247	\$ (1)	\$ 4,079	
Balance, December 31, 2024	1,000	\$ —	\$ 2,943	\$ 1,506	\$ (1)	\$ 4,448	
Net loss	—	—	—	(8)	—	—	(8)
Dividends declared	—	—	—	(185)	—	—	(185)
Balance, March 31, 2025	1,000	\$ —	\$ 2,943	\$ 1,313	\$ (1)	\$ 4,255	

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net (loss) income	\$ (8)	\$ 15
Adjustments to reconcile net (loss) income to net cash flows from operating activities:		
Depreciation and amortization	98	92
Allowance for equity funds	(8)	(8)
Deferred energy	(10)	187
Amortization of deferred energy	13	(18)
Other changes in regulatory assets and liabilities	(7)	(11)
Deferred income taxes and amortization of investment tax credits	5	(27)
Other, net	1	—
Changes in other operating assets and liabilities:		
Trade receivables and other assets	117	85
Inventories	(14)	(3)
Accrued property, income and other taxes	(23)	(17)
Accounts payable and other liabilities	6	1
Net cash flows from operating activities	<u>170</u>	<u>296</u>
Cash flows from investing activities:		
Capital expenditures	(283)	(346)
Net cash flows from investing activities	<u>(283)</u>	<u>(346)</u>
Cash flows from financing activities:		
Proceeds from junior subordinated debt	297	—
Contributions from parent	—	100
Dividends paid	(185)	—
Other, net	(6)	(5)
Net cash flows from financing activities	<u>106</u>	<u>95</u>
Net change in cash and cash equivalents and restricted cash and cash equivalents	(7)	45
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	42	37
Cash and cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 35</u>	<u>\$ 82</u>

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

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

(1) General

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

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2025, and for the three-month periods ended March 31, 2025 and 2024. The Consolidated Statements of Comprehensive Income have been omitted as net income equals comprehensive income for the three-month periods ended March 31, 2025 and 2024. The results of operations for the three-month period ended March 31, 2025, are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in Nevada Power's Annual Report on Form 10-K for the year ended December 31, 2024, describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in Nevada Power's accounting policies or its assumptions regarding significant accounting estimates during the three-month period ended March 31, 2025.

Segment Information

Nevada Power currently has one reportable segment, its regulated electric utility operations, which derives its revenue from regulated retail sales of electricity to residential, commercial, and industrial customers and from wholesale sales. Nevada Power's chief operating decision maker ("CODM") is its President and Chief Executive Officer. The CODM uses net income, as reported on the Consolidated Statements of Operations, and generally considers actual results versus historical results, budgets or forecasts, and state regulatory ratemaking results as well as unique risks and opportunities, when making decisions about the allocation of resources and capital. The significant segment expenses regularly provided to the CODM align with the captions presented on the Consolidated Statements of Operations. Nevada Power's segment capital expenditures are reported on the Consolidated Statements of Cash Flows as capital expenditures. Nevada Power's segment assets are reported on the Consolidated Balance Sheets as total assets.

(2) New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes Topic 740, "Income Tax—Improvements to Income Tax Disclosures" which requires enhanced disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. This guidance is effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. Nevada Power is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* Subtopic 220-40, "Disaggregation of Income Statement Expenses" which addresses requests from investors for more detailed information about certain expenses and requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption presented on the income statement. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. Nevada Power is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

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

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

	As of	
	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 16	\$ 23
Restricted cash and cash equivalents included in other current assets	19	19
Total cash and cash equivalents and restricted cash and cash equivalents	\$ 35	\$ 42

(4) Property, Plant and Equipment, Net

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

	Depreciable Life	As of	
		March 31, 2025	December 31, 2024
Utility plant:			
Generation	30 - 65 years	\$ 5,434	\$ 5,369
Transmission	55 - 75 years	1,724	1,660
Distribution	24 - 70 years	4,844	4,754
Intangible plant and other	5 - 65 years	847	900
Utility plant		12,849	12,683
Accumulated depreciation and amortization		(4,155)	(4,093)
Utility plant, net		8,694	8,590
Nonregulated, net of accumulated depreciation and amortization	40 years	1	1
		8,695	8,591
Construction work-in-progress		913	810
Property, plant and equipment, net		\$ 9,608	\$ 9,401

(5) Recent Financing Transactions

Junior Subordinated Debt

In February 2025, Nevada Power issued \$300 million of its 6.25% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due May 2055. Nevada Power will pay interest on the notes at a rate of 6.25% through May 2030, subject to a reset every five years. Nevada Power intends to use the net proceeds from the sale of the notes to fund capital expenditures and for general corporate purposes.

(6) Income Taxes

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Federal statutory income tax rate	21 %	21 %
Effects of ratemaking ⁽¹⁾	(15)	(1)
Income tax credits	4	(8)
Other	1	5
Effective income tax rate	11 %	17 %

(1) Effects of ratemaking is primarily attributable to activity associated with excess deferred income taxes.

Income tax credits relate to production tax credits ("PTCs") and investment tax credits ("ITCs") from Nevada Power's solar-powered generating facilities and energy storage properties. Federal renewable electricity PTCs are earned as energy from qualifying solar-powered generating facilities is produced and sold and are based on a per-kilowatt hour rate pursuant to the applicable federal income tax law. Solar-powered generating facilities are eligible for the credits for 10 years from the date the qualifying generating facilities are placed in-service. Federal renewable electricity ITCs are tax credits that reduce the income tax liability by a percentage of the cost from certain qualifying solar-powered generating facilities or energy storage properties over their useful lives. The percentage of the credit varies depending on attributes of the project up to a maximum of 50 percent.

Berkshire Hathaway includes BHE and its subsidiaries in its U.S. federal income tax return. Consistent with established regulatory practice, Nevada Power's provision for federal income tax has been computed on a stand-alone basis, and substantially all of its currently payable or receivable income tax is remitted to or received from BHE. Nevada Power made cash payments for federal income tax to BHE of \$— million and \$33 million for the three-month periods ended March 31, 2025 and 2024

(7) Employee Benefit Plans

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

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

	As of	
	March 31, 2025	December 31, 2024
Qualified Pension Plan:		
Other non-current assets	\$ 39	\$ 39
Non-Qualified Pension Plans:		
Other current liabilities	(1)	(1)
Other long-term liabilities	(6)	(6)
Other Postretirement Plans:		
Other non-current assets	17	19

(8) Risk Management and Hedging Activities

Nevada Power is exposed to the impact of market fluctuations in commodity prices and interest rates. Nevada Power is principally exposed to electricity and natural gas market fluctuations primarily through Nevada Power's obligation to serve retail customer load in its regulated service territory. Nevada Power's load and generating facilities represent substantial underlying commodity positions. Exposures to commodity prices consist mainly of variations in the price of fuel required to generate electricity and wholesale electricity that is purchased and sold. Commodity prices are subject to wide price swings as supply and demand are impacted by, among many other unpredictable items, weather, market liquidity, generating facility availability, customer usage, storage, and transmission and transportation constraints. The actual cost of fuel and purchased power is recoverable through the deferred energy mechanism. Interest rate risk exists on variable-rate debt and future debt issuances. Nevada Power does not engage in proprietary trading activities.

Nevada Power has established a risk management process that is designed to identify, assess, manage and report on each of the various types of risk involved in its business. To mitigate a portion of its commodity price risk, Nevada Power uses commodity derivative contracts, which may include forwards, futures, options, swaps and other agreements, to effectively secure future supply or sell future production generally at fixed prices. Nevada Power manages its interest rate risk by limiting its exposure to variable interest rates primarily through the issuance of fixed-rate long-term debt and by monitoring market changes in interest rates. Additionally, Nevada Power may from time to time enter into interest rate derivative contracts, such as interest rate swaps or locks, to mitigate Nevada Power's exposure to interest rate risk. Nevada Power does not hedge all of its commodity price and interest rate risks, thereby exposing the unhedged portion to changes in market prices. There have been no significant changes in Nevada Power's accounting policies related to derivatives. Refer to Note 9 for additional information related to the fair value measurements associated with derivative contracts.

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

	Other Current Assets	Derivative Contracts - Current Liabilities	Other Long-term Liabilities	Total
As of March 31, 2025				
Not designated as hedging contracts⁽¹⁾:				
Commodity liabilities		\$ (67)	\$ (6)	\$ (73)
As of December 31, 2024				
Not designated as hedging contracts⁽¹⁾:				
Commodity liabilities		\$ (53)	\$ (4)	\$ (57)

(1) Nevada Power's commodity derivatives not designated as hedging contracts are included in regulated rates. As of March 31, 2025 a regulatory asset of \$73 million was recorded related to the net derivative liability of \$73 million. As of December 31, 2024 a regulatory asset of \$57 million was recorded related to the net derivative liability of \$57 million.

Derivative Contract Volumes

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

	Unit of Measure	March 31, 2025	December 31, 2024
Electricity purchases	Megawatt hours	3	2
Natural gas purchases	Decatherms	165	127

Credit Risk

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

Collateral and Contingent Features

In accordance with industry practice, certain wholesale agreements, including derivative contracts, contain credit support provisions that in part base certain collateral requirements on credit ratings for senior unsecured debt as reported by one or more of the recognized credit rating agencies. These agreements may either specifically provide bilateral rights to demand cash or other security if credit exposures on a net basis exceed specified rating-dependent threshold levels ("credit-risk-related contingent features") or provide the right for counterparties to demand "adequate assurance" if there is a material adverse change in Nevada Power's creditworthiness. These rights can vary by contract and by counterparty. As of March 31, 2025, Nevada Power's credit ratings for its senior secured debt and its issuer credit ratings for senior unsecured debt from the recognized credit rating agencies were investment grade.

The aggregate fair value of Nevada Power's derivative contracts in liability positions with specific credit-risk-related contingent features totaled \$9 million and \$13 million as of March 31, 2025 and December 31, 2024, respectively, which represents the amount of collateral to be posted if all credit risk related contingent features for derivative contracts in liability positions had been triggered. Nevada Power's collateral requirements could fluctuate considerably due to market price volatility, changes in credit ratings, changes in legislation or regulation or other factors.

(9) Fair Value Measurements

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

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

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

Input Levels for Fair Value Measurements						Total					
Level 1	Level 2	Level 3									
As of March 31, 2025:											
Assets:											
Money market mutual funds	\$ 5	\$ —	\$ —	\$ —	\$ —	\$ 5					
Investment funds	5	—	—	—	—	5					
	<u>\$ 10</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10</u>					
Liabilities:											
Commodity derivatives	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (73)</u>	<u>\$ (73)</u>	<u>\$ (73)</u>	<u>\$ (73)</u>					
As of December 31, 2024:											
Assets:											
Money market mutual funds	\$ 15	\$ —	\$ —	\$ —	\$ —	\$ 15					
Investment funds	4	—	—	—	—	4					
	<u>\$ 19</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 19</u>					
Liabilities:											
Commodity derivatives	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (57)</u>	<u>\$ (57)</u>	<u>\$ (57)</u>	<u>\$ (57)</u>					

Derivative contracts are recorded on the Consolidated Balance Sheets as either assets or liabilities and are stated at estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. When available, the fair value of derivative contracts is estimated using unadjusted quoted prices for identical contracts in the market in which Nevada Power transacts. When quoted prices for identical contracts are not available, Nevada Power uses forward price curves. Forward price curves represent Nevada Power's estimates of the prices at which a buyer or seller could contract today for delivery or settlement at future dates. Nevada Power bases its forward price curves upon internally developed models, with internal and external fundamental data inputs. Market price quotations for certain electricity and natural gas trading hubs are not as readily obtainable due to markets that are not active. Given that limited market data exists for these contracts, Nevada Power uses forward price curves derived from internal models based on perceived pricing relationships to major trading hubs that are based on unobservable inputs. The model incorporates a mid-market pricing convention (the mid-point price between bid and ask prices) as a practical expedient for valuing its assets and liabilities measured and reported at fair value. The determination of the fair value for derivative contracts not only includes counterparty risk, but also the impact of Nevada Power's nonperformance risk on its liabilities, which as of March 31, 2025 and December 31, 2024, had an immaterial impact to the fair value of its derivative contracts. As such, Nevada Power considers its derivative contracts to be valued using Level 3 inputs.

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Beginning balance	\$ (57)	\$ (68)
Changes in fair value recognized in regulatory assets	(24)	(41)
Settlements	8	8
Ending balance	<u>\$ (73)</u>	<u>\$ (101)</u>

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

	As of March 31, 2025		As of December 31, 2024	
	Carrying	Fair	Carrying	Fair
	Value	Value	Value	Value
Long-term debt	\$ 3,693	\$ 3,653	\$ 3,395	\$ 3,299

(10) Commitments and Contingencies

Environmental Laws and Regulations

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

Legal Matters

Nevada Power is party to a variety of legal actions arising out of the normal course of business. Nevada Power does not believe that such normal and routine litigation will have a material impact on its consolidated financial results.

(11) Revenue from Contracts with Customers

The following table summarizes Nevada Power's revenue from contracts with customers ("Customer Revenue") by line of business, with further disaggregation of retail by customer class (in millions):

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Customer Revenue:		
Retail:		
Residential	\$ 217	\$ 271
Commercial	98	133
Industrial	97	134
Other	—	1
Total fully bundled	412	539
Distribution only service	4	4
Total retail	416	543
Wholesale, transmission and other	14	17
Total Customer Revenue	430	560
Other revenue	1	1
Total operating revenue	<u><u>\$ 431</u></u>	<u><u>\$ 561</u></u>

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

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

Results of Operations for the First Quarter of 2025 and 2024

Overview

Net loss for the first quarter of 2025 was \$8 million, a decrease of \$23 million compared to 2024 primarily due to higher operations and maintenance expense, lower interest and dividend income, increased depreciation and amortization expense, lower capitalized interest and allowance for equity funds and lower electric utility margin. These items were partially offset by a favorable income tax benefit. Utility margin decreased primarily due to lower energy efficiency implementation revenue, lower transmission and wholesale revenue and price impacts from changes in sales mix, partially offset by higher power purchase agreement sales from the Dry Lake renewable generation facility. Retail customer volumes, including distribution only service customers, increased 0.6% primarily due to an increase in the average number of customers, offset by the unfavorable impact of weather and lower customer usage. Energy generated volumes decreased 3% for the first quarter of 2025 compared to 2024 primarily due to lower natural-gas fueled generation. Wholesale electricity sales volumes decreased 4% and energy purchased volumes increased 42%.

Non-GAAP Financial Measure

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

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

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

	First Quarter		
	2025	2024	Change
Utility margin:			
Operating revenue	\$ 431	\$ 561	\$ (130) (23)%
Cost of fuel and energy	213	341	(128) (38)
Utility margin	218	220	(2) (1)
Operations and maintenance	78	71	7 10
Depreciation and amortization	98	92	6 7
Property and other taxes	14	15	(1) (7)
Operating income	\$ 28	\$ 42	\$ (14) (33)%

Utility Margin

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

	First Quarter			Change
	2025	2024		
Utility margin (in millions):				
Operating revenue	\$ 431	\$ 561	\$ (130)	(23)%
Cost of fuel and energy	213	341	(128)	(38)
Utility margin	<u>\$ 218</u>	<u>\$ 220</u>	<u>\$ (2)</u>	<u>(1)%</u>
Sales (GWhs):				
Residential	1,533	1,531	2	— %
Commercial	997	1,009	(12)	(1)
Industrial	1,397	1,368	29	2
Other	39	42	(3)	(7)
Total fully bundled ⁽¹⁾	3,966	3,950	16	—
Distribution only service	650	638	12	2
Total retail	4,616	4,588	28	1
Wholesale	96	100	(4)	(4)
Total GWhs sold	<u>4,712</u>	<u>4,688</u>	<u>24</u>	<u>1 %</u>
Average number of retail customers (in thousands)				
	1,046	1,025	21	2 %
Average revenue per MWh:				
Retail - fully bundled ⁽¹⁾	\$ 103.95	\$ 136.53	\$ (32.58)	(24)%
Wholesale	\$ 44.90	\$ 43.34	\$ 1.56	4 %
Heating degree days	917	1,044	(127)	(12)%
Cooling degree days	60	5	55	*
Sources of energy (GWhs)⁽²⁾⁽³⁾:				
Natural gas	3,323	3,453	(130)	(4)%
Renewables	91	66	25	38
Total energy generated	3,414	3,519	(105)	(3)
Energy purchased	1,291	911	380	42
Total	<u>4,705</u>	<u>4,430</u>	<u>275</u>	<u>6 %</u>
Average cost of energy per MWh⁽²⁾⁽⁴⁾:				
Energy generated	\$ 34.25	\$ 65.09	\$ (30.84)	(47)%
Energy purchased	\$ 74.53	\$ 122.97	\$ (48.44)	(39)%

* Not meaningful

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

(2) The average cost of energy per MWh and sources of energy excludes 112 GWhs and 190 GWhs of gas generated energy that is purchased at cost by related parties for the first quarter of 2025 and 2024, respectively.

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

(4) The average cost of energy per MWh includes only the cost of fuel associated with the generating facilities, purchased power and deferrals.

Quarter Ended March 31, 2025 Compared to Quarter Ended March 31, 2024

Utility margin decreased \$2 million, or 1%, for the first quarter of 2025 compared to 2024 primarily due to:

- \$4 million of lower energy efficiency implementation revenue,
- \$2 million of lower transmission and wholesale revenue and
- \$1 million of lower electric retail utility margin primarily due to price impacts from changes in sales mix. Retail customer volumes, including distribution only service customers, increased 0.6% primarily due to an increase in the average number of customers, offset by unfavorable changes in weather and customer usage patterns.

The decrease in utility margin was partially offset by:

- \$4 million of higher power purchase agreement sales from the Dry Lake renewable generation facility and
- \$2 million of higher energy efficiency program revenue (offset in operations and maintenance expense).

Operations and maintenance increased \$7 million, or 10%, for the first quarter of 2025 compared to 2024 primarily due to higher plant operations and maintenance costs, higher energy efficiency program costs (offset in operating revenue), higher technology costs and higher insurance premiums due to additional wildfire and general excess liability coverage, partially offset by lower administrative and general costs.

Depreciation and amortization increased \$6 million, or 7%, for the first quarter of 2025 compared to 2024 primarily due to higher plant placed in-service, partially offset by lower amortizations due to a portion of intangible plant being fully amortized prior to the current quarter.

Interest expense increased \$2 million, or 4%, for the first quarter of 2025 compared to 2024 primarily due to higher long-term debt outstanding.

Capitalized interest and allowance for equity funds decreased \$4 million, or 25%, for the first quarter of 2025 compared to 2024 primarily due to lower construction work-in-progress.

Interest and dividend income decreased \$6 million, or 67%, for the first quarter of 2025 compared to 2024 primarily due to lower interest income, mainly from lower carrying charges on regulatory balances.

Other, net was unfavorable by \$1 million, or 25%, for the first quarter of 2025 compared to 2024 primarily due to higher pension expense.

Income tax expense decreased \$4 million for the first quarter of 2025 compared to 2024 primarily due to lower pretax income. The effective tax rate was 11% in 2025 and 17% in 2024 and decreased primarily due to the effects of ratemaking and higher tax credits.

Liquidity and Capital Resources

As of March 31, 2025, Nevada Power's total net liquidity was as follows (in millions):

Cash and cash equivalents	\$	16
Credit facility		600
Total net liquidity	\$	616
Credit facility:		
Maturity date		2027

Nevada Power's operating results and capital expenditures for certain projects may be affected in future periods by impacts of ongoing macroeconomic and geopolitical events. The pace of changes in these events, including international trade policies and tariffs, has accelerated in 2025. Considerable uncertainty remains as to the ultimate outcome of these events. Nevada Power is unable to reliably predict the ultimate outcome or the potential impact on its business.

Operating Activities

Net cash flows from operating activities for the three-month periods ended March 31, 2025 and 2024, were \$170 million and \$296 million, respectively. The change was primarily due to lower collections from customers, decreased customer deposits and higher payments related to fuel and energy costs, partially offset by the timing of payments for operating costs and lower income tax payments.

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

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2025 and 2024, were \$(283) million and \$(346) million, respectively. The change was primarily due to decreased capital expenditures. Refer to "Future Uses of Cash" for further discussion of capital expenditures.

Financing Activities

Net cash flows from financing activities for the three-month periods ended March 31, 2025 and 2024, were \$106 million and \$95 million, respectively. The change was primarily due to higher net proceeds from the issuance of junior subordinated debt, partially offset by higher dividends paid to NV Energy, Inc. and lower contributions from NV Energy, Inc.

For a discussion of recent financing transactions, refer to Note 5 of Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Debt Authorizations

Nevada Power currently has financing authority from the PUCN consisting of the ability to: (1) establish debt issuances limited to a debt ceiling of \$5.5 billion (excluding borrowings under Nevada Power's \$600 million secured credit facility); and (2) maintain a revolving credit facility of up to \$1.3 billion. Nevada Power currently has an effective shelf registration statement with the SEC to issue an additional \$1.8 billion of general and refunding mortgage securities through December 19, 2027.

Future Uses of Cash

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

Capital Expenditures

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

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

	Three-Month Periods		Annual
	Ended March 31, 2024	2025	Forecast 2025
Electric transmission	\$ 24	\$ 83	\$ 437
Electric distribution	80	82	371
Electric battery storage	1	2	46
Wildfire prevention	6	2	32
Solar generation	5	2	29
Other	230	112	169
Total	\$ 346	\$ 283	\$ 1,084

Nevada Power receives PUCN approval through its IRP filings for various projects. Nevada Power has included estimates from these IRP filings in its forecast capital expenditures for 2025. These estimates can change as a result of the RFP process, continued evaluation and future IRP filing refinements. Nevada Power's capital expenditures include the following:

- Electric transmission includes both growth projects and operating expenditures. Growth projects primarily relate to the Nevada Utilities' Greenlink Nevada transmission expansion program. Operating expenditures consist of routine expenditures for transmission and other infrastructure needed to serve existing and expected demand.
- Electric distribution includes both growth projects and operating expenditures consisting of routine expenditures for distribution needed to serve existing and expected demand.
- Solar generation and electric battery storage primarily consist of a 150-MW solar photovoltaic facility with an additional 100 MWs of co-located battery storage that was developed in Clark County, Nevada which commenced commercial operation in May 2024 and a 400-MW solar photovoltaic facility with an additional 400 MWs of co-located battery storage that is being developed in Churchill County, Nevada with ownership share approved by the PUCN of 10% Nevada Power and 90% Sierra Pacific. Commercial operation of the solar facility is expected by early 2027 and commercial operation of the co-located battery storage is expected by mid-2026.
- Wildfire prevention includes both growth and operating capital that include expenditures contained in a comprehensive natural disaster protection plan filed and approved by the PUCN. These projects include, but are not limited to, rebuilding distribution lines with covered conductor, converting overhead distribution lines to underground and copper wire and pole replacement projects.
- Other includes both growth projects and operating expenditures. Growth projects primarily consist of additional completion costs for the peaking combustion turbines developed at the Silverhawk generating facility in Clark County, Nevada. Operating expenditures consist of turbine upgrades at several generating facilities, information technology expenditures, routine expenditures for generation, other operating projects and other infrastructure needed to serve existing and expected demand.

Material Cash Requirements

As of March 31, 2025, there have been no material changes in cash requirements from the information provided in Item 7 of Nevada Power's Annual Report on Form 10-K for the year ended December 31, 2024.

Regulatory Matters

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

Environmental Laws and Regulations

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

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

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Consolidated Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, impairment of long-lived assets and income taxes. For additional discussion of Nevada Power's critical accounting estimates, see Item 7 of Nevada Power's Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in Nevada Power's assumptions regarding critical accounting estimates since December 31, 2024.

**Sierra Pacific Power Company and its subsidiaries
Consolidated Financial Section**

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Sierra Pacific Power Company and subsidiaries ("Sierra Pacific") as of March 31, 2025, the related consolidated statements of operations, changes in shareholder's equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of Sierra Pacific as of December 31, 2024, and the related consolidated statements of operations, changes in shareholder's equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

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

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

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
May 2, 2025

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

	As of	
	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 144	\$ 17
Trade receivables, net	117	138
Inventories	173	161
Regulatory assets	84	90
Prepayments	47	54
Other current assets	19	22
Total current assets	<u>584</u>	<u>482</u>
Property, plant and equipment, net	4,667	4,439
Regulatory assets	208	202
Other assets	201	204
Total assets	<u>\$ 5,660</u>	<u>\$ 5,327</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 373	\$ 410
Accrued interest	16	19
Accrued property, income and other taxes	29	16
Regulatory liabilities	142	106
Customer deposits	42	42
Other current liabilities	53	50
Total current liabilities	<u>655</u>	<u>643</u>
Long-term debt	1,527	1,527
Regulatory liabilities	415	416
Deferred income taxes	362	369
Other long-term liabilities	299	272
Total liabilities	<u>3,258</u>	<u>3,227</u>
Commitments and contingencies (Note 9)		
Shareholder's equity:		
Common stock - \$3.75 stated value, 1,000 shares authorized, issued and outstanding	—	—
Additional paid-in capital	2,001	1,726
Retained earnings	402	375
Accumulated other comprehensive loss, net	(1)	(1)
Total shareholder's equity	<u>2,402</u>	<u>2,100</u>
Total liabilities and shareholder's equity	<u>\$ 5,660</u>	<u>\$ 5,327</u>

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Operating revenue:		
Regulated electric	\$ 236	\$ 260
Regulated natural gas	49	86
Total operating revenue	<u>285</u>	<u>346</u>
Operating expenses:		
Cost of fuel and energy	115	151
Cost of natural gas purchased for resale	28	67
Operations and maintenance	60	56
Depreciation and amortization	40	47
Property and other taxes	6	6
Total operating expenses	<u>249</u>	<u>327</u>
Operating income	<u>36</u>	<u>19</u>
Other income (expense):		
Interest expense	(24)	(20)
Allowance for borrowed funds	3	1
Allowance for equity funds	10	4
Interest and dividend income	3	4
Other, net	2	3
Total other income (expense)	<u>(6)</u>	<u>(8)</u>
Income before income tax expense (benefit)	<u>30</u>	<u>11</u>
Income tax expense (benefit)	3	1
Net income	<u><u>\$ 27</u></u>	<u><u>\$ 10</u></u>

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

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

	Accumulated						Total Shareholder's Equity
	Common Stock		Additional		Other		
Shares	Amount	Paid-in Capital	Retained Earnings	Comprehensive Loss, Net			
Balance, December 31, 2023	1,000	\$ —	\$ 1,576	\$ 490	\$ (1)	\$ 2,065	
Net income	—	—	—	10	—	—	10
Dividends declared	—	—	—	(200)	—	—	(200)
Balance, March 31, 2024	1,000	\$ —	\$ 1,576	\$ 300	\$ (1)	\$ 1,875	
Balance, December 31, 2024	1,000	\$ —	\$ 1,726	\$ 375	\$ (1)	\$ 2,100	
Net income	—	—	—	27	—	—	27
Contributions	—	—	275	—	—	—	275
Balance, March 31, 2025	1,000	\$ —	\$ 2,001	\$ 402	\$ (1)	\$ 2,402	

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

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 27	\$ 10
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	40	47
Allowance for equity funds	(10)	(4)
Deferred energy	34	81
Amortization of deferred energy	—	14
Other changes in regulatory assets and liabilities	5	1
Deferred income taxes and amortization of investment tax credits	(13)	(25)
Other, net	(1)	(2)
Changes in other operating assets and liabilities:		
Trade receivables and other assets	37	14
Inventories	(12)	(9)
Accrued property, income and other taxes	14	1
Accounts payable and other liabilities	(94)	5
Net cash flows from operating activities	<u>27</u>	<u>133</u>
Cash flows from investing activities:		
Capital expenditures	(173)	(113)
Net cash flows from investing activities	<u>(173)</u>	<u>(113)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	—	234
Dividends paid	—	(200)
Contributions from parent	275	—
Other, net	(2)	(2)
Net cash flows from financing activities	<u>273</u>	<u>32</u>
Net change in cash and cash equivalents and restricted cash and cash equivalents	127	52
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	24	52
Cash and cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 151</u>	<u>\$ 104</u>

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

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

(1) General

Sierra Pacific Power Company, together with its subsidiaries ("Sierra Pacific"), is a wholly owned subsidiary of NV Energy, Inc. ("NV Energy"), a holding company that also owns Nevada Power Company and its subsidiaries ("Nevada Power") and certain other subsidiaries. Sierra Pacific is a U.S. regulated electric utility company serving retail customers, including residential, commercial and industrial customers and regulated retail natural gas customers primarily in northern Nevada. NV Energy is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company ("BHE"). BHE is a holding company headquartered in Iowa that has investments in subsidiaries principally engaged in energy businesses. BHE is a wholly owned subsidiary of Berkshire Hathaway Inc. ("Berkshire Hathaway").

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2025, and for the three-month periods ended March 31, 2025 and 2024. The Consolidated Statements of Comprehensive Income have been omitted as net income equals comprehensive income for the three-month periods ended March 31, 2025 and 2024. The results of operations for the three-month period ended March 31, 2025, are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in Sierra Pacific's Annual Report on Form 10-K for the year ended December 31, 2024, describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in Sierra Pacific's accounting policies or its assumptions regarding significant accounting estimates during the three-month period ended March 31, 2025.

(2) New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes Topic 740, "Income Tax—Improvements to Income Tax Disclosures" which requires enhanced disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. This guidance is effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. Sierra Pacific is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures Subtopic 220-40, "Disaggregation of Income Statement Expenses" which addresses requests from investors for more detailed information about certain expenses and requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption presented on the income statement. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. Sierra Pacific is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

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

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

	As of	
	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 144	\$ 17
Restricted cash and cash equivalents included in other current assets	7	7
Total cash and cash equivalents and restricted cash and cash equivalents	\$ 151	\$ 24

(4) Property, Plant and Equipment, Net

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

	As of		
	Depreciable Life	March 31, 2025	December 31, 2024
Utility plant:			
Generation	25 - 70 years	\$ 1,339	\$ 1,339
Transmission	50 - 76 years	1,126	1,071
Electric distribution	20 - 76 years	2,226	2,224
Electric intangible plant and other	5 - 65 years	202	254
Natural gas distribution	35 - 70 years	564	563
Natural gas intangible plant and other	5 - 65 years	18	18
Common other	5 - 65 years	380	377
Utility plant		5,855	5,846
Accumulated depreciation and amortization		(2,200)	(2,208)
		3,655	3,638
Construction work-in-progress		1,012	801
Property, plant and equipment, net		\$ 4,667	\$ 4,439

(5) Income Taxes

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

	Three-Month Periods Ended March 31,	
	2025	2024
Federal statutory income tax rate	21 %	21 %
Effects of ratemaking ⁽¹⁾	(9)	(13)
Other	(2)	1
Effective income tax rate	10 %	9 %

(1) Effects of ratemaking is primarily attributable to activity associated with excess deferred income taxes.

Berkshire Hathaway includes BHE and its subsidiaries in its U.S. federal income tax return. Consistent with established regulatory practice, Sierra Pacific's provision for federal income tax has been computed on a stand-alone basis, and substantially all of its currently payable or receivable income tax is remitted to or received from BHE. Sierra Pacific made cash payments for federal income tax to BHE of \$— million and \$22 million for the three-month periods ended March 31, 2025 and 2024, respectively.

(6) Employee Benefit Plans

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

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

	As of	
	March 31, 2025	December 31, 2024
Qualified Pension Plan:		
Other non-current assets	\$ 59	\$ 59
Non-Qualified Pension Plans:		
Other current liabilities	(1)	(1)
Other long-term liabilities	(5)	(5)
Other Postretirement Plans:		
Other non-current assets	5	5

(7) Risk Management and Hedging Activities

Sierra Pacific is exposed to the impact of market fluctuations in commodity prices and interest rates. Sierra Pacific is principally exposed to electricity, natural gas and coal market fluctuations primarily through Sierra Pacific's obligation to serve retail customer load in its regulated service territory. Sierra Pacific's load and generating facilities represent substantial underlying commodity positions. Exposures to commodity prices consist mainly of variations in the price of fuel required to generate electricity and wholesale electricity that is purchased and sold. Commodity prices are subject to wide price swings as supply and demand are impacted by, among many other unpredictable items, weather, market liquidity, generating facility availability, customer usage, storage, and transmission and transportation constraints. The actual cost of fuel and purchased power is recoverable through the deferred energy mechanism. Interest rate risk exists on variable-rate debt and future debt issuances. Sierra Pacific does not engage in proprietary trading activities.

Sierra Pacific has established a risk management process that is designed to identify, assess, manage and report on each of the various types of risk involved in its business. To mitigate a portion of its commodity price risk, Sierra Pacific uses commodity derivative contracts, which may include forwards, futures, options, swaps and other agreements, to effectively secure future supply or sell future production generally at fixed prices. Sierra Pacific manages its interest rate risk by limiting its exposure to variable interest rates primarily through the issuance of fixed-rate long-term debt and by monitoring market changes in interest rates. Additionally, Sierra Pacific may from time to time enter into interest rate derivative contracts, such as interest rate swaps or locks, to mitigate Sierra Pacific's exposure to interest rate risk. Sierra Pacific does not hedge all of its commodity price and interest rate risks, thereby exposing the unhedged portion to changes in market prices. There have been no significant changes in Sierra Pacific's accounting policies related to derivatives. Refer to Note 8 for additional information on derivative contracts.

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

	Other Current Assets	Other Long-term Assets	Current Liabilities	Other Long-term Liabilities	Total
As of March 31, 2025					
Not designated as hedging contracts⁽¹⁾:					
Commodity assets	\$ 1	\$ —	\$ —	\$ —	\$ 1
Commodity liabilities	—	—	(19)	(1)	(20)
Total derivative - net basis	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ (19)</u>	<u>\$ (1)</u>	<u>\$ (19)</u>
As of December 31, 2024					
Not designated as hedging contracts⁽¹⁾:					
Commodity assets	\$ —	\$ 1	\$ —	\$ —	\$ 1
Commodity liabilities	—	—	(14)	—	(14)
Total derivative - net basis	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ (14)</u>	<u>\$ —</u>	<u>\$ (13)</u>

(1) Sierra Pacific's commodity derivatives not designated as hedging contracts are included in regulated rates. As of March 31, 2025 a net regulatory asset of \$19 million was recorded related to the net derivative liability of \$19 million. As of December 31, 2024 a net regulatory asset of \$13 million was recorded related to the net derivative liability of \$13 million.

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

	Unit of Measure	March 31, 2025	December 31, 2024
Electricity purchases	Megawatt hours	1	1
Natural gas purchases	Decatherms	67	57

Credit Risk

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

Collateral and Contingent Features

In accordance with industry practice, certain wholesale agreements, including derivative contracts, contain credit support provisions that in part base certain collateral requirements on credit ratings for senior unsecured debt as reported by one or more of the recognized credit rating agencies. These agreements may either specifically provide bilateral rights to demand cash or other security if credit exposures on a net basis exceed specified rating-dependent threshold levels ("credit-risk-related contingent features") or provide the right for counterparties to demand "adequate assurance" if there is a material adverse change in Sierra Pacific's creditworthiness. These rights can vary by contract and by counterparty. As of March 31, 2025, Sierra Pacific's credit ratings for its senior secured debt and its issuer credit ratings for senior unsecured debt from the recognized credit rating agencies were investment grade.

The aggregate fair value of Sierra Pacific's derivative contracts in liability positions with specific credit-risk-related contingent features totaled \$— million as of March 31, 2025 and December 31, 2024, which represents the amount of collateral to be posted if all credit risk related contingent features for derivative contracts in liability positions had been triggered. Sierra Pacific's collateral requirements could fluctuate considerably due to market price volatility, changes in credit ratings, changes in legislation or regulation or other factors.

(8) Fair Value Measurements

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

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

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

Input Levels for Fair Value Measurements									
	Level 1	Level 2	Level 3	Total					
As of March 31, 2025:									
Assets:									
Commodity derivatives	\$ —	\$ —	\$ 1	\$ 1	\$ 1	\$ 1			
Money market mutual funds	139	—	—	—	—	139			
Investment funds	1	—	—	—	—	1			
	\$ 140	\$ —	\$ 1	\$ 1	\$ 1	141			
Liabilities:									
Commodity derivatives	\$ —	\$ —	\$ (20)	\$ (20)	\$ (20)	\$ (20)			
As of December 31, 2024:									
Assets:									
Commodity derivatives	\$ —	\$ —	\$ 1	\$ 1	\$ 1	\$ 1			
Money market mutual funds	12	—	—	—	—	12			
Investment funds	1	—	—	—	—	1			
	\$ 13	\$ —	\$ 1	\$ 1	\$ 1	14			
Liabilities:									
Commodity derivatives	\$ —	\$ —	\$ (14)	\$ (14)	\$ (14)	\$ (14)			

Derivative contracts are recorded on the Consolidated Balance Sheets as either assets or liabilities and are stated at estimated fair value unless they are designated as normal purchases or normal sales and qualify for the exception afforded by GAAP. When available, the fair value of derivative contracts is estimated using unadjusted quoted prices for identical contracts in the market in which Sierra Pacific transacts. When quoted prices for identical contracts are not available, Sierra Pacific uses forward price curves. Forward price curves represent Sierra Pacific's estimates of the prices at which a buyer or seller could contract today for delivery or settlement at future dates. Sierra Pacific bases its forward price curves upon internally developed models, with internal and external fundamental data inputs. Market price quotations for certain electricity and natural gas trading hubs are not as readily obtainable due to markets that are not active. Given that limited market data exists for these contracts, Sierra Pacific uses forward price curves derived from internal models based on perceived pricing relationships to major trading hubs that are based on unobservable inputs. The model incorporates a mid-market pricing convention (the mid-point price between bid and ask prices) as a practical expedient for valuing its assets and liabilities measured and reported at fair value. The determination of the fair value for derivative contracts not only includes counterparty risk, but also the impact of Sierra Pacific's nonperformance risk on its liabilities, which as of March 31, 2025 and December 31, 2024, had an immaterial impact to the fair value of its derivative contracts. As such, Sierra Pacific considers its derivative contracts to be valued using Level 3 inputs.

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

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

	Three-Month Periods		
	Ended March 31,		
	2025	2024	
Beginning balance	\$ (13)	\$ (16)	
Changes in fair value recognized in regulatory assets	(7)	(11)	
Settlements	1	1	
Ending balance	<u>\$ (19)</u>	<u>\$ (26)</u>	

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

	As of December 31,			
	As of March 31, 2025		As of December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 1,527	\$ 1,522	\$ 1,527	\$ 1,506

(9) Commitments and Contingencies

Environmental Laws and Regulations

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

Legal Matters

Sierra Pacific is party to a variety of legal actions arising out of the normal course of business. Sierra Pacific does not believe that such normal and routine litigation will have a material impact on its consolidated financial results.

(10) Revenue from Contracts with Customers

The following table summarizes Sierra Pacific's revenue from contracts with customers ("Customer Revenue") by line of business, with further disaggregation of retail by customer class, including a reconciliation to Sierra Pacific's reportable segment information included in Note 11 (in millions):

	Three-Month Periods					
	Ended March 31,					
	2025			2024		
	Electric	Natural Gas	Total	Electric	Natural Gas	Total
Customer Revenue:						
Retail:						
Residential	\$ 93	\$ 32	\$ 125	\$ 100	\$ 53	\$ 153
Commercial	73	13	86	82	24	106
Industrial	48	4	52	55	8	63
Other	2	—	2	1	1	2
Total fully bundled	216	49	265	238	86	324
Distribution only service	2	—	2	1	—	1
Total retail	218	49	267	239	86	325
Wholesale, transmission and other	18	—	18	21	—	21
Total Customer Revenue	236	49	285	260	86	346
Other revenue	—	—	—	—	—	—
Total operating revenue	\$ 236	\$ 49	\$ 285	\$ 260	\$ 86	\$ 346

(11) Segment Information

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

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

	Three-Month Periods Ended March 31, 2025		
	Regulated Electric	Regulated Natural Gas	Total
Operating revenue	\$ 236	\$ 49	\$ 285
Cost of sales	115	28	143
Operations and maintenance	54	6	60
Depreciation and amortization	35	5	40
Interest expense	22	2	24
Interest and dividend income	3	—	3
Income tax expense (benefit)	2	1	3
Other segment items ⁽¹⁾	9	—	9
Net income	<u>\$ 20</u>	<u>\$ 7</u>	<u>\$ 27</u>
Capital expenditures	<u>\$ 159</u>	<u>\$ 14</u>	<u>\$ 173</u>
Three-Month Periods Ended March 31, 2024			
	Regulated Electric	Regulated Natural Gas	Total
Operating revenue	\$ 260	\$ 86	\$ 346
Cost of sales	151	67	218
Operations and maintenance	50	6	56
Depreciation and amortization	42	5	47
Interest expense	19	1	20
Interest and dividend income	4	—	4
Income tax expense (benefit)	—	1	1
Other segment items ⁽¹⁾	3	(1)	2
Net Income	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 10</u>
Capital expenditures	<u>\$ 102</u>	<u>\$ 11</u>	<u>\$ 113</u>
As of			
	March 31, 2025	December 31, 2024	
Assets:			
Regulated electric	\$ 5,038	\$ 4,767	
Regulated natural gas	456	518	
Regulated common assets ⁽²⁾	166	42	
Total assets	<u>\$ 5,660</u>	<u>\$ 5,327</u>	

(1) Consists principally of property and other taxes, allowance for borrowed and equity funds and other income (expenses).

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

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

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

Results of Operations for the First Quarter of 2025 and 2024

Overview

Net income for the first quarter of 2025 was \$27 million, an increase of \$17 million compared to 2024 primarily due to higher utility margin, higher allowance for borrowed funds and capitalized interest and lower depreciation and amortization expense, partially offset by higher interest expense, higher operations and maintenance expense and unfavorable income tax expense. Electric utility margin increased primarily due to higher retail rates from the 2024 regulatory rate review with new rates effective October 2024. Electric retail customer volumes, including distribution only service customers, increased by 1.1% primarily due to the favorable impact of weather. Natural gas utility margin increased primarily due to higher customer volumes from an increase in the average number of customers. Energy generated volumes decreased 9% for the first quarter of 2025 compared to 2024. Wholesale electricity sales volumes decreased 16% and energy purchased volumes decreased 2%.

Non-GAAP Financial Measure

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

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

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

	First Quarter			(9)%
	2025	2024	Change	
Electric utility margin:				
Operating revenue	\$ 236	\$ 260	\$ (24)	(9)%
Cost of fuel and energy	115	151	(36)	(24)
Electric utility margin	121	109	12	11
Natural gas utility margin:				
Operating revenue	49	86	(37)	(43)
Natural gas purchased for resale	28	67	(39)	(58)
Natural gas utility margin	21	19	2	11
Utility margin	142	128	14	11
Operations and maintenance	60	56	4	7
Depreciation and amortization	40	47	(7)	(15)
Property and other taxes	6	6	—	—
Operating income	\$ 36	\$ 19	\$ 17	89 %

Electric Utility Margin

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

	First Quarter		
	2025	2024	Change
Utility margin (in millions):			
Operating revenue	\$ 236	\$ 260	\$ (24) (9)%
Cost of fuel and energy	115	151	(36) (24)
Utility margin	<u>\$ 121</u>	<u>\$ 109</u>	<u>\$ 12</u> 11 %
Sales (GWhs):			
Residential	670	668	2 — %
Commercial	711	714	(3) —
Industrial	691	664	27 4
Other	<u>2</u>	<u>3</u>	<u>(1)</u> (33)
Total fully bundled ⁽¹⁾	2,074	2,049	25 1
Distribution only service	<u>706</u>	<u>702</u>	<u>4</u> 1
Total retail	2,780	2,751	29 1
Wholesale	198	235	(37) (16)
Total GWhs sold	<u>2,978</u>	<u>2,986</u>	<u>(8)</u> — %
Average number of retail customers (in thousands)	384	380	4 1 %
Average revenue per MWh:			
Retail - fully bundled ⁽¹⁾	\$ 103.88	\$ 116.01	\$ (12.13) (10)%
Wholesale	\$ 60.02	\$ 58.69	\$ 1.33 2 %
Heating degree days	2,124	2,092	32 2 %
Sources of energy (GWhs)⁽²⁾:			
Natural gas	980	1,061	(81) (8)%
Coal	173	211	(38) (18)
Renewables	<u>1</u>	<u>3</u>	<u>(2)</u> (67)
Total energy generated	1,154	1,275	(121) (9)
Energy purchased	696	713	(17) (2)
Total	<u>1,850</u>	<u>1,988</u>	<u>(138)</u> (7)%
Average cost of energy per MWh⁽³⁾:			
Energy generated	\$ 46.39	\$ 60.86	\$ (14.47) (24)%
Energy purchased	\$ 88.59	\$ 103.36	\$ (14.77) (14)%

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

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

(3) The average cost of energy per MWh includes only the cost of fuel associated with the generating facilities, purchased power and deferrals.

Natural Gas Utility Margin

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

	First Quarter		
	2025	2024	Change
Utility margin (in millions):			
Operating revenue	\$ 49	\$ 86	\$ (37) (43)%
Natural gas purchased for resale	28	67	(39) (58)
Utility margin	<u>\$ 21</u>	<u>\$ 19</u>	<u>\$ 2</u> 11 %
Sold (000's Dths):			
Residential	4,728	4,703	25 1 %
Commercial	2,427	2,333	94 4
Industrial	818	840	(22) (3)
Total retail	<u>7,973</u>	<u>7,876</u>	<u>97</u> 1 %
Average number of retail customers (in thousands)			
	187	185	2 1 %
Average revenue per retail Dth sold			
	\$ 6.16	\$ 10.88	\$ (4.72) (43)%
Heating degree days			
	2,124	2,092	32 2 %
Average cost of natural gas per retail Dth sold			
	\$ 3.56	\$ 8.55	\$ (4.99) (58)%

Quarter Ended March 31, 2025 Compared to Quarter Ended March 31, 2024

Electric utility margin increased \$12 million, or 11%, for the first quarter of 2025 compared to 2024 primarily due to:

- \$14 million of higher electric retail utility margin primarily due to higher retail rates from the 2024 regulatory rate review with new rates effective October 2024. Retail customer volumes, including distribution only service customers, increased 1.1% primarily due to the favorable impact of weather.

The increase in electric utility margin was partially offset by:

- \$2 million of lower transmission and wholesale revenue.

Natural gas utility margin increased \$2 million, or 11%, for the first quarter of 2025 compared to 2024 primarily due to higher customer volumes from an increase in the average number of customers.

Operations and maintenance increased \$4 million, or 7%, for the first quarter of 2025 compared to 2024 primarily due to higher insurance premiums from additional wildfire and general excess liability coverage and higher plant operations and maintenance expenses, partially offset by lower technology costs and lower administrative and general costs.

Interest expense increased \$4 million, or 20%, for the first quarter of 2025 compared to 2024 primarily due to higher carrying charges on regulatory balances and higher long-term debt.

Allowance for borrowed and equity funds increased \$8 million, or 160%, for the first quarter of 2025 compared to 2024 primarily due to higher construction work-in-progress.

Income tax expense increased \$2 million for the first quarter of 2025 compared to 2024 primarily due to higher pretax income. The effective tax rate was 10% in 2025 and 9% in 2024 and decreased primarily due to the effects of ratemaking.

Liquidity and Capital Resources

As of March 31, 2025, Sierra Pacific's total net liquidity was as follows (in millions):

Cash and cash equivalents	\$	144
Credit facility		400
Total net liquidity	\$	544
Credit facility:		
Maturity date		2027

Sierra Pacific's operating results and capital expenditures for certain projects may be affected in future periods by impacts of ongoing macroeconomic and geopolitical events. The pace of changes in these events, including international trade policies and tariffs, has accelerated in 2025. Considerable uncertainty remains as to the ultimate outcome of these events. Sierra Pacific is unable to reliably predict the ultimate outcome or the potential impact on its business.

Operating Activities

Net cash flows from operating activities for the three-month periods ended March 31, 2025 and 2024, were \$27 million and \$133 million, respectively. The change was primarily due to the timing of payments for operating costs and lower collections from customers, partially offset by lower payments related to fuel and energy costs and lower income tax payments.

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

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2025 and 2024, were \$(173) million and \$(113) million, respectively. The change was primarily due to increased capital expenditures. Refer to "Future Uses of Cash" for further discussion of capital expenditures.

Financing Activities

Net cash flows from financing activities for the three-month periods ended March 31, 2025 and 2024, were \$273 million and \$32 million, respectively. The change was primarily due to higher contributions from NV Energy, Inc. and lower dividends paid to NV Energy, Inc., partially offset by a decrease in proceeds from long-term debt.

Debt Authorizations

Sierra Pacific currently has financing authority from the PUCN consisting of the ability to: (1) establish debt issuances limited to a debt ceiling of \$4.0 billion (excluding borrowings under Sierra Pacific's \$400 million secured credit facility); and (2) maintain a revolving credit facility of up to \$600 million. Sierra Pacific currently has an effective shelf registration statement with the SEC to issue an additional \$2.5 billion of general and refunding mortgage securities through April 1, 2028.

Future Uses of Cash

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

Capital Expenditures

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

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

	Three-Month Periods		Annual Forecast
	Ended March 31, 2024	2025	
Electric battery storage	\$ 4	\$ 3	\$ 389
Electric transmission	17	48	385
Solar generation	—	59	217
Electric distribution	48	45	194
Wildfire mitigation	1	4	87
Other	43	14	69
Total	\$ 113	\$ 173	\$ 1,341

Sierra Pacific receives PUCN approval through its IRP filings for various projects. Sierra Pacific has included estimates from these IRP filings in its forecast capital expenditures for 2025. These estimates can change as a result of the RFP process, continued evaluation and future IRP filing refinements. Sierra Pacific's capital expenditures include the following:

- Solar generation and electric battery storage primarily consist of a 400-MW solar photovoltaic facility with an additional 400 MWs of co-located battery storage that is being developed in Churchill County, Nevada with ownership share approved by the PUCN of 90% Sierra Pacific and 10% Nevada Power. Commercial operation of the solar facility is expected by early 2027 and commercial operation of the co-located battery storage is expected by mid-2026.
- Electric transmission includes both growth projects and operating expenditures. Growth projects primarily relate to the Nevada Utilities' Greenlink Nevada transmission expansion program. Operating expenditures consist of routine expenditures for transmission and other infrastructure needed to serve existing and expected demand.
- Electric distribution includes both growth projects and operating expenditures consisting of routine expenditures for distribution needed to serve existing and expected demand.
- Wildfire prevention includes both growth and operating capital that include expenditures contained in a comprehensive natural disaster protection plan filed and approved by the PUCN. These projects include, but are not limited to, rebuilding distribution lines with covered conductor, converting overhead distribution lines to underground and copper wire and pole replacement projects.
- Other includes both growth projects and operating expenditures. Growth projects primarily consist of a repower project at the Valmy generating facility to convert existing coal-fired combustion to natural gas-fired combustion that was approved by the PUCN and a hydrogen-capable natural gas simple cycle combustion turbine peakers project at the Valmy generating facility. Operating expenditures consist of information technology expenditures, routine expenditures for generation, other operating projects and other infrastructure needed to serve existing and expected demand.

Material Cash Requirements

As of March 31, 2025, there have been no material changes outside the normal course of business in material cash requirements from the information provided in Item 7 of Sierra Pacific's Annual Report on Form 10-K for the year ended December 31, 2024.

Regulatory Matters

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

Environmental Laws and Regulations

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

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

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Consolidated Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, impairment of long-lived assets and income taxes. For additional discussion of Sierra Pacific's critical accounting estimates, see Item 7 of Sierra Pacific's Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in Sierra Pacific's assumptions regarding critical accounting estimates since December 31, 2024.

**Eastern Energy Gas Holdings, LLC and its subsidiaries
Consolidated Financial Section**

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Eastern Energy Gas Holdings, LLC

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Eastern Energy Gas Holdings, LLC and subsidiaries ("Eastern Energy Gas") as of March 31, 2025, the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of Eastern Energy Gas as of December 31, 2024, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2025, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

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

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

/s/ Deloitte & Touche LLP

Richmond, Virginia
May 2, 2025

EASTERN ENERGY GAS HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Amounts in millions)

	As of	
	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 301	\$ 34
Trade receivables, net	185	189
Receivables from affiliates	36	33
Notes receivable from affiliates	37	—
Inventories	147	143
Prepayments and other deferred charges	68	85
Natural gas imbalances	84	71
Other current assets	60	52
Total current assets	918	607
Property, plant and equipment, net	10,271	10,338
Goodwill	1,286	1,286
Investments	267	261
Other assets	90	85
Total assets	\$ 12,832	\$ 12,577

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

EASTERN ENERGY GAS HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited) (continued)
(Amounts in millions)

	As of	
	March 31, 2025	December 31, 2024
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 58	\$ 86
Accounts payable to affiliates	34	33
Accrued interest	77	25
Accrued property, income and other taxes	291	291
Regulatory liabilities	31	29
Other current liabilities	72	83
Total current liabilities	563	547
Long-term debt	4,430	3,231
Regulatory liabilities	622	627
Deferred income taxes	541	498
Other long-term liabilities	128	139
Total liabilities	6,284	5,042
Commitments and contingencies (Note 9)		
Equity:		
Member's equity:		
Membership interests	5,311	6,300
Accumulated other comprehensive loss, net	(35)	(35)
Total member's equity	5,276	6,265
Noncontrolling interests	1,272	1,270
Total equity	6,548	7,535
Total liabilities and equity	\$ 12,832	\$ 12,577

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

EASTERN ENERGY GAS HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in millions)

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Operating revenue	\$ 578	\$ 533
Operating expenses:		
Excess gas	—	(2)
Operations and maintenance	130	132
Depreciation and amortization	87	82
Property and other taxes	35	33
Total operating expenses	<u>252</u>	<u>245</u>
Operating income	<u>326</u>	<u>288</u>
Other income (expense):		
Interest expense	(52)	(36)
Allowance for equity funds	2	2
Interest and dividend income	2	2
Other, net	—	1
Total other income (expense)	<u>(48)</u>	<u>(31)</u>
Income before income tax expense (benefit) and equity income (loss)	278	257
Income tax expense (benefit)	59	66
Equity income (loss)	<u>26</u>	<u>45</u>
Net income	<u>245</u>	<u>236</u>
Net income attributable to noncontrolling interests	45	36
Net income attributable to Eastern Energy Gas	<u><u>\$ 200</u></u>	<u><u>\$ 200</u></u>

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

EASTERN ENERGY GAS HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(Amounts in millions)

	Three-Month Periods	
	Ended March 31,	2025
	2024	
Net income	\$ 245	\$ 236
Other comprehensive income, net of tax:		
Unrecognized amounts on retirement benefits, net of tax of \$— and \$—	—	1
Total other comprehensive income, net of tax	—	1
Comprehensive income	245	237
Comprehensive income attributable to noncontrolling interests	45	36
Comprehensive income attributable to Eastern Energy Gas	\$ 200	\$ 201

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

EASTERN ENERGY GAS HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)
(Amounts in millions)

	Accumulated Other					
	Membership Interests	Comprehensive Loss, Net	Noncontrolling Interests		Total Equity	
Balance, December 31, 2023	\$ 6,273	\$ (40)	\$ 1,295	\$ 7,528		
Net income	200	—	36	236		
Other comprehensive income	—	1	—	1		
Distributions	(178)	—	(39)	(217)		
Contributions	2	—	—	2		
Balance, March 31, 2024	<u>\$ 6,297</u>	<u>\$ (39)</u>	<u>\$ 1,292</u>	<u>\$ 7,550</u>		
Balance, December 31, 2024	\$ 6,300	\$ (35)	\$ 1,270	\$ 7,535		
Net income	200	—	45	245		
Distributions	(1,189)	—	(43)	(1,232)		
Balance, March 31, 2025	<u>\$ 5,311</u>	<u>\$ (35)</u>	<u>\$ 1,272</u>	<u>\$ 6,548</u>		

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

EASTERN ENERGY GAS HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 245	\$ 236
Adjustments to reconcile net income to net cash flows from operating activities:		
Losses on other items, net	—	1
Depreciation and amortization	87	82
Allowance for equity funds	(2)	(2)
Equity (income) loss, net of distributions	(11)	(5)
Changes in regulatory assets and liabilities	(15)	(7)
Deferred income taxes	42	35
Changes in other operating assets and liabilities:		
Trade receivables and other assets	22	36
Receivables from affiliates	(3)	6
Gas balancing activities	11	4
Accrued property, income and other taxes	(10)	15
Accounts payable to affiliates	1	(28)
Accounts payable and other liabilities	30	(17)
Net cash flows from operating activities	<u>397</u>	<u>356</u>
Cash flows from investing activities:		
Capital expenditures	(55)	(64)
Proceeds from sales of marketable securities	7	3
Notes to affiliates	(37)	—
Other, net	<u>—</u>	<u>1</u>
Net cash flows from investing activities	<u>(85)</u>	<u>(60)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	1,187	—
Repayment of notes payable to affiliates, net	—	(192)
Distributions to noncontrolling interests	(43)	(39)
Distributions to parent	<u>(1,189)</u>	<u>(52)</u>
Net cash flows from financing activities	<u>(45)</u>	<u>(283)</u>
Net change in cash and cash equivalents and restricted cash and cash equivalents	267	13
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	61	93
Cash and cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 328</u>	<u>\$ 106</u>

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

EASTERN ENERGY GAS HOLDINGS, LLC AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) General

Eastern Energy Gas Holdings, LLC is a holding company, and together with its subsidiaries ("Eastern Energy Gas") conducts business activities consisting of Federal Energy Regulatory Commission ("FERC")-regulated interstate natural gas transmission systems and underground storage operations in the eastern region of the U.S. and operates Cove Point LNG, LP ("Cove Point"), a liquefied natural gas ("LNG") export, import and storage facility. Eastern Energy Gas holds 100% of the general partner interest and 75% of the limited partner interests of Cove Point. In addition, Eastern Energy Gas holds a 50% noncontrolling interest in Iroquois Gas Transmission System, L.P. ("Iroquois"), a 414-mile FERC-regulated interstate natural gas transmission system. Eastern Energy Gas is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company ("BHE"). BHE is a holding company headquartered in Iowa that has investments in subsidiaries principally engaged in energy businesses. BHE is a wholly owned subsidiary of Berkshire Hathaway Inc.

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2025, and for the three-month periods ended March 31, 2025 and 2024. The results of operations for the three-month period ended March 31, 2025 are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in Eastern Energy Gas' Annual Report on Form 10-K for the year ended December 31, 2024 describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in Eastern Energy Gas' accounting policies or its assumptions regarding significant accounting estimates during the three-month period ended March 31, 2025.

Segment Information

Eastern Energy Gas currently has one reportable segment, which includes its natural gas transmission, storage and LNG operations. Eastern Energy Gas' chief operating decision maker ("CODM") is the BHE Pipeline Group (which consists primarily of BHE GT&S, LLC, Northern Natural Gas Company and Kern River Gas Transmission Company) President and Chief Executive Officer. The CODM uses net income attributable to Eastern Energy Gas, as reported on the Consolidated Statements of Operations, and generally considers actual results versus historical results, budgets or forecast, as well as unique risks and opportunities, when making decisions about the allocation of resources and capital. The segment expenses regularly provided to the CODM align with the captions presented on the Consolidated Statements of Operations. The measure of segment assets is reported on the Consolidated Balance Sheets as total assets.

(2) New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes Topic 740, "Income Tax—Improvements to Income Tax Disclosures" which requires enhanced disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. This guidance is effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. Eastern Energy Gas is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* Subtopic 220-40, "Disaggregation of Income Statement Expenses" which addresses requests from investors for more detailed information about certain expenses and requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption presented on the income statement. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. Eastern Energy Gas is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

(3) Property, Plant and Equipment, Net

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

	Depreciable Life	As of	
		March 31, 2025	December 31, 2024
Utility plant:			
Interstate natural gas transmission assets	34 - 51 years	\$ 6,450	\$ 6,461
Storage assets	47 - 79 years	2,778	2,767
Intangible plant and other assets	4 - 53 years	495	482
Utility plant in-service		9,723	9,710
Accumulated depreciation and amortization		(3,426)	(3,381)
Utility plant in-service, net		6,297	6,329
Nonutility plant:			
LNG facility	40 years	4,566	4,565
Accumulated depreciation and amortization		(811)	(779)
Nonutility plant, net		3,755	3,786
Construction work-in-progress		10,052	10,115
Property, plant and equipment, net		\$ 10,271	\$ 10,338

Construction work-in-progress includes \$207 million and \$213 million as of March 31, 2025 and December 31, 2024, respectively, related to the construction of utility plant.

(4) Investments and Restricted Cash and Cash Equivalents

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

	As of	
	March 31, 2025	December 31, 2024
Investments:		
Investment funds	\$ 11	\$ 18
Equity method investments:		
Iroquois	256	243
Total investments	<u>267</u>	<u>261</u>
Restricted cash and cash equivalents:		
Customer deposits	27	27
Total restricted cash and cash equivalents	<u>27</u>	<u>27</u>
Total investments and restricted cash and cash equivalents	<u><u>\$ 294</u></u>	<u><u>\$ 288</u></u>
Reflected as:		
Other current assets	\$ 27	\$ 27
Noncurrent assets	<u>267</u>	<u>261</u>
Total investments and restricted cash and cash equivalents	<u><u>\$ 294</u></u>	<u><u>\$ 288</u></u>

Equity Method Investments

Eastern Energy Gas, through subsidiaries, holds 50% of Iroquois, which owns and operates an interstate natural gas transmission system located in the states of New York and Connecticut.

As of March 31, 2025 and December 31, 2024, the carrying amount of Eastern Energy Gas' investments exceeded its share of underlying equity in net assets by \$130 million. The difference reflects equity method goodwill and is not being amortized. Eastern Energy Gas received distributions from its investments of \$15 million and \$40 million for the three-month periods ended March 31, 2025 and 2024, respectively.

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, U.S. Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents consist of customer deposits as allowed under the FERC gas tariffs. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as presented on the Consolidated Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Consolidated Balance Sheets (in millions):

	As of	
	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 301	\$ 34
Restricted cash and cash equivalents included in other current assets	27	27
Total cash and cash equivalents and restricted cash and cash equivalents	<u><u>\$ 328</u></u>	<u><u>\$ 61</u></u>

(5) Recent Financing Transactions

In January 2025, Eastern Energy Gas issued \$700 million of 5.80% Senior Notes due January 2035 and \$500 million of 6.20% Senior Notes due January 2055. Eastern Energy Gas used the net proceeds from the sale of the notes to rebalance its capitalization structure by returning a portion of the equity capital received from its indirect parent, BHE.

(6) Income Taxes

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Federal statutory income tax rate	21 %	21 %
State income tax, net of federal income tax impacts	2	4
Equity earnings	2	4
Noncontrolling interest	(3)	(3)
Other, net	(1)	—
Effective income tax rate	21 %	26 %

(7) Employee Benefit Plans

Eastern Energy Gas is a participant in benefit plans sponsored by MidAmerican Energy Company ("MidAmerican Energy"), an affiliate. The MidAmerican Energy Company Retirement Plan includes a qualified pension plan that provides pension benefits for eligible employees. The MidAmerican Energy Company Welfare Benefit Plan provides certain postretirement health care and life insurance benefits for eligible retirees on behalf of Eastern Energy Gas. Eastern Energy Gas contributed \$1 million and \$2 million to the MidAmerican Energy Company Retirement Plan for the three-month periods ended March 31, 2025 and 2024, respectively, and \$1 million to the MidAmerican Energy Company Welfare Benefit Plan for the three-month period ended March 31, 2024. Contributions related to these plans are reflected as net periodic benefit cost in operations and maintenance expense on the Consolidated Statements of Operations. Amounts attributable to Eastern Energy Gas were allocated from MidAmerican Energy in accordance with the intercompany administrative service agreement. Offsetting regulatory assets and liabilities have been recorded related to the amounts not yet recognized as a component of net periodic benefit costs that will be included in regulated rates. Net periodic benefit costs not included in regulated rates are included in accumulated other comprehensive loss, net. As of March 31, 2025 and December 31, 2024, Eastern Energy Gas' amount due to MidAmerican Energy associated with these plans and included in other long-term liabilities on the Consolidated Balance Sheets was \$39 million.

(8) Fair Value Measurements

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

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

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

	Input Levels for Fair Value Measurements			Total	
	Level 1	Level 2	Level 3		
As of March 31, 2025:					
Assets:					
Money market mutual funds	\$ 301	\$ —	\$ —	\$ 301	
Equity securities:					
Investment funds	11	\$ —	\$ —	11	
	\$ 312	\$ —	\$ —	\$ 312	

Liabilities:				
Foreign currency exchange rate derivatives	\$ —	\$ (13)	\$ —	\$ (13)
	\$ —	\$ (13)	\$ —	\$ (13)

As of December 31, 2024:				
Assets:				
Money market mutual funds	\$ 34	\$ —	\$ —	\$ 34
Equity securities:				
Investment funds	18	\$ —	\$ —	18
	\$ 52	\$ —	\$ —	\$ 52
Liabilities:				
Foreign currency exchange rate derivatives	\$ —	\$ (23)	\$ —	\$ (23)
	\$ —	\$ (23)	\$ —	\$ (23)

Eastern Energy Gas' investments in money market mutual funds and investment funds are stated at fair value. When available, a readily observable quoted market price or net asset value of an identical security in an active market is used to record the fair value.

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

Eastern Energy Gas' long-term debt is carried at cost on the Consolidated Financial Statements. The fair value of Eastern Energy Gas' long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The following table presents the carrying value and estimated fair value of Eastern Energy Gas' long-term debt (in millions):

	As of March 31, 2025		As of December 31, 2024	
	Carrying	Fair	Carrying	Fair
	Value	Value	Value	Value
Long-term debt	\$ 4,430	\$ 4,227	\$ 3,231	\$ 2,919

(9) Commitments and Contingencies

Environmental Laws and Regulations

Eastern Energy Gas is subject to federal, state and local laws and regulations regarding air quality, climate change, emissions performance standards, water quality and other environmental matters that have the potential to impact its current and future operations. Eastern Energy Gas believes it is in material compliance with all applicable laws and regulations.

Legal Matters

Eastern Energy Gas is party to a variety of legal actions arising out of the normal course of business. Eastern Energy Gas does not believe that such normal and routine litigation will have a material impact on its consolidated financial results.

(10) Revenue from Contracts with Customers

The following table summarizes Eastern Energy Gas' revenue from contracts with customers ("Customer Revenue") by regulated and nonregulated, with further disaggregation of regulated by line of business (in millions):

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Customer Revenue:		
Regulated:		
Gas transmission and storage	\$ 332	\$ 329
Wholesale	1	—
Other	—	1
Total regulated	333	330
Nonregulated	244	203
Total Customer Revenue	577	533
Other revenue ⁽¹⁾	1	—
Total operating revenue	<u><u>\$ 578</u></u>	<u><u>\$ 533</u></u>

(1) Other revenue consists primarily of revenue recognized in accordance with Accounting Standards Codification 815, "Derivative and Hedging" which includes unrealized gains and losses for derivatives not designated as hedges related to natural gas sales contracts, contingent fees from certain farmout agreements recognized in accordance with ASC 450, "Contingencies" and the royalties from the conveyance of mineral rights accounted for under Accounting Standards Codification 932, "Extractive Activities – Oil and Gas".

Eastern Energy Gas has recognized contract liabilities of \$32 million and \$40 million as of March 31, 2025 and December 31, 2024, respectively, due to the relationship between Eastern Energy Gas' performance and the customer's payment. Eastern Energy Gas recognizes revenue as it fulfills its obligations to provide services to its customers. During the three-month periods ended March 31, 2025 and 2024, Eastern Energy Gas recognized revenue of \$9 million and \$11 million, respectively, from the beginning contract liability balances.

Remaining Performance Obligations

The following table summarizes Eastern Energy Gas' revenue it expects to recognize in future periods related to significant unsatisfied remaining performance obligations for fixed contracts with expected durations in excess of one year as of March 31, 2025 (in millions):

	Performance obligations expected to be satisfied:		
	Less than 12 months	More than 12 months	Total
Eastern Energy Gas	<u><u>\$ 1,707</u></u>	<u><u>\$ 13,965</u></u>	<u><u>\$ 15,672</u></u>

(11) Components of Accumulated Other Comprehensive Loss, Net

The following table shows the change in accumulated other comprehensive loss by each component of other comprehensive income (loss), net of applicable income tax (in millions):

	Unrecognized Amounts On Retirement Benefits	Unrealized Losses on Cash Flow Hedges	Noncontrolling Interests	Accumulated Other Comprehensive Loss, Net
Balance, December 31, 2023	\$ (3)	\$ (38)	\$ 1	\$ (40)
Other comprehensive income	1	—	—	1
Balance, March 31, 2024	\$ (2)	\$ (38)	\$ 1	\$ (39)
Balance, December 31, 2024	\$ (2)	\$ (34)	\$ 1	\$ (35)
Other comprehensive income	—	—	—	—
Balance, March 31, 2025	\$ (2)	\$ (34)	\$ 1	\$ (35)

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

The following is management's discussion and analysis of certain significant factors that have affected the consolidated financial condition and results of operations of Eastern Energy Gas during the periods included herein. This discussion should be read in conjunction with Eastern Energy Gas' historical Consolidated Financial Statements and Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q. Eastern Energy Gas' actual results in the future could differ significantly from the historical results.

Results of Operations for the First Quarter of 2025 and 2024

Overview

Net income attributable to Eastern Energy Gas was flat for the first quarter of 2025 compared to 2024, primarily due to higher earnings from Cove Point of \$18 million, largely due to an increase in variable revenue and higher margin from regulated gas transmission and storage operations of \$10 million, partially offset by a decrease in equity income primarily due to lower variable revenues at Iroquois and an increase in interest expense.

Quarter Ended March 31, 2025 Compared to Quarter Ended March 31, 2024

Operating revenue increased \$45 million, or 8%, for the first quarter of 2025 compared to 2024, primarily due to an increase in Cove Point LNG variable revenue of \$38 million, an increase in EGTS' regulated gas transmission and storage services revenues primarily due to higher volumes of \$7 million and an increase in Carolina Gas Transmission, LLC's ("CGT's") regulated gas transmission service revenues of \$7 million primarily due to the settlement of its general rates case, partially offset by a decrease in Cove Point's storage-related service revenues of \$6 million and a decrease in variable revenue related to park and loan activity of \$4 million.

Operations and maintenance decreased \$2 million, or 2%, for the first quarter of 2025 compared to 2024, primarily due to a decrease in materials and supplies of \$4 million, partially offset by an increase in services provided to affiliates of \$2 million and an increase in charges from affiliates of \$2 million.

Depreciation and amortization increased \$5 million, or 6%, for the first quarter of 2025 compared to 2024, primarily due to higher plant placed in service of \$3 million and the settlement of depreciation rates in CGT's general rate case of \$2 million.

Interest expense increased \$16 million, or 44%, for the first quarter of 2025 compared to 2024, primarily due to the issuances of \$1.2 billion of long-term debt in the first quarter of 2025 of \$15 million and higher interest rates on \$1.0 billion of long-term debt refinanced during 2024 of \$7 million, partially offset by lower lending activity under BHE GT&S' intercompany revolving credit agreement of \$6 million.

Income tax expense decreased \$7 million, or 11%, for the first quarter of 2025 compared to 2024 and the effective tax rate was 21% for 2025 and 26% for 2024. The effective tax rate decreased primarily due to various changes in the state effective rate and lower equity earnings from Iroquois.

Equity income decreased \$19 million, or 42%, for the first quarter of 2025 compared to 2024, primarily due to lower variable revenues at Iroquois, largely from unfavorable pricing.

Net income attributable to noncontrolling interests increased \$9 million, or 25%, for the first quarter of 2025 compared to 2024, primarily due to an increase in Cove Point LNG variable revenue.

Liquidity and Capital Resources

As of March 31, 2025, Eastern Energy Gas' total net liquidity was as follows (in millions):

Cash and cash equivalents	\$ 301
Intercompany revolving credit agreement	400
Total net liquidity	<u>\$ 701</u>

Intercompany revolving credit agreement:

Maturity date	<u>2026</u>
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Eastern Energy Gas' operating results and capital expenditures for certain projects may be affected in future periods by impacts of ongoing macroeconomic and geopolitical events. The pace of changes in these events, including international trade policies and tariffs, has accelerated in 2025. Considerable uncertainty remains as to the ultimate outcome of these events. Eastern Energy Gas is unable to reliably predict the ultimate outcome or the potential impact on its business.

Operating Activities

Net cash flows from operating activities for the three-month periods ended March 31, 2025 and 2024 were \$397 million and \$356 million, respectively. The change is primarily due to favorable operating results, the timing of payments for operating costs and other working capital adjustments, partially offset by lower distributions from Iroquois and lower collections from customers.

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2025 and 2024 were \$(85) million and \$(60) million, respectively. The change is primarily due to an increase in notes issued to its parent under an intercompany revolving credit agreement of \$37 million, partially offset by a decrease in capital expenditures of \$9 million and an increase in proceeds from sales of marketable securities of \$4 million.

Financing Activities

Net cash flows from financing activities for the three-month period ended March 31, 2025 were \$(45) million. Sources of cash totaled \$1.2 billion and consisted of proceeds from the issuance of long-term debt. Uses of cash totaled \$1.2 billion and consisted of distributions to its indirect parent, BHE, of \$1.2 billion and distributions to noncontrolling interests from Cove Point of \$43 million.

Net cash flows from financing activities for the three-month period ended March 31, 2024 were \$(283) million and consisted of net repayment of notes payable to affiliates of \$192 million, distributions to its indirect parent, BHE, of \$52 million and distributions to noncontrolling interests from Cove Point of \$39 million.

Long-term debt

Eastern Energy Gas currently has an effective shelf registration statement with the SEC to issue an additional \$400 million of long-term debt securities through January 11, 2027.

Future Uses of Cash

Eastern Energy Gas has available a variety of sources of liquidity and capital resources, both internal and external, including net cash flows from operating activities, public and private debt offerings, intercompany revolving credit agreements, capital contributions and other sources. These sources are expected to provide funds required for current operations, capital expenditures, investments, debt retirements and other capital requirements. The availability and terms under which Eastern Energy Gas and each subsidiary has access to external financing depends on a variety of factors, including regulatory approvals, Eastern Energy Gas' credit ratings, investors' judgment of risk and conditions in the overall capital markets, including the condition of the natural gas transmission and storage and LNG export, import and storage industries.

Capital Expenditures

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

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

	Three-Month Periods		Annual Forecast 2025	
	Ended March 31,			
	2024	2025		
Natural gas transmission and storage	\$ 8	\$ 10	\$ 64	
Other	56	45	290	
Total	\$ 64	\$ 55	\$ 354	

Natural gas transmission and storage primarily includes growth capital expenditures related to planned regulated projects. Other includes primarily nonregulated and routine capital expenditures for natural gas transmission, storage and LNG terminalling infrastructure needed to serve existing and expected demand.

Material Cash Requirements

As of March 31, 2025, there have been no material changes in cash requirements from the information provided in Item 7 of Eastern Energy Gas' Annual Report on Form 10-K for the year ended December 31, 2024, other than those disclosed in Note 5 of the Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Regulatory Matters

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

Environmental Laws and Regulations

Eastern Energy Gas is subject to federal, state and local laws and regulations regarding air quality, climate change, emissions performance standards, water quality and other environmental matters that have the potential to impact its current and future operations. In addition to imposing continuing compliance obligations, these laws and regulations provide regulators with the authority to levy substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. These laws and regulations are administered by various federal, state and local agencies. Eastern Energy Gas believes it is in material compliance with all applicable laws and regulations, although many are subject to interpretation that may ultimately be resolved by the courts. Environmental laws and regulations continue to evolve, and Eastern Energy Gas is unable to predict the impact of the changing laws and regulations on its operations and financial results.

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

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Consolidated Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, impairment of goodwill and long-lived assets and income taxes. For additional discussion of Eastern Energy Gas' critical accounting estimates, see Item 7 of Eastern Energy Gas' Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in Eastern Energy Gas' assumptions regarding critical accounting estimates since December 31, 2024.

**Eastern Gas Transmission and Storage, Inc. and its subsidiaries
Consolidated Financial Section**

PART I

Item 1. Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of
Eastern Gas Transmission and Storage, Inc.

Results of Review of Interim Financial Information

We have reviewed the accompanying consolidated balance sheet of Eastern Gas Transmission and Storage, Inc. and subsidiaries ("EGTS") as of March 31, 2025, the related consolidated statements of operations, changes in shareholder's equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of EGTS as of December 31, 2024 and the related consolidated statements of operations, comprehensive income, changes in shareholder's equity, and cash flows for the year then ended (not presented herein); and in our report dated February 21, 2025 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2024, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

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

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

/s/ Deloitte & Touche LLP

Richmond, Virginia
May 2, 2025

EASTERN GAS TRANSMISSION AND STORAGE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited)
(Amounts in millions)

	As of	
	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 124	\$ 8
Restricted cash and cash equivalents	23	24
Trade receivables, net	87	93
Receivables from affiliates	21	17
Inventories	56	55
Prepayments and other deferred charges	30	28
Natural gas imbalances	86	72
Other current assets	20	10
Total current assets	447	307
Property, plant and equipment, net	4,738	4,771
Other assets	66	73
Total assets	\$ 5,251	\$ 5,151

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

EASTERN GAS TRANSMISSION AND STORAGE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Unaudited) (continued)
(Amounts in millions, except share data)

	As of	
	March 31, 2025	December 31, 2024
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	\$ 32	\$ 55
Accounts payable to affiliates	27	27
Accrued interest	24	7
Accrued property, income and other taxes	70	68
Accrued employee expenses	18	18
Regulatory liabilities	14	13
Customer and security deposits	23	24
Other current liabilities	17	18
Total current liabilities	225	230
Long-term debt	1,623	1,622
Regulatory liabilities	525	527
Other long-term liabilities	184	166
Total liabilities	2,557	2,545
Commitments and contingencies (Note 8)		
Shareholder's equity:		
Common stock - 75,000 shares authorized, \$10,000 par value, 60,101 issued and outstanding	609	609
Additional paid-in capital	1,352	1,352
Retained earnings	759	671
Accumulated other comprehensive loss, net	(26)	(26)
Total shareholder's equity	2,694	2,606
Total liabilities and shareholder's equity	<u>\$ 5,251</u>	<u>\$ 5,151</u>

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

EASTERN GAS TRANSMISSION AND STORAGE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(Amounts in millions)

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Operating revenue	\$ 275	\$ 270
Operating expenses:		
Excess gas	—	(2)
Operations and maintenance	89	88
Depreciation and amortization	40	38
Property and other taxes	14	14
Total operating expenses	<u>143</u>	<u>138</u>
Operating income	132	132
Other income (expense):		
Interest expense	(18)	(17)
Allowance for equity funds	2	1
Other, net	1	2
Total other income (expense)	<u>(15)</u>	<u>(14)</u>
Income before income tax expense (benefit)	117	118
Income tax expense (benefit)	<u>29</u>	<u>31</u>
Net income	<u>\$ 88</u>	<u>\$ 87</u>

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

EASTERN GAS TRANSMISSION AND STORAGE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY (Unaudited)
(Amounts in millions, except shares)

	Common Stock		Additional Paid-in Capital		Retained Earnings	Other Comprehensive Loss, Net	Total Shareholder's Equity
	Shares	Amount					
Balance, December 31, 2023	60,101	\$ 609	\$ 1,304	\$ 803	\$ (28)	\$ 2,688	
Net income	—	—	—	87	—	—	87
Dividends declared	—	—	—	(167)	—	—	(167)
Contributions	—	—	1	—	—	—	1
Balance, March 31, 2024	60,101	\$ 609	\$ 1,305	\$ 723	\$ (28)	\$ 2,609	
Balance, December 31, 2024	60,101	\$ 609	\$ 1,352	\$ 671	\$ (26)	\$ 2,606	
Net income	—	—	—	88	—	—	88
Balance, March 31, 2025	60,101	\$ 609	\$ 1,352	\$ 759	\$ (26)	\$ 2,694	

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

EASTERN GAS TRANSMISSION AND STORAGE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Amounts in millions)

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 88	\$ 87
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation and amortization	40	38
Allowance for equity funds	(2)	(1)
Changes in regulatory assets and liabilities	(13)	(8)
Deferred income taxes	17	17
Other, net	1	—
Changes in other operating assets and liabilities:		
Trade receivables and other assets	8	22
Receivables from affiliates	(4)	1
Gas balancing activities	12	4
Accrued property, income and other taxes	(4)	7
Accounts payable to affiliates	—	(12)
Accounts payable and other liabilities	6	(6)
Net cash flows from operating activities	<u>149</u>	<u>149</u>
Cash flows from investing activities:		
Capital expenditures	(41)	(39)
Proceeds from sales of marketable securities	7	3
Other, net	—	1
Net cash flows from investing activities	<u>(34)</u>	<u>(35)</u>
Cash flows from financing activities:		
Issuance of notes payable to affiliates, net	—	3
Dividends paid	—	(96)
Net cash flows from financing activities	<u>—</u>	<u>(93)</u>
Net change in cash and cash equivalents and restricted cash and cash equivalents	115	21
Cash and cash equivalents and restricted cash and cash equivalents at beginning of period	32	34
Cash and cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 147</u>	<u>\$ 55</u>

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

EASTERN GAS TRANSMISSION AND STORAGE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) General

Eastern Gas Transmission and Storage, Inc. and its subsidiaries ("EGTS") conduct business activities consisting of Federal Energy Regulatory Commission ("FERC")-regulated interstate natural gas transmission systems and underground storage. EGTS' operations include transmission assets located in Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia. EGTS also operates one of the nation's largest underground natural gas storage systems located in New York, Pennsylvania and West Virginia. EGTS is a wholly owned subsidiary of Eastern Energy Gas Holdings, LLC ("Eastern Energy Gas"), which is an indirect wholly owned subsidiary of Berkshire Hathaway Energy Company ("BHE"). BHE is a holding company headquartered in Iowa that has investments in subsidiaries principally engaged in energy businesses. BHE is a wholly owned subsidiary of Berkshire Hathaway Inc.

The unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the United States Securities and Exchange Commission's rules and regulations for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements. Management believes the unaudited Consolidated Financial Statements contain all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair presentation of the unaudited Consolidated Financial Statements as of March 31, 2025, and for the three-month periods ended March 31, 2025 and 2024. The Consolidated Statements of Comprehensive Income (Loss) have been omitted as net income (loss) materially equals comprehensive income (loss) for the three-month periods ended March 31, 2025 and 2024. The results of operations for the three-month period ended March 31, 2025 are not necessarily indicative of the results to be expected for the full year.

The preparation of the unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited Consolidated Financial Statements and the reported amounts of revenue and expenses during the period. Actual results may differ from the estimates used in preparing the unaudited Consolidated Financial Statements. Note 2 of Notes to Consolidated Financial Statements included in EGTS' Annual Report on Form 10-K for the year ended December 31, 2024 describes the most significant accounting policies used in the preparation of the unaudited Consolidated Financial Statements. There have been no significant changes in EGTS' accounting policies or its assumptions regarding significant accounting estimates during the three-month period ended March 31, 2025.

Segment Information

EGTS currently has one reportable segment, which includes its natural gas transmission and storage operations. EGTS' chief operating decision maker ("CODM") is the BHE Pipeline Group (which consists primarily of BHE GT&S, LLC, Northern Natural Gas Company and Kern River Gas Transmission Company) President and Chief Executive Officer. The CODM uses net income, as reported on the Consolidated Statements of Operations, and generally considers actual results versus historical results, budgets or forecast, as well as unique risks and opportunities, when making decisions about the allocation of resources and capital. The segment expenses regularly provided to the CODM align with the captions presented on the Consolidated Statements of Operations. The measure of segment assets is reported on the Consolidated Balance Sheets as total assets.

(2) New Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes Topic 740, "Income Tax—Improvements to Income Tax Disclosures" which requires enhanced disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. This guidance is effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. EGTS is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Subtopic 220-40, "Disaggregation of Income Statement Expenses" which addresses requests from investors for more detailed information about certain expenses and requires disclosure of the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption presented on the income statement. This guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis, however retrospective application is permitted. EGTS is currently evaluating the impact of adopting this guidance on its Consolidated Financial Statements and disclosures included within Notes to Consolidated Financial Statements.

(3) Property, Plant and Equipment, Net

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

	Depreciable Life	As of	
		March 31, 2025	December 31, 2024
Interstate natural gas transmission assets	47 - 51 years	\$ 5,087	\$ 5,093
Storage assets	47 - 51 years	1,812	1,803
Intangible plant and other assets	12 - 53 years	390	386
Plant in-service		7,289	7,282
Accumulated depreciation and amortization		(2,730)	(2,699)
		4,559	4,583
Construction work-in-progress		179	188
Property, plant and equipment, net		\$ 4,738	\$ 4,771

(4) Investments and Restricted Cash and Cash Equivalents

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

		As of	
		March 31, 2025	December 31, 2024
Investments:			
Investment funds		\$ 11	\$ 18
Restricted cash and cash equivalents:			
Customer deposits		23	24
Total restricted cash and cash equivalents		23	24
Total investments and restricted cash and cash equivalents		\$ 34	\$ 42
Reflected as:			
Current assets		\$ 23	\$ 24
Other assets		11	18
Total investments and restricted cash and cash equivalents		\$ 34	\$ 42

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

Cash equivalents consist of funds invested in money market mutual funds, U.S. Treasury Bills and other investments with a maturity of three months or less when purchased. Cash and cash equivalents exclude amounts where availability is restricted by legal requirements, loan agreements or other contractual provisions. Restricted cash and cash equivalents consist of customer deposits as allowed under the FERC gas tariff. A reconciliation of cash and cash equivalents and restricted cash and cash equivalents as presented on the Consolidated Statements of Cash Flows is outlined below and disaggregated by the line items in which they appear on the Consolidated Balance Sheets (in millions):

	As of	
	March 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 124	\$ 8
Restricted cash and cash equivalents	23	24
Total cash and cash equivalents and restricted cash and cash equivalents	\$ 147	\$ 32

(5) Income Taxes

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

	Three-Month Periods	
	Ended March 31,	
	2025	2024
Federal statutory income tax rate	21 %	21 %
State income tax, net of federal income tax impacts	4	5
Effective income tax rate	25 %	26 %

(6) Employee Benefit Plans

EGTS is a participant in benefit plans sponsored by MidAmerican Energy Company ("MidAmerican Energy"), an affiliate. The MidAmerican Energy Company Retirement Plan includes a qualified pension plan that provides pension benefits for eligible employees. The MidAmerican Energy Company Welfare Benefit Plan provides certain postretirement health care and life insurance benefits for eligible retirees on behalf of EGTS. EGTS contributed \$1 million and \$2 million to the MidAmerican Energy Company Retirement Plan for the three-month periods ended March 31, 2025 and 2024, respectively. Contributions related to these plans are reflected as net periodic benefit cost in operations and maintenance expense on the Consolidated Statements of Operations. Amounts attributable to EGTS were allocated from MidAmerican Energy in accordance with the intercompany administrative service agreement. Offsetting regulatory assets and liabilities have been recorded related to the amounts not yet recognized as a component of net periodic benefit costs that will be included in regulated rates. As of March 31, 2025 and December 31, 2024, EGTS' amount due to MidAmerican Energy associated with these plans and included in other long-term liabilities on the Consolidated Balance Sheets was \$35 million.

(7) Fair Value Measurements

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

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

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

	Input Levels for Fair Value Measurements			Total	
	Level 1	Level 2	Level 3		
As of March 31, 2025:					
Assets:					
Money market mutual funds	\$ 124	\$ —	\$ —	\$ 124	
Equity securities:					
Investment funds	11	—	—	11	
	\$ 135	\$ —	\$ —	\$ 135	

As of December 31, 2024:

Assets:				
Money market mutual funds	\$ 8	\$ —	\$ —	\$ 8
Equity securities:				
Investment funds	18	—	—	18
	\$ 26	\$ —	\$ —	\$ 26

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

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

EGTS' long-term debt is carried at cost on the Consolidated Financial Statements. The fair value of EGTS' long-term debt is a Level 2 fair value measurement and has been estimated based upon quoted market prices, where available, or at the present value of future cash flows discounted at rates consistent with comparable maturities with similar credit risks. The following table presents the carrying value and estimated fair value of EGTS' long-term debt (in millions):

	As of March 31, 2025		As of December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	\$ 1,623	\$ 1,432	\$ 1,622	\$ 1,409

(8) Commitments and Contingencies

Environmental Laws and Regulations

EGTS is subject to federal, state and local laws and regulations regarding air quality, climate change, emissions performance standards, water quality and other environmental matters that have the potential to impact its current and future operations. EGTS believes it is in material compliance with all applicable laws and regulations.

Legal Matters

EGTS is party to a variety of legal actions arising out of the normal course of business. EGTS does not believe that such normal and routine litigation will have a material impact on its consolidated financial results.

(9) Revenue from Contracts with Customers

The following table summarizes EGTS' revenue from contracts with customers ("Customer Revenue") by regulated and other, with further disaggregation of regulated by line of business (in millions):

	Three-Month Periods	
	Ended March 31,	2025
	2024	
Customer Revenue:		
Regulated:		
Gas transmission	\$ 190	\$ 188
Gas storage	71	70
Wholesale	1	—
Total regulated	262	258
Management service and other revenues	12	12
Total Customer Revenue	274	270
Other revenue ⁽¹⁾	1	—
Total operating revenue	\$ 275	\$ 270

(1) Other revenue consists primarily of revenue recognized in accordance with Accounting Standards Codification 815, "Derivative and Hedging" which includes unrealized gains and losses for derivatives not designated as hedges related to natural gas sales contracts, contingent fees from certain farmout agreements recognized in accordance with ASC 450, "Contingencies" and the royalties from the conveyance of mineral rights accounted for under Accounting Standards Codification 932, "Extractive Activities – Oil and Gas".

Remaining Performance Obligations

The following table summarizes EGTS' revenue it expects to recognize in future periods related to significant unsatisfied remaining performance obligations for fixed contracts with expected durations in excess of one year as of March 31, 2025 (in millions):

	Performance obligations expected to be satisfied:			
	Less than 12 months	More than 12 months	Total	
EGTS	\$ 786	\$ 3,279	\$ 4,065	

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

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

Results of Operations for the First Quarter of 2025 and 2024

Overview

Net income for the first quarter of 2025 was \$88 million, an increase of \$1 million, compared to 2024. Net income increased primarily due to higher margin from regulated gas transmission and storage operations of \$3 million.

Quarter Ended March 31, 2025 Compared to Quarter Ended March 31, 2024

Operating revenue increased \$5 million, or 2%, for the first quarter of 2025 compared to 2024, primarily due to an increase in regulated gas transmission and storage services revenues primarily due to higher volumes of \$7 million, partially offset by a decrease in variable revenue related to park and loan activity of \$4 million.

Operations and maintenance increased \$1 million, or 1%, for the first quarter of 2025 compared to 2024, primarily due to an increase in charges from affiliates of \$2 million and an increase in services provided to affiliates of \$1 million, partially offset by a decrease in materials and supplies of \$3 million.

Income tax expense decreased \$2 million, or 6%, for the first quarter of 2025 compared to 2024 and the effective tax rate was 25% for 2025 and 26% 2024.

Liquidity and Capital Resources

As of March 31, 2025, EGTS' total net liquidity was as follows (in millions):

Cash and cash equivalents	\$ 124
Intercompany revolving credit agreement	400
Total net liquidity	\$ 524

Intercompany revolving credit agreement:

Maturity date	<u>2026</u>
---------------	-------------

EGTS' operating results and capital expenditures for certain projects may be affected in future periods by impacts of ongoing macroeconomic and geopolitical events. The pace of changes in these events, including international trade policies and tariffs, has accelerated in 2025. Considerable uncertainty remains as to the ultimate outcome of these events. EGTS is unable to reliably predict the ultimate outcome or the potential impact on its business.

Operating Activities

Net cash flows from operating activities for each of the three-month periods ended March 31, 2025 and 2024 were \$149 million, primarily due to the timing of payments for operating costs and other working capital adjustments, offset by lower collections from customers.

Investing Activities

Net cash flows from investing activities for the three-month periods ended March 31, 2025 and 2024 were \$(34) million and \$(35) million, respectively. The change is primarily due to an increase in proceeds from sales of marketable securities of \$4 million, partially offset by an increase in capital expenditures of \$2 million.

Financing Activities

Net cash flows from financing activities for the three-month period ended March 31, 2024 were \$(93) million. Sources of cash totaled \$3 million and consisted of net issuance of notes payable to Eastern Energy Gas. Uses of cash totaled \$96 million and consisted of dividends paid to Eastern Energy Gas.

Future Uses of Cash

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

Capital Expenditures

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

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

	Three-Month Periods		Annual Forecast 2025	
	Ended March 31,			
	2024	2025		
Natural gas transmission and storage	\$ 2	\$ 8	\$ 53	
Other	37	33	223	
Total	\$ 39	\$ 41	\$ 276	

Natural gas transmission and storage includes primarily growth capital expenditures related to planned regulated projects. Other includes primarily pipeline integrity work, automation and controls upgrades, underground storage, corrosion control, unit exchanges, compressor modifications and projects related to Pipeline Hazardous Materials Safety Administration natural gas storage rules. The amounts also include EGTS' asset modernization program, which includes projects for vintage pipeline replacement, compression replacement, pipeline assessment and underground storage integrity.

Material Cash Requirements

As of March 31, 2025, there have been no material changes in cash requirements from the information provided in Item 7 of EGTS' Annual Report on Form 10-K for the year ended December 31, 2024.

Regulatory Matters

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

Environmental Laws and Regulations

EGTS is subject to federal, state and local laws and regulations regarding air quality, climate change, emissions performance standards, water quality and other environmental matters that have the potential to impact its current and future operations. In addition to imposing continuing compliance obligations, these laws and regulations provide regulators with the authority to levy substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. These laws and regulations are administered by various federal, state and local agencies. EGTS believes it is in material compliance with all applicable laws and regulations, although many are subject to interpretation that may ultimately be resolved by the courts. Environmental laws and regulations continue to evolve, and EGTS is unable to predict the impact of the changing laws and regulations on its operations and financial results.

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

Critical Accounting Estimates

Certain accounting measurements require management to make estimates and judgments concerning transactions that will be settled several years in the future. Amounts recognized on the Consolidated Financial Statements based on such estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty and will likely change in the future as additional information becomes available. Estimates are used for, but not limited to, the accounting for the effects of certain types of regulation, impairment of long-lived assets and income taxes. For additional discussion of EGTS' critical accounting estimates, see Item 7 of EGTS' Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in EGTS' assumptions regarding critical accounting estimates since December 31, 2024.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk affecting the Registrants, see Item 7A of each Registrant's Annual Report on Form 10-K for the year ended December 31, 2024. Each Registrant's exposure to market risk and its management of such risk has not changed materially since December 31, 2024, except as noted below. Refer to Note 8 of the Notes to Consolidated Financial Statements of PacifiCorp, Note 8 of the Notes to Consolidated Financial Statements of Nevada Power and Note 7 of the Notes to Consolidated Financial Statements of Sierra Pacific in Part I, Item 1 of this Form 10-Q for disclosure of the respective Registrant's derivative positions as of March 31, 2025.

Eastern Energy Gas' and EGTS' gross credit exposure for each counterparty is calculated as outstanding receivables plus any unrealized on- or off-balance sheet exposure, taking into account contractual netting rights. Gross credit exposure is calculated prior to the application of collateral. As of March 31, 2025, Eastern Energy Gas' and EGTS' credit exposure totaled \$76 million. Of this amount, investment grade counterparties, including those internally rated, represented 100%, with three investment grade counterparties representing 66% of the credit exposure.

Item 4. Controls and Procedures

At the end of the period covered by this Quarterly Report on Form 10-Q, each of Berkshire Hathaway Energy Company, PacifiCorp, MidAmerican Funding, LLC, MidAmerican Energy Company, Nevada Power Company, Sierra Pacific Power Company, Eastern Energy Gas Holdings, LLC and Eastern Gas Transmission and Storage, Inc. carried out separate evaluations, under the supervision and with the participation of each such entity's management, including its Chief Executive Officer (principal executive officer) and its Chief Financial Officer (principal financial officer), or persons performing similar functions, of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended). Based upon these evaluations, management of each such entity, including its Chief Executive Officer (principal executive officer) and its Chief Financial Officer (principal financial officer), or persons performing similar functions, in each case, concluded that the disclosure controls and procedures for such entity were effective to ensure that information required to be disclosed by such entity in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the United States Securities and Exchange Commission's rules and forms, and is accumulated and communicated to its management, including its Chief Executive Officer (principal executive officer) and its Chief Financial Officer (principal financial officer), or persons performing similar functions, in each case, as appropriate to allow timely decisions regarding required disclosure by it. Each such entity hereby states that there has been no change in its internal control over financial reporting during the quarter ended March 31, 2025 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II

Item 1. Legal Proceedings

The following disclosures reflect material updates to legal proceedings and should be read in conjunction with Item 3 of Berkshire Hathaway Energy's and PacifiCorp's Annual Reports on Form 10-K for the year ended December 31, 2024.

BERKSHIRE HATHAWAY ENERGY AND PACIFICORP

In September 2020, a severe weather event with high winds, low humidity and warm temperatures contributed to several major wildfires, including the 2020 Wildfires, which resulted in real and personal property and natural resource damage, personal injuries and loss of life and widespread power outages in Oregon and Northern California. The wildfires spread across certain parts of PacifiCorp's service territory and surrounding areas across multiple counties in Oregon and California, including Siskiyou County, California; Jackson County, Oregon; Douglas County, Oregon; Marion County, Oregon; Lincoln County, Oregon; and Klamath County, Oregon, burning over 500,000 acres in aggregate. Third-party reports for these wildfires indicate over 2,000 structures destroyed, including residences; several structures damaged; multiple individuals injured; and several fatalities.

In July 2022, the 2022 McKinney Fire began in the Oak Knoll Ranger District of the Klamath National Forest in Siskiyou County, California located in PacifiCorp's service territory, burning over 60,000 acres. Third-party reports indicate that the 2022 McKinney Fire resulted in 11 structures damaged; 185 structures destroyed, including residences; 12 injuries; and four fatalities.

As described below, a significant number of complaints and demands alleging similar claims have been filed in Oregon and California related to the Wildfires. Amounts sought in outstanding complaints and demands filed in Oregon and in certain demands made in California totaled approximately \$51 billion, excluding any doubling or trebling of damages or punitive damages included in the complaints. Generally, the complaints filed in California do not specify damages sought and are excluded from this amount. Of the \$51 billion, \$48 billion represents the economic and noneconomic damages sought in the *James* mass complaints described below. For class actions, amounts specified by the plaintiffs in the complaints include amounts based on estimates of the potential class size, which ultimately may be significantly greater than estimated. Additionally, damages are not limited to the amounts specified in the initially filed complaints as plaintiffs are frequently allowed to amend their complaints to add additional damages and amounts awarded in a court proceeding may be significantly greater than the damages specified. Oregon law provides for doubling of economic and property damages in the event the defendant is found to have acted with gross negligence, recklessness, willfulness or malice. Oregon law provides for trebling of damages associated with timber, shrubs and produce in the event the defendant is determined to have willfully and intentionally trespassed.

The following map illustrates the general vicinity of the Wildfires.



Investigations

In April 2023, the U.S. Department of Agriculture Forest Service ("USFS") issued its report of investigation into a wildland fire that began in the Opal Creek wilderness outside of the Santiam Canyon that was first reported on August 16, 2020 ("Beachie Creek Fire"), approximately three weeks prior to the September 2020 wind event described above. In March 2025, PacifiCorp received the Oregon Department of Forestry's final investigation report on the Santiam Canyon fires ("ODF's Report"), which concluded that embers from the pre-existing Beachie Creek Fire caused 12 fires within the Santiam Canyon. The ODF's Report also found that PacifiCorp's power lines did not contribute to the overall spread of fire into the Santiam Canyon even though its power lines ignited seven spot fires within the Santiam Canyon that were each suppressed.

The Beachie Creek fire that spread into the Santiam Canyon burned approximately 193,000 acres; the South Obenchain fire burned approximately 33,000 acres; the Echo Mountain Complex fire burned approximately 3,000 acres; and the 242 fire burned approximately 14,000 acres. The *James* cases described below are associated with the Beachie Creek (Santiam Canyon), South Obenchain, Echo Mountain Complex and 242 fires, which are four distinct fires located hundreds of miles apart.

Investigations into the causes and origins of the Wildfires are ongoing. For more information regarding certain investigative reports from the USFS and the Oregon Department of Forestry ("ODF") and certain legal proceedings affecting Berkshire Hathaway Energy, refer to Note 9 of the Notes to Consolidated Financial Statements of Berkshire Hathaway Energy in Part I, Item 1 of this Form 10-Q, and PacifiCorp, refer to Note 10 of the Notes to Consolidated Financial Statements of PacifiCorp in Part I, Item 1 of this Form 10-Q.

Wildfire Settlements

2020 Wildfires

As of the date of this filing, PacifiCorp has made settlement payments associated with individual plaintiffs, wrongful death claims, insurance subrogation claims, commercial timber claims and certain government claims associated with the 2020 Wildfires totaling \$1,183 million. The \$1,183 million in settlements were comprised of \$324 million associated with the *James* related fires for plaintiffs who opted out of the *James* class, insurance subrogation claims and for plaintiffs to certain of the consolidated cases; \$252 million associated with the Slater fire; \$605 million associated with the Archie Creek fire; and \$2 million associated with other fires. For more information, refer to description of the 2020 Wildfires complaints and specific wildfires below.

2022 McKinney Fire

As of the date of this filing, PacifiCorp has made settlement payments associated with individual plaintiffs, wrongful death claims, insurance subrogation claims, commercial timber claims, private timber claims and certain government claims associated with the 2022 McKinney Fire totaling \$150 million. For more information, refer to description of the 2022 McKinney Fire complaints below.

2020 Oregon Wildfires, Excluding the Northern California and Southern Oregon Slater Fire ("Slater Fire")

As described below, a significant number of complaints on behalf of plaintiffs associated with the 2020 Wildfires have been filed in Oregon in addition to those described below for the Slater Fire. The plaintiffs generally allege: (i) negligence due in part to alleged failure to comply with certain Oregon statutes and administrative rules, including those issued by the OPUC; (ii) gross negligence alleged in the form of willful, wanton and reckless disregard of known risks to the public; (iii) trespass; (iv) nuisance; (v) inverse condemnation; (vi) pre- and post-judgment interest; and (vii) reasonable attorney fees, investigation costs and expert witness fees. The complaints generally assert claims for: (i) noneconomic damages, including mental suffering, emotional distress, inconvenience and interference with normal and usual activities; (ii) damages for real and personal property and other economic losses; (iii) double the amount of property and economic damages; (iv) treble damages for specific costs associated with loss of forestry, trees and shrubbery; and (v) double the amount of damages for the costs of litigation and reforestation. Certain complaints include wrongful death claims as described below. The plaintiffs generally demand a trial by jury and reserve their right to further amend their complaints to allege claims for punitive damages.

James Cases

On September 30, 2020, the original *James* class action complaint against PacifiCorp was filed by Oregon residents and businesses who sought to represent a class of all Oregon citizens and entities whose real or personal property was harmed beginning on September 7, 2020, by wildfires in Oregon allegedly caused by PacifiCorp. On November 3, 2021, the plaintiffs filed an amended complaint to limit the class to include Oregon citizens allegedly impacted by the Echo Mountain Complex, South Obenchain, 242 and Santiam Canyon fires, as well as to add claims for noneconomic damages. The amended complaint alleged that PacifiCorp's assets contributed to the Oregon wildfires occurring on or after September 7, 2020, and that PacifiCorp acted with gross negligence, among other things. The amended complaint seeks damages similar to those described above, including not less than \$600 million of economic damages and in excess of \$1 billion of noneconomic damages for the plaintiffs and the class. Numerous cases were consolidated into the original *James* complaint as described below.

On April 29, May 16, May 31, July 31 and September 11, 2024, and January 14, 2025, six separate mass complaints against PacifiCorp naming 1,000, 100, 265, 78, 93 and 55 individual class members, respectively, were filed in Multnomah County Circuit Court Oregon captioned *Shane A Henson et al. v. PacifiCorp, Karen Andersen et al. v. PacifiCorp, Vanessa Alexander et al. v. PacifiCorp, Emily Broderick et al. v. PacifiCorp, Sergio Garcia Montes et al. v. PacifiCorp and Butte Falls Family Ranch, LLC*, respectively, each referencing the original *James* case as the lead case. Complaints for five of the plaintiffs in the mass complaints were subsequently dismissed. The *James* mass complaints make damages only allegations seeking for each individual class member \$5 million of economic damages, \$25 million of noneconomic damages and punitive damages equal to 0.25 times the amount of economic and noneconomic damages. The *James* mass complaints also assert doubling of economic damages for each individual class member. The class members demand a trial by jury. Refer to "*James* Court Activity" section below for information regarding additional damages phase trials.

On December 31, 2024, a complaint against PacifiCorp was filed, captioned *Frank Timber Resources, Inc. et al. v. PacifiCorp*, referencing the original *James* case number as the lead case, ("Frank Timber") in Multnomah County Circuit Court Oregon by four plaintiffs. Similar to the mass complaints described above, the complaint makes damages-only allegations seeking approximately \$12 million of economic damages, doubling of economic damages and punitive damages equal to 0.25 times the amount of economic damages. The plaintiffs demand a trial by jury.

On December 31, 2024, a complaint against PacifiCorp was filed, captioned *Theodore and Deana Freres et al. v. PacifiCorp*, referencing the original *James* case number as the lead case, ("Theodore and Deana Freres") in Multnomah County Circuit Court Oregon by four plaintiffs. Similar to the mass complaints described above, the complaint makes damages-only allegations seeking approximately \$1 million of economic damages, doubling of economic damages and punitive damages equal to 0.25 times the amount of economic damages. The plaintiffs demand a trial by jury.

As a result of the six mass complaints, subsequent dismissals and the two additional complaints filed in December 2024 with respect to the original *James* case described above, active class plaintiffs in *James* total 1,594 for which per plaintiff damages sought vary. As described below under "James Court Activity," class plaintiffs selected for trial are required to amend their complaints to address facts specific to their complaints, generally resulting in updates to the amount of economic and noneconomic damages sought. Damages specified in the original mass complaints remain applicable to substantially all of the class plaintiffs.

As described above under "Investigations," in March 2025, PacifiCorp received the ODF's Report, which concluded that while PacifiCorp's power lines ignited various spot fires within the Santiam Canyon, every such ignition was suppressed and did not contribute to the overall spread of the Beachie Creek Fire into the Santiam Canyon. Approximately 60% of the named plaintiffs in the *James* mass complaints are associated with the Santiam Canyon fires. On March 20, 2025, PacifiCorp filed a motion to stay the remaining *James* damages phase trials described below in consideration of the ODF's Report described above under "Investigations." The motion was heard by the court and was denied on April 18, 2025.

James Trial Activity

In June 2023, a jury verdict was issued in the first *James* trial finding PacifiCorp's conduct grossly negligent, reckless and willful as to each of the 17 named plaintiffs and the entire class. In January 2024, March 2024, February 2025, March 2025 and April 2025, jury verdicts were issued in five separate damages phase trials, awarding damages to additional trial plaintiffs in the *James* class. Limited judgments and money awards were entered into the court for the June 2023, January 2024 and March 2024 verdicts, awarding in aggregate \$210 million of damages, including \$32 million of doubled economic damages, \$147 million of noneconomic damages and \$41 million of punitive damages based on a 0.25 multiplier applied to economic and noneconomic damages, partially offset by insurance proceeds received by plaintiffs. Limited judgments and money awards for the February 2025 verdict were entered in April 2025, totaling \$45 million of damages, including \$8 million of doubled economic damages, \$32 million of noneconomic damages and \$9 million of punitive damages based on a 0.25 multiplier applied to economic and noneconomic damages, partially offset by insurance proceeds received by plaintiffs. Limited judgments and money awards for the March 2025 and April 2025 verdicts described below have not yet been entered into the court and are expected to result in an additional \$67 million of damages, including \$10 million of doubled economic damages, \$45 million of noneconomic damages and \$12 million of punitive damages based on a 0.25 multiplier of the economic and noneconomic damages. PacifiCorp expects the money awards for the March 2025 and April 2025 verdicts to also be partially offset by insurance proceeds received by plaintiffs.

In January 2024, PacifiCorp filed a notice of appeal associated with the June 2023 verdict in *James*, including whether the case can proceed as a class action. PacifiCorp amended its January 2024 appeal of the June 2023 *James* verdict to include the January 2024 and March 2024 jury verdicts. The appeals process and further actions could take several years. Refer to "James Court Activity" below regarding the filing of PacifiCorp's opening appellate brief.

In February 2025, the jury for the third *James* damages phase trial described below under "James Court Activity" awarded seven plaintiffs \$32 million of noneconomic damages in addition to \$4 million of economic damages stipulated for eight plaintiffs prior to the trial. In accordance with Oregon law, plaintiffs asked the court to double the economic damages to \$8 million after the verdict. PacifiCorp expects the court will award the doubling of economic damages and also increase the award for \$9 million in punitive damages by applying the 0.25 multiplier of economic and noneconomic damages consistent with the June 2023 *James* verdict. PacifiCorp filed a motion with the Multnomah County Circuit Court Oregon requesting the court offset the damage awards by deducting insurance proceeds received by any of the eight plaintiffs. In April 2025, the Multnomah County Circuit Court entered a limited judgment that awards approximately \$45 million, representing damages as discussed above, partially offset by insurance proceeds received by plaintiffs. PacifiCorp intends to appeal the jury's damage awards associated with the February 2025 jury verdict.

In March 2025, the jury for the fourth *James* damages phase trial described below under "James Court Activity" seven plaintiffs over \$2 million of economic damages and five plaintiffs \$34 million of noneconomic damages. PacifiCorp expects the court to award doubling of the economic damages to \$5 million and also to increase the award for \$9 million in punitive damages by applying the 0.25 multiplier of economic and noneconomic damages consistent with the June 2023 *James* verdict. As a result, PacifiCorp expects the total award for the seven plaintiffs to be approximately \$48 million. PacifiCorp filed a motion with the Multnomah County Circuit Court Oregon requesting the court offset the damage awards by deducting insurance proceeds received by any of the plaintiffs. PacifiCorp intends to appeal the jury's damage awards associated with the March 2025 jury verdict once judgment is entered.

In April 2025, the jury for the fifth *James* damages phase trial described below under "James Court activity" awarded nine plaintiffs \$11 million of noneconomic damages, in addition to over \$2 million of economic damages that were stipulated prior to the trial. PacifiCorp expects the court to award doubling of the economic damages to \$5 million and also to increase the award for \$3 million in punitive damages by applying the 0.25 multiplier of economic and noneconomic damages consistent with the June 2023 *James* verdict. As a result, PacifiCorp expects the total award for the nine plaintiffs to be approximately \$19 million. PacifiCorp filed a motion with the Multnomah County Circuit Court Oregon requesting the court offset the damage awards by deducting insurance proceeds received by any of the plaintiffs. PacifiCorp intends to appeal the jury's damage awards associated with the April 2025 jury verdict once judgment is entered.

Additional damages phase trials have been scheduled in 2025 as described below.

James Court Activity

In accordance with the Multnomah County Circuit Court Oregon's October 2024 case management order, nine damages phase trials will be held in 2025. The trials will adjudicate the damages of up to 10 plaintiffs per trial. The first of these trials were held in February, March and April 2025, while the remaining are scheduled to begin May 12, June 2, July 7, September 9, October 6 and December 7, 2025. As of March 2025, plaintiffs have been selected for all nine trials. A hearing is scheduled for May 9, 2025, to evaluate scheduling additional damages phase trials in 2026. The jury verdicts for the first three of the damages phase trials were issued in February, March and April 2025, as described above. Within 10 days after the verdict is rendered in the April 21, 2025 trial, and within 30 days after the verdict is rendered in the July 7 and December 7, 2025 trials, respectively, the parties are required to engage in global mediation with the objective of resolving the claims of the remaining absent class members. As described above under "James Cases," in March 2025, PacifiCorp filed a motion to stay the additional scheduled damages phase trials in consideration of the ODF's Report. This motion was denied on April 18, 2025.

From October 2024 through March 2025, various plaintiffs' counsel filed motions with the Multnomah County Circuit Court Oregon for substitution of lead counsel for nearly 1,500 *James* class members, including a minor number of plaintiffs included in the 1,594 plaintiffs in the *James* mass complaints described above. To date, substitution motions covering substantially all of the nearly 1,500 plaintiffs have been granted.

On September 13, 2024, PacifiCorp filed a motion to make the *James* mass complaints more definite and certain. On October 4, 2024, in response to PacifiCorp's motion, the Multnomah County Circuit Court Oregon issued an order granting, in part, the motion. The order requires the plaintiffs selected for the nine damages phase trials scheduled in 2025 to file amended complaints alleging the specific facts that support their claims for economic and noneconomic damages. To date, no amended complaints seek damages in excess of the amounts sought in the original mass complaints.

On April 1, 2025, PacifiCorp filed its opening brief with the Oregon Court of Appeals in connection with its appeal of the June 2023 *James* verdict and the January and March 2024 verdicts for the first two *James* damages phase trials. In the opening brief, PacifiCorp addresses numerous procedural and legal issues, including that the class certification is improper due to the plaintiffs being impacted by distinct fires with independent ignition points that were hundreds of miles apart; awarding of non-economic damages is not allowed under Oregon law; plaintiffs failed to prove that PacifiCorp caused harm to every class member; and jury instructions applied incorrect legal standards in assessing class-wide evidence and individual claims. Additionally, PacifiCorp incorporated the ODF's Report into its opening appellate brief. Various parties who are not party to the *James* case have filed supportive amicus briefs with the court. Plaintiffs' reply brief and cross-appeal is due May 20, 2025.

James Consolidated Cases

The following cases were consolidated into the original *James* case:

Amended *Salter* filed August 20, 2021, in Multnomah County Circuit Court Oregon by approximately 97 individuals. The complaint seeks damages similar to those described above, including economic damages not to exceed \$150 million and noneconomic damages not to exceed \$500 million.

Amended *Allen* filed September 2, 2021, in Multnomah County Circuit Court Oregon by approximately five individuals. The *Allen* case seeks damages similar to those described above, including \$8 million in economic damages and \$24 million in noneconomic damages related to the Beachie Creek Fire.

Amended *Dietrich* filed September 6, 2022, in Multnomah County Circuit Court Oregon by six Oregon residents individually and on behalf of a class defined to include residents of, business owners in, real or personal property owners in and any other individuals physically present in specified Oregon counties as of September 7, 2020 who experienced any harm, damage or loss as a result of the Santiam Canyon, Echo Mountain Complex, 242 or South Obenchain fires. The amended complaint seeks \$400 million in economic damages and \$500 million in noneconomic damages. The *Dietrich* case is currently stayed due to plaintiffs' motion to consolidate the case into *James*.

Bell filed September 7, 2022, in Multnomah County Circuit Court Oregon by 59 plaintiffs seeking \$35 million in damages, including economic and noneconomic damages.

Ashley Andersen et al. v. PacifiCorp and Judith O'Keefe v. PacifiCorp and Consolidated Cases

As a result of settlements reached in 2024 for the *Andersen et al. v. PacifiCorp* consolidated cases and the *Judith O'Keefe v. PacifiCorp* consolidated cases, the complaints have been resolved but for one remaining plaintiff in *Andersen* and two remaining plaintiffs in *O'Keefe* in the complaints described below.

The *Weathers* complaint was filed in Multnomah County Circuit Court Oregon by approximately 46 plaintiffs and consolidated into the *Andersen* case with allegations and damages similar to those described above for the *Andersen* case, seeking economic damages of approximately \$83 million and noneconomic damages of approximately \$83 million. As described above, settlement was reached for all but one plaintiff in *Weathers*.

The *Bogle* complaint was filed September 1, 2022, in Multnomah County Circuit Court Oregon by approximately 39 plaintiffs seeking economic damages of approximately \$83 million and noneconomic damages of approximately \$83 million and consolidated into the *O'Keefe* case. As described above, settlement was reached for all but two of the plaintiffs in *Bogle*.

Other Cases

Several other complaints were filed against PacifiCorp associated with the 2020 Wildfires for which several settlements were reached as described above. However, certain complaints remain outstanding as described below.

On September 1, 2022, a complaint against PacifiCorp associated with the Archie Creek Fire was filed, captioned *Leonard Mitchell Lee et al. v. PacifiCorp*, ("Lee") in Multnomah County Circuit Court Oregon by approximately five plaintiffs, seeking approximately \$25 million in economic and noneconomic damages and makes allegations similar to those described above. No trial date has been set. In June 2024, PacifiCorp reached an agreement in principle with three of the *Lee* plaintiffs. In 2025, the court dismissed the complaints for the remaining two plaintiffs.

A group of subrogation insurers that filed complaints against PacifiCorp associated with the Archie Creek Fire agreed to a mediator's proposal under which PacifiCorp will pay 51.75% of the total claims paid and to be paid by the carriers related to the Archie Creek Fire. During 2022, PacifiCorp paid \$24 million to the subrogation insurers. During 2023 and January 2024, PacifiCorp paid additional amounts to the subrogation insurers and ultimately expects to pay a total of \$28 million to the subrogation insurers. While some of the subrogation complaints have been fully dismissed, the following remain active:

The *Lexington* complaint was filed against PacifiCorp by two insurers in Douglas County Circuit Court Oregon seeking \$14 million in damages for negligence and, as amended on February 3, 2022, makes allegations similar to those described above. The *Lexington* case was partially dismissed following settlement, but general judgment of dismissal has not yet been entered because certain plaintiffs remain active.

The *Ace American Insurance Co.* complaint was filed against PacifiCorp by 15 insurers in Douglas County Circuit Court Oregon on August 25, 2022, seeking approximately \$24 million in damages for negligence. The *Ace American Insurance Co.* case was partially dismissed following settlement, but general judgment of dismissal has not yet been entered because certain plaintiffs remain active.

Winery Cases

Certain Oregon vineyards have filed lawsuits alleging economic damages associated with the 2020 Wildfires. See *Elk Cove Vineyards, Inc. v. PacifiCorp*; *Willamette Valley Vineyards Inc v. PacifiCorp*; *Sokol Blosser, Ltd. et. al v. PacifiCorp*; and *Lange Winery LLC, et al. v. PacifiCorp*. All of the cases are in the initial stages of discovery. Additional details are provided below.

On July 14, 2023, a complaint against PacifiCorp was filed, captioned *Elk Cove Vineyards, Inc. v. PacifiCorp*, in Oregon Circuit Court in Yamhill County, Oregon, by one plaintiff, seeking approximately \$3 million in economic damages associated with the Santiam Canyon, South Obenchain, Echo Mountain Complex, 242 and Archie Creek fires and makes allegations similar to those described above. On March 13, 2024, the complaint was amended to add 12 plaintiffs, with all plaintiffs collectively seeking approximately \$25 million in economic damages. The *Elk Cove Vineyards, Inc.* case is set for trial March 2, 2026 through March 31, 2026.

On July 24, 2023, a complaint against PacifiCorp was filed, captioned *Willamette Valley Vineyards Inc v. PacifiCorp*, in Oregon Circuit Court in Marion County, Oregon, ("Marion County Circuit Court Oregon") seeking approximately \$3 million in economic damages associated with the Santiam Canyon, South Obenchain, Echo Mountain Complex, 242 and Archie Creek fires and makes allegations similar to those described above. On March 29, 2024, the complaint was amended to add four plaintiffs, with all plaintiffs collectively seeking approximately \$4 million in economic damages. On February 3, 2025, the complaint was further amended to add an unspecified amount of punitive damages. The Marion County Circuit Court Oregon denied plaintiffs' motion to apply the negligence finding from the June 2023 *James* verdict to the *Willamette Valley Vineyards Inc* case but provided plaintiffs the option to refile the motion in the future. The *Willamette Valley Vineyards Inc* case is set for trial January 12, 2026 through February 6, 2026.

On January 18, 2024, a complaint against PacifiCorp was filed, captioned *Sokol Blosser, Ltd. et al. v. PacifiCorp*, ("*Sokol Blosser*") in Multnomah County Circuit Court Oregon by approximately nine plaintiffs, seeking approximately \$20 million in economic damages associated with the Santiam Canyon, South Obenchain, Echo Mountain Complex, 242 and Archie Creek fires and makes allegations similar to those described above. On October 1, 2024, the complaint was amended to add 25 plaintiffs with all plaintiffs collectively seeking approximately \$90 million in economic damages. On April 7, 2025, the complaint was further amended to add punitive damages in an unspecified amount. On April 4, 2025, the Multnomah County Circuit Court Oregon denied plaintiffs' motion to apply the negligence finding from the June 2023 *James* verdict to the *Sokol Blosser* case, indicating that plaintiffs have the burden of proof to demonstrate causation. The *Sokol Blosser* case is set for trial November 3, 2025 through December 9, 2025.

On May 24, 2024, a complaint against PacifiCorp was filed, captioned *Lange Winery LLC et al. v. PacifiCorp*, ("*Lange Winery*") in Multnomah County Circuit Court Oregon by approximately 36 plaintiffs, seeking approximately \$51 million in economic damages associated with the Santiam Canyon, South Obenchain, Echo Mountain Complex, 242 and Archie Creek fires and makes allegations similar to those described above. On April 10, 2025 the Multnomah County Circuit Court Oregon denied plaintiffs' motion to apply the negligence finding from the June 2023 *James* verdict to the *Lange Winery* case. While the court did not rule on the admissibility of the ODF's Report, it acknowledged that inconsistent findings exist as to the causation of the Santiam Canyon fires as a result of the report. The court also noted that the plaintiffs are wineries located many miles away from the wildfires who allege that their grape harvests were damaged or destroyed by the traveling smoke, far outside the wildfire boundaries at issue in *James*. The *Lange Winery* case is set for trial May 4, 2026, through June 12, 2026.

On October 31, 2024, a complaint against PacifiCorp was filed, captioned *The Lumos Wine Co. et al. v. PacifiCorp*, ("*Lumos*") in Multnomah County Circuit Court Oregon by approximately six plaintiffs, seeking approximately \$2 million in economic damages associated with the Santiam Canyon, South Obenchain, Echo Mountain Complex, 242 and Archie Creek fires and makes allegations similar to those described above.

United States and State of Oregon – Loss and Damages to Federal and State Lands – Oregon Fires

In 2023, PacifiCorp received correspondence from the U.S. Department of Justice ("USDOJ"), representing the U.S. Department of the Interior, Bureau of Land Management, Bureau of Indian Affairs and USFS, regarding the potential recovery of certain costs and damages alleged to have occurred to federal lands from the Archie Creek and Susan Creek fires. The USDOJ provided a damages estimate of approximately \$625 million for mediation purposes only, which included costs and damages relating to damaged timber and improvements; reforestation; coordination with hydropower license, suppression costs and other assessment costs; and cleanup and rehabilitation costs. The amounts alleged for natural resource damage from these fires do not include intangible environmental and natural resource damages that the U.S. could potentially seek to recover if this matter was fully litigated, nor do they include multipliers which the agencies are allegedly entitled to collect under pertinent federal regulations, under which, for example, minimum damages for trespass to timber managed by the U.S. Department of Interior are twice the fair market value of the resource at the time of the trespass, or three times if the violation was willful. While PacifiCorp participated in mediation with the USDOJ and continues to seek resolution of the dispute, the USDOJ filed a formal complaint against PacifiCorp as described below.

In 2023, PacifiCorp also received correspondence from the Oregon Department of Justice ("ODOJ"), representing the State of Oregon, regarding the potential recovery of losses and damages to state lands from the Archie Creek and Susan Creek fires. The ODOJ provided a damage estimate of approximately \$109 million for mediation purposes only, which included losses and damages relating to the sheltering of, and assistance to, affected Oregonians; fire control and extinguishment costs; timber damage across 39 acres of Oregon forestland; losses and damages at the Rock Creek Fish Hatchery; road and highway damages; and other costs.

In 2023, the ODF sent demand notices for fire suppression costs totaling \$2 million for three separate ignition points associated with the 2020 Wildfires. On May 30, 2024, PacifiCorp reached settlement with the ODF for suppression costs associated with one of these ignition points for less than \$1 million.

In December 2024, in conjunction with the USDOJ correspondence for the Archie Creek fire described above, a complaint against PacifiCorp was filed, captioned the *United States of America v. PacifiCorp*, in U.S. District Court, District of Oregon, Portland Division, seeking various unquantified damages and a jury trial. The civil cover sheet accompanying the complaint demands damages estimated to exceed \$900 million, which is greater than the damages included in the original correspondence from the USDOJ due to the addition of estimates for intangible environmental and natural resource damages. PacifiCorp responded to the complaint on February 18, 2025.

On February 19, 2025, PacifiCorp received a demand from the ODF for \$2 million in fire suppression costs associated with the Oregon portion of the Slater Fire.

On April 4, 2025, PacifiCorp received a demand from the ODF for \$11 million in fire suppression costs associated with the South Obenchain fire.

On April 21, 2025, PacifiCorp received a demand from the ODF for \$4 million in fire suppression costs associated with the Echo Mountain and Kimberling Mountain fires.

PacifiCorp is actively cooperating with both the USDOJ and ODOJ on resolving these alleged claims.

2020 Slater Fire California and Oregon Complaints and Demands

A significant number of complaints on behalf of plaintiffs associated with the Slater Fire were filed in Oregon and California. The complaints generally allege: (i) inverse condemnation; (ii) negligence; (iii) trespass; (iv) nuisance; and (v) violation of certain sections of the California Public Utilities Code and the California Health & Safety Code and request a jury trial and seek various damages. The damages sought generally include: (i) economic damages; (ii) noneconomic damages; (iii) doubling of economic damages; (iv) punitive damages; (v) pre- and post-judgment interest; and (vi) attorneys' fees and other costs. Substantially all of the complaints have been resolved.

Claims with one plaintiff in the *Hillman* complaint filed January 29, 2021, and with one plaintiff in the *Nixon* complaint filed August 31, 2022, against PacifiCorp in California Superior Court, Sacramento County, California ("Sacramento County Superior Court California") and previously part of the resolved consolidated *Hitchcock et al. v. PacifiCorp* cases remain outstanding.

United States – Loss and Damages to Federal Lands – Slater Fire

PaciFiCorp received a notice of indebtedness from the USFS indicating that PaciFiCorp owes \$356 million for fire suppression costs, natural resource damages and burned area emergency response costs incurred by the USFS associated with the Slater Fire in California. The notice further indicates that the alleged amounts owed may not include all environmental damages to which the USFS may be entitled and which the U.S. may seek to recover if further action is taken to resolve the debt. Additional charges for interest, penalties and administrative costs may also be sought associated with amounts considered overdue. In January 2024, PaciFiCorp received correspondence from the USDOJ indicating its intent to litigate the matter because PaciFiCorp has not paid the \$356 million demand. PaciFiCorp is actively cooperating with the USDOJ on resolving these alleged claims, including through the pursuit of alternative dispute resolution.

2022 McKinney Fire

Numerous complaints associated with the 2022 McKinney Fire have been filed in Sacramento County Superior Court California on behalf of over 300 plaintiffs, including multiple insurers, as described below. The complaints generally allege: (i) inverse condemnation; (ii) negligence; (iii) trespass; (iv) nuisance; and (v) violation of certain sections of the California Public Utilities Code and the California Health & Safety Code and seek various damages. The damages sought generally include: (i) economic damages; (ii) noneconomic damages; (iii) doubling or trebling of timber damages; (iv) punitive damages; (v) prejudgment interest; and (vi) attorneys' fees and other costs. Certain complaints include wrongful death claims as described below. The complaints do not specify the amount of damages sought.

On August 16, 2022, a complaint against PaciFiCorp was filed, captioned *Bridges et al. v. PaciFiCorp*, ("Bridges") in Sacramento County Superior Court California by approximately three plaintiffs. The following complaints were filed and subsequently consolidated into *Bridges*; *Cogan* filed August 23, 2022, approximately 12 plaintiffs, including a wrongful death claim; *Shoopman* filed August 26, 2022, approximately 61 plaintiffs, including a wrongful death claim; *Lowe* filed September 28, 2022, approximately two plaintiffs; *Fraser* filed November 9, 2022, approximately 170 plaintiffs; *Corrales*, filed April 6, 2023, approximately 30 plaintiffs; *Murieen*, filed April 20, 2023, approximately seven plaintiffs; *Hickey*, filed May 9, 2023, approximately five plaintiffs; *Volckhausen*, filed May 9, 2023, one plaintiff; *Huber*, filed August 21, 2023, approximately five plaintiffs, including two wrongful death claims; *Insurance Company of Hannover*, filed January 8, 2024, one subrogation plaintiff; *Bartlett*, filed April 25, 2024, approximately 28 plaintiffs; *Justice*, filed July 15, 2024, approximately 192 plaintiffs; *Coolidge*, filed July 19, 2024, approximately two plaintiffs; *Sharon Andersen*, filed July 22, 2024, approximately 23 plaintiffs, including a wrongful death claim; *Billingsley*, filed July 25, 2024, approximately 22 plaintiffs, including a wrongful death claim; *Howe*, filed July 25, 2024, approximately 51 plaintiffs; *Cloutman*, filed July 26, 2024, approximately 114 plaintiffs; *Bolden*, filed July 26, 2024, approximately seven plaintiffs; *Rainey*, filed July 26, 2024, approximately 29 plaintiffs, including a wrongful death claim; *Hegler*, filed July 29, 2024, approximately three plaintiffs; *Meier*, filed July 29, 2024, approximately 203 plaintiffs; and *Propp*, filed August 5, 2024, approximately six plaintiffs. As a result of settlements reached in principle in April 2025, the bellwether trial in *Bridges* and the trial for the wrongful death claim in *Huber* have been cancelled.

On April 12, 2024, a complaint against PaciFiCorp was filed, captioned *Susanne White v. PaciFiCorp* in U.S. District Court for the Eastern District of California by one plaintiff.

On April 26, 2024, a complaint against PaciFiCorp was filed, captioned *Lynette Marie Adams et al. v. PaciFiCorp*, ("Adams") in Sacramento County Superior Court California by approximately 12 plaintiffs.

Item 1A. Risk Factors

There has been no material change to each Registrant's risk factors from those disclosed in Item 1A of each Registrant's Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Information regarding Berkshire Hathaway Energy's and PacifiCorp's mine safety violations and other legal matters disclosed in accordance with Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is included in Exhibit 95 to this Form 10-Q.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following is a list of exhibits filed as part of this Quarterly Report.

Exhibit No. Description

BERKSHIRE HATHAWAY ENERGY

- 4.1 [Trust Deed, dated as of March 21, 2025, among Northern Powergrid \(Yorkshire\) plc, Northern Powergrid \(Northeast\) plc and HSBC Corporate Trustee Company \(UK\) Limited, relating to the £1,000,000,000 Euro Medium Term Note Programme.](#)
- 4.2 [Subscription Agreement, dated as of March 28, 2025, among Northern Powergrid \(Yorkshire\) plc, Barclays Bank PLC, HSBC Bank plc, Lloyds Bank Corporate Markets plc and RBC Europe Limited, relating to the £250,000,000 in principal amount of the 6.125% Fixed Rate Notes due 2050.](#)
- 10.1 [First Amending Agreement to the Credit Agreement, dated as of February 4, 2025, among BHE Canada Holdings Corporation, as borrower, Bank of Montreal, as administrative agent, and Lenders.](#)
- 10.2 [Berkshire Hathaway Energy Company Long-Term Incentive Partnership Plan as Amended and Restated December 1, 2024.](#)
- 15.1 [Awareness Letter of Independent Registered Public Accounting Firm.](#)
- 31.1 [Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2 [Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

PACIFICORP

- 15.2 [Awareness Letter of Independent Registered Public Accounting Firm.](#)
- 31.3 [Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.4 [Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.3 [Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.4 [Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

BERKSHIRE HATHAWAY ENERGY AND PACIFICORP

- 4.2 [Indenture, dated as of March 20, 2025, between PacifiCorp and The Bank of New York Mellon Trust Company, N.A., as trustee \(incorporated by reference to Exhibit 4.1 to the PacifiCorp Current Report on Form 8-K dated March 20, 2025\).](#)
- 4.3 [First Supplemental Indenture, dated as of March 20, 2025, between PacifiCorp and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 7.375% Fixed-to-Fixed Reset Rate Junior Subordinated Notes due 2055 \(including the form of the Notes\) \(incorporated by reference to Exhibit 4.2 to the PacifiCorp Current Report on Form 8-K dated March 20, 2025\).](#)
- 95 [Mine Safety Disclosures Required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.](#)

MIDAMERICAN ENERGY

- 15.3 [Awareness Letter of Independent Registered Public Accounting Firm.](#)
- 31.5 [Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.6 [Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.5 [Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.6 [Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

Exhibit No. Description

MIDAMERICAN FUNDING

- 31.7 [Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.8 [Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.7 [Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.8 [Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

NEVADA POWER

- 15.4 [Awareness Letter of Independent Registered Public Accounting Firm.](#)
- 31.9 [Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.10 [Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.9 [Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.10 [Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

SIERRA PACIFIC

- 15.5 [Awareness Letter of Independent Registered Public Accounting Firm.](#)
- 31.11 [Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.12 [Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.11 [Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.12 [Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

EASTERN ENERGY GAS

- 15.6 [Awareness Letter of Independent Registered Public Accounting Firm.](#)
- 31.13 [Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.14 [Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.13 [Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.14 [Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

EASTERN GAS TRANSMISSION AND STORAGE

- 31.15 [Principal Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.16 [Principal Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.15 [Principal Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.16 [Principal Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

Exhibit No. Description

ALL REGISTRANTS

101 The following financial information from each respective Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, is formatted in iXBRL (Inline eXtensible Business Reporting Language) and included herein: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Changes in Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements, tagged in summary and detail.

104 Cover Page Interactive Data File formatted in iXBRL (Inline eXtensible Business Reporting Language) and contained in Exhibit 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BERKSHIRE HATHAWAY ENERGY COMPANY

Date: May 2, 2025

/s/ Charles C. Chang

Charles C. Chang

Senior Vice President and Chief Financial Officer
(principal financial and accounting officer)

PACIFICORP

Date: May 2, 2025

/s/ Nikki L. Kobliska

Nikki L. Kobliska

Senior Vice President and Chief Financial Officer
(principal financial and accounting officer)

MIDAMERICAN FUNDING, LLC MIDAMERICAN ENERGY COMPANY

Date: May 2, 2025

/s/ Blake M. Groen

Blake M. Groen

Vice President and Controller
of MidAmerican Funding, LLC and
Vice President and Chief Financial Officer
of MidAmerican Energy Company
(principal financial and accounting officer)

NEVADA POWER COMPANY

Date: May 2, 2025

/s/ Michael J. Behrens

Michael J. Behrens

Vice President and Chief Financial Officer
(principal financial and accounting officer)

SIERRA PACIFIC POWER COMPANY

Date: May 2, 2025

/s/ Michael J. Behrens

Michael J. Behrens

Vice President and Chief Financial Officer
(principal financial and accounting officer)

EASTERN ENERGY GAS HOLDINGS, LLC

Date: May 2, 2025

/s/ Scott C. Miller

Scott C. Miller

Vice President, Chief Financial Officer and Treasurer
(principal financial and accounting officer)

EASTERN GAS TRANSMISSION AND STORAGE, INC.

Date: May 2, 2025

/s/ Scott C. Miller

Scott C. Miller

Vice President, Chief Financial Officer and Treasurer
(principal financial and accounting officer)

EXHIBIT 15.1

May 2, 2025

To the Board of Directors and Shareholders of
Berkshire Hathaway Energy Company
1615 Locust St.
Des Moines, Iowa 50309

We are aware that our report dated May 2, 2025, on our review of the interim financial information of Berkshire Hathaway Energy Company appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, is incorporated by reference in Registration Statement No. 333-276321 on Form S-8.

/s/ Deloitte & Touche LLP

Des Moines, Iowa

EXHIBIT 15.2

May 2, 2025

The Board of Directors and Shareholder of
PacifiCorp
825 N.E. Multnomah Street
Portland, Oregon 97232

We are aware that our report dated May 2, 2025, on our review of the interim financial information of PacifiCorp appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, is incorporated by reference in Registration Statement No. 333-281019 on Form S-3.

/s/ Deloitte & Touche LLP

Portland, Oregon

May 2, 2025

To the Board of Directors and Shareholder of
MidAmerican Energy Company
1615 Locust St.
Des Moines, Iowa 50309

We are aware that our report dated May 2, 2025, on our review of the interim financial information of MidAmerican Energy Company appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, is incorporated by reference in Registration Statement No. 333-257069 on Form S-3.

/s/ Deloitte & Touche LLP

Des Moines, Iowa

EXHIBIT 15.4

May 2, 2025

To the Board of Directors and Shareholder of
Nevada Power Company
6226 West Sahara Avenue
Las Vegas, Nevada 89146

We are aware that our report dated May 2, 2025, on our review of the interim financial information of Nevada Power Company appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, is incorporated by reference in Registration Statement No. 333-283731 on Form S-3.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada

EXHIBIT 15.5

May 2, 2025

To the Board of Directors and Shareholder of
Sierra Pacific Power Company
6100 Neil Road
Reno, Nevada 89511

We are aware that our report dated May 2, 2025, on our review of the interim financial information of Sierra Pacific Power Company appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, is incorporated by reference in Registration Statement No. 333-285816 on Form S-3.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada

EXHIBIT 15.6

May 2, 2025

The Board of Directors of
Eastern Energy Gas Holdings, LLC
10700 Energy Way
Glen Allen, Virginia 23060

We are aware that our report dated May 2, 2025, on our review of the interim financial information of Eastern Energy Gas Holdings, LLC appearing in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, is incorporated by reference in Registration Statement No. 333-276072 on Form S-3.

/s/ Deloitte & Touche LLP

Richmond, Virginia

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Scott W. Thon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Berkshire Hathaway Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Scott W. Thon

Scott W. Thon

President and Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Charles C. Chang, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Berkshire Hathaway Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Charles C. Chang

Charles C. Chang

Senior Vice President and Chief Financial Officer

(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Cindy A. Crane, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PacifiCorp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Cindy A. Crane

Cindy A. Crane

Chair of the Board of Directors and Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Nikki L. Kobliha, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PacifiCorp;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Nikki L. Kobliha

Nikki L. Kobliha

Senior Vice President and Chief Financial Officer
(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Kelcey A. Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MidAmerican Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Kelcey A. Brown

Kelcey A. Brown

President and Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Blake M. Groen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MidAmerican Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Blake M. Groen

Blake M. Groen

Vice President and Chief Financial Officer

(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Kelcey A. Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MidAmerican Funding, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Kelcey A. Brown
Kelcey A. Brown
President
(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Blake M. Groen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MidAmerican Funding, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Blake M. Groen

Blake M. Groen

Vice President and Controller

(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Douglas A. Cannon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nevada Power Company (dba NV Energy);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Douglas A. Cannon

Douglas A. Cannon

President and Chief Executive Officer

(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Michael J. Behrens, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nevada Power Company (dba NV Energy);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Michael J. Behrens

Michael J. Behrens

Vice President and Chief Financial Officer

(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Douglas A. Cannon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sierra Pacific Power Company (dba NV Energy);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Douglas A. Cannon

Douglas A. Cannon

President and Chief Executive Officer

(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Michael J. Behrens, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sierra Pacific Power Company (dba NV Energy);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Michael J. Behrens

Michael J. Behrens

Vice President and Chief Financial Officer

(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Paul E. Ruppert, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eastern Energy Gas Holdings, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Paul E. Ruppert

Paul E. Ruppert

President and Chief Executive Officer

(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Scott C. Miller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eastern Energy Gas Holdings, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Scott C. Miller

Scott C. Miller

Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Paul E. Ruppert, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eastern Gas Transmission and Storage, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Paul E. Ruppert

Paul E. Ruppert

President and Chair of the Board of Directors
(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Scott C. Miller, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eastern Gas Transmission and Storage, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2025

/s/ Scott C. Miller

Scott C. Miller

Vice President, Chief Financial Officer and Treasurer
(principal financial officer and accounting officer)

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Scott W. Thon, President and Chief Executive Officer of Berkshire Hathaway Energy Company (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 2, 2025

/s/ Scott W. Thon

Scott W. Thon

President and Chief Executive Officer

(principal executive officer)

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Charles C. Chang, Senior Vice President and Chief Financial Officer of Berkshire Hathaway Energy Company (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 2, 2025

/s/ Charles C. Chang

Charles C. Chang

Senior Vice President and Chief Financial Officer
(principal financial officer)

EXHIBIT 32.3

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Cindy A. Crane, Chair of the Board of Directors and Chief Executive Officer of PacifiCorp, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of PacifiCorp for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of PacifiCorp.

Date: May 2, 2025

/s/ Cindy A. Crane

Cindy A. Crane

Chair of the Board of Directors and Chief Executive Officer
(principal executive officer)

EXHIBIT 32.4

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Nikki L. Kobligha, Senior Vice President and Chief Financial Officer of PacifiCorp, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of PacifiCorp for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of PacifiCorp.

Date: May 2, 2025

/s/ Nikki L. Kobligha

Nikki L. Kobligha

Senior Vice President and Chief Financial Officer
(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Kelcey A. Brown, President and Chief Executive Officer of MidAmerican Energy Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of MidAmerican Energy Company for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of MidAmerican Energy Company.

Date: May 2, 2025

/s/ Kelcey A. Brown

Kelcey A. Brown

President and Chief Executive Officer

(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Blake M. Groen, Vice President and Chief Financial Officer of MidAmerican Energy Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of MidAmerican Energy Company for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of MidAmerican Energy Company.

Date: May 2, 2025

/s/ Blake M. Groen

Blake M. Groen

Vice President and Chief Financial Officer

(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Kelcey A. Brown, President of MidAmerican Funding, LLC, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of MidAmerican Funding, LLC for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of MidAmerican Funding, LLC.

Date: May 2, 2025

/s/ Kelcey A. Brown

Kelcey A. Brown

President

(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Blake M. Groen, Vice President and Controller of MidAmerican Funding, LLC, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of MidAmerican Funding, LLC for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of MidAmerican Funding, LLC.

Date: May 2, 2025

/s/ Blake M. Groen

Blake M. Groen

Vice President and Controller

(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Douglas A. Cannon, President and Chief Executive Officer of Nevada Power Company (dba NV Energy), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of Nevada Power Company for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Nevada Power Company.

Date: May 2, 2025

/s/ Douglas A. Cannon

Douglas A. Cannon

President and Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Michael J. Behrens, Vice President and Chief Financial Officer of Nevada Power Company (dba NV Energy), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of Nevada Power Company for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Nevada Power Company.

Date: May 2, 2025

/s/ Michael J. Behrens

Michael J. Behrens

Vice President and Chief Financial Officer
(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Douglas A. Cannon, President and Chief Executive Officer of Sierra Pacific Power Company (dba NV Energy), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of Sierra Pacific Power Company for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Sierra Pacific Power Company.

Date: May 2, 2025

/s/ Douglas A. Cannon

Douglas A. Cannon

President and Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Michael J. Behrens, Vice President and Chief Financial Officer of Sierra Pacific Power Company (dba NV Energy), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of Sierra Pacific Power Company for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Sierra Pacific Power Company.

Date: May 2, 2025

/s/ Michael J. Behrens

Michael J. Behrens

Vice President and Chief Financial Officer
(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Paul E. Ruppert, President and Chief Executive Officer of Eastern Energy Gas Holdings, LLC, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of Eastern Energy Gas Holdings, LLC for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Eastern Energy Gas Holdings, LLC.

Date: May 2, 2025

/s/ Paul E. Ruppert

Paul E. Ruppert

President and Chief Executive Officer
(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Scott C. Miller, Vice President, Chief Financial Officer and Treasurer of Eastern Energy Gas Holdings, LLC, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of Eastern Energy Gas Holdings, LLC for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Eastern Energy Gas Holdings, LLC.

Date: May 2, 2025

/s/ Scott C. Miller

Scott C. Miller

Vice President, Chief Financial Officer and Treasurer
(principal financial officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Paul E. Ruppert, President and Chair of the Board of Directors of Eastern Gas Transmission and Storage, Inc., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of Eastern Gas Transmission and Storage, Inc. for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Eastern Gas Transmission and Storage, Inc.

Date: May 2, 2025

/s/ Paul E. Ruppert

Paul E. Ruppert

President and Chair of the Board of Directors

(principal executive officer)

**CERTIFICATION PURSUANT TO
SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Scott C. Miller, Vice President, Chief Financial Officer and Treasurer of Eastern Gas Transmission and Storage, Inc., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of Eastern Gas Transmission and Storage, Inc. for the quarterly period ended March 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of Eastern Gas Transmission and Storage, Inc.

Date: May 2, 2025

/s/ Scott C. Miller

Scott C. Miller

Vice President, Chief Financial Officer and Treasurer

(principal financial and accounting officer)

EXHIBIT 95**MINE SAFETY VIOLATIONS AND OTHER LEGAL MATTER DISCLOSURES
PURSUANT TO SECTION 1503(a) OF THE DODD-FRANK WALL STREET
REFORM AND CONSUMER PROTECTION ACT**

PacifiCorp and its subsidiaries operate certain coal mines and coal processing facilities (collectively, the "mining facilities") that are regulated by the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Safety Act"). MSHA inspects PacifiCorp's mining facilities on a regular basis. The total number of reportable Mine Safety Act citations, orders, assessments and legal actions for the three-month period ended March 31, 2025 are summarized in the table below and are subject to contest and appeal. The severity and assessment of penalties may be reduced or, in some cases, dismissed through the contest and appeal process. Amounts are reported regardless of whether PacifiCorp has challenged or appealed the matter. Mines that are closed or idled are not included in the information below. There were no mining-related fatalities during the three-month period ended March 31, 2025. PacifiCorp has not received any notice of a pattern, or notice of the potential to have a pattern, of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under Section 104(e) of the Mine Safety Act during the three-month period ended March 31, 2025.

Mining Facilities	Mine Safety Act						Legal Actions			
	Section 104 Significant and Substantial Citations ⁽¹⁾	Section 104(b) Orders ⁽²⁾	Section 104(d) Citations/ Orders ⁽³⁾	Section 110(b)(2) Violations ⁽⁴⁾	Section 107(a) Imminent Danger Orders ⁽⁵⁾	Total Value of Proposed MSHA Assessments (in thousands)	Pending as of Last Day of Period ⁽⁶⁾	Instituted During Period	Resolved During Period	
Brider (surface)	—	—	—	—	—	\$ —	—	—	—	
Wyodak Coal Crushing Facility	—	—	—	—	—	—	—	—	—	

(1) Citations for alleged violations of mandatory health and safety standards that could significantly or substantially contribute to the cause and effect of a safety or health hazard under Section 104 of the Mine Safety Act.

(2) For alleged failure to totally abate the subject matter of a Mine Safety Act Section 104(a) citation within the period specified in the citation.

(3) For alleged unwarrantable failure (i.e., aggravated conduct constituting more than ordinary negligence) to comply with a mandatory health or safety standard.

(4) For alleged flagrant violations (i.e., reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury).

(5) For the existence of any condition or practice in a coal or other mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated.

(6) For the existence of any proposed penalties under Subparts B-H of the Federal Mine Safety and Health Review Commission's procedural rules. The pending legal actions are not exclusive to citations, notices, orders and penalties assessed by the MSHA during the reporting period.

Appendix C
PacifiCorp
Summary of Earnings
Twelve Months Ended December 31, 2024

Line	Item	California
1	Operating Revenue	\$134,795,248
2	Operating Expenses	<u>\$125,942,570</u>
3	Operating Revenue for Return	<u><u>\$8,852,678</u></u>
4	Total Rate Base	\$491,959,246
5	Return on Rate Base	1.80%

ATTACHMENT I

West Coast Gas Company, Inc.
Financial Documentation

Attachment B
WEST COAST GAS COMPANY INC.
 Balance Sheet, December 31, 2024
 Page 1 of 8

ASSETS

Cash & Cash Equivalent Assets

131	BA Checking	\$ 190,731.68
131a	Working Funds / Petty Cash	500.00
131b	CD & Money Market Funds	<u>2,747,835.57</u>
Total Cash & Cash Equivalent Assets		2,939,067.25

Other Current Assets

140	Accounts Receivable	325,555.80
141	Employee Advance	11,506.30
141a	Employee Advance - Karen	517.50
142	Special Deposits	5,000.00
143	Special Projects	2,050.96
144	Uncollectable Accounts	(9,661.12)
154	Material & Supply Inventory	2,606.39
183	Gen Liab, Veh, Prop Insurance	18,844.71
183a	CARE / PPP Balancing Account	34,579.99
183b	General Rate Case	13,628.98
183c	Web Site	115,458.95
183d	CARB Memo Account	29,416.98
183e	Misc. Deferred Debits	71,029.09
183g	MAMA Memo Account	5,798.13
183i	COVID 19	25,473.47
183j	Navitas Transfer	21,296.90
183k	Treasure Island	55.62
183l	Leases	<u>30,426.95</u>
Total Other Current Assets		703,585.60

Attachment B
WEST COAST GAS COMPANY INC.
 Balance Sheet, December 31, 2024
 Page 2 of 8

Long Term Assets

186	Base Rate Revenue	<u>66,112.30</u>
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Total Long Term Assets	66,112.30
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Non Utility Plant Assets (121)

121	Non Utility Herlong Plant	383,459.11
121a	Non Utility Plant PHFU	24,370.62
122	Non Utility Depreciation	<u>(255,363.62)</u>

Total Non Utility Plant Assets	152,466.11
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Intangible Plant Assets (301-303)

301c	Organization Cost - Castle	9,858.58
301m	Organization Cost - Mather	37,744.42
302c	Franchise & Consents - Castle	66,110.00
302m	Franchise & Consents - Mather	<u>332,066.00</u>

Total Intangible Plant Assets	445,779.00
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Distribution Plant Assets (374-387)

376c	Mains - Castle	132,419.42
376m	Mains - Mather	897,689.36
378m	Meas & Reg Equipment - Mather	16,813.04
379c	Meas Equipment Prison - Castle	57,124.27
379m	Meas Equipment Wherry - Mather	32,964.32
380c	Services - Castle	19,574.58
380m	Services - Mather	379,919.86
381c	Meters - Castle	9,839.22
381m	Meters - Mather	528,068.11
382c	Meter Installation - Castle	522.63
382m	Meter Installation - Mather	13,555.87
383c	Regulators - Castle	1,939.50

Attachment B
WEST COAST GAS COMPANY INC.
 Balance Sheet, December 31, 2024
 Page 3 of 8

Distribution Plant Assets (374-387) (Continued)

383m	Regulators - Mather	7,641.47
385c	Reg Station - Castle	81,195.48
385m	Reg Station - Mather	37,752.56
387c	Cathodic Protection - Castle	32,595.69
387m	Cathodic Protection - Mather	<u>99,984.79</u>

Total Distribution Plant Assets **2,349,600.17**

General Plant Assets (389-398)

389	Land - 1323 Castle	37,226.35
390	Structures & Improvements	94,513.71
391	Office Furniture & Equipment	96,318.60
392	Transportation Equipment	365,248.88
393	Excavator	61,327.63
394	Tools, Shop, Garage Equipment	58,790.16
396	Power Operated Equipment	51,596.97
397	Communication Equipment	10,408.54
398	Misc. Equipment	<u>72,356.51</u>

Total General Plant Assets **847,787.35**

Total Utility Plant In Service (101) **3,643,166.52**

Depreciation

108	Accumulated Depreciation - DP	(2,068,242.20)
108a	Accumulated Depreciation - GP	<u>(561,267.02)</u>
Total Depreciation		(2,629,509.22)

TOTAL ASSETS **\$ 4,874,888.56**

Attachment B
WEST COAST GAS COMPANY INC.
 Balance Sheet, December 31, 2024
 Page 4 of 8

LIABILITIES AND CAPITAL

Current Liabilities

232	Accounts Payable	\$ 363,328.96
236	Commercial Customer Deposits	250.00
Total Current Liabilities		363,578.96

Deferred Liabilities

252	Refundable Customer Advances	33,036.27
271	Construction Aid Contribution	648,317.09
271a	Advance for Construction	12,971.36
281F	Federal Income Tax Paid	(198,513.49)
281S	State Income Tax Paid	(111,576.87)
Total Deferred Liabilities		384,234.36

Long-Term Liabilities

225	Base Rate Revenue	66,112.30
231a	Notes Payable / Auto Loans	31,533.89
Total Long-Term Liabilities		97,646.19

Capital

201	Common Stock	1,092,578.00
216	Retained Earnings	3,002,598.73
	Net Income	(65,747.68)
Total Capital		4,029,429.05
TOTAL LIABILITIES & CAPITAL		\$ 4,874,888.56

Attachment B

WEST COAST GAS COMPANY INC.

Income Statement, Twelve Months Ended December 31, 2024

Page 5 of 8

Operating Revenue		YTD
480	Mather Residential	\$1,075,809.31
481c	Castle Commercial	873,270.74
481m	Mather Commercial	918,805.99
495	Other Gas Revenue / App Fee	1,850.00
495a	Other Gas Revenue / CSF	2,330.00
495b	Other Gas Rev / Misc. Income	0.22
Total Operating Revenue		2,872,066.26

Operating Expense - Natural Gas Supply		
730	Natural Gas Purchases	\$450,005.68
736	Other Gas Supply Expenses	73,921.90
750	Natural Gas Transport / Gold	55,722.71
750c	Natural Gas Transport / Castle	310,762.64
750m	Natural Gas Transport / Mather	560,466.03
Total Gas Supply Expense		1,450,878.96

GROSS MARGIN		
		\$1,421,187.30

Operating Expense		
760	Supervision	\$92,862.01
761	Mains & Services Labor	25,763.51
762	Mains & Services Supplies	7,834.26
763	Meters & House Regulators	9,593.99
763NL	Meters & House Regulators NL	3,950.44
764	Customer Installation	11,915.03
765	Misc. Distribution Expense	131,763.91
765NL	Misc. Distrib Exp / Non Labor	128,426.16
766	Maintenance Space / Rent	130,299.00
Total Operating Expense		542,408.31

Attachment B

WEST COAST GAS COMPANY INC.

Income Statement, Twelve Months Ended December 31, 2024

Page 6 of 8

Maintenance Expense

767	Line Maintenance Expense	\$144,987.72
767NL	Line Maintenance Exp / Non Lab	7,702.11
768a	OME Procedures	19,177.12
768b	OQ & Field Training	19,947.55
768c	Mandatory Reports	14,336.88
768d	Safety Audits	3,197.49
768e	Advice Letters	15,987.52
768f	FERC Accounting	1,669.15
887	Leak Repair	32,973.24
887NL	Leak Repair / Non Labor	286.87
Total Maintenance Expense		260,265.65

Customer Accounting Expense

901	Meter Reading	\$22,927.75
902	Accounting & Collecting Labor	88,307.19
903	Acctng & Collecting Supplies	25,085.21
904	Uncollectable Account	3,342.52
Total Customer Accounting Expense		139,662.67

Administration & General Expense

920	Admin & General Salaries	\$50,015.33
921	Office Expenses	400.00
921NL	Office Expenses / Non Labor	16,987.30
923	Outside Services	42,448.35
924	Prop, Liab, Work Comp Insur	109,891.59
926	Employee Benefits	129,206.04
926S	Employee Benefit / Sick Time	15,523.10
926V	Employee Benefit / Vac Time	39,152.28
927	Franchise Requirements	20,465.42
928	Regulatory Commission Expense	4,541.20
930	Misc. Gen Exp / Merchant Serv	18,658.90
931	Office Space / Rent	43,433.00

Attachment B

WEST COAST GAS COMPANY INC.

Income Statement, Twelve Months Ended December 31, 2024

Page 7 of 8

Administration & General Expense (Continued)

935	General Plant Maintenance	18,793.73
935NL	General Plant Maint / Non Lab	31,651.03
	Total Administration & General Expenses	541,167.27

Tax Expense (Other Than Income Tax)

408b	Property Taxes	\$14,550.42
408e	Utility User Tax	22,745.23
	Total Tax Expense (Other Than Income)	37,295.65

Misc. Operating Expense

403	Depreciation Expense	\$78,798.55
405	Amortization Expense	29,871.80
409	Utility Income Tax Expense	(58,774.45)
	Total Misc. Operating Expense	49,895.90

TOTAL OPERATING EXPENSE **\$1,570,695.45**

NET OPERATING INCOME **(\$149,508.15)**

Attachment B

WEST COAST GAS COMPANY INC.

Income Statement, Twelve Months Ended December 31, 2024

Page 8 of 8

Other Income / Expense

409a	Non Utility Income Tax Expense	\$28,259.93
411	Other Utility Income	(68,990.03)
411a	Other Non Utility Income	(0.06)
412	Non Utility Expenses	260,575.69
417a	Non Utility Herlong Income	(429,072.29)
417b	Non Utility Herlong Deprec	12,782.04
417c	Non Utility Herlong Gas Purch	156,243.61
417e	Non Utility Herlong Expense	50,675.75
419	Interest Income	(100,771.67)
426	Civic & Political Activities	865.00
431	Interest Expense	5,671.56
	Total Other Income / Expense	(83,760.47)
	<i>NET INCOME</i>	<u>(\$65,747.68)</u>

Attachment E

WEST COAST GAS COMPANY INC.

Summary of Earnings, Twelve Months Ended December 31, 2024

Page 1 of 1

Line No.		YTD
1	Operating Revenue	\$1,421,187.30
2	Operating Expense	\$1,570,695.45
3	Net Operating Income	(\$149,508.15)

Attachment E
WEST COAST GAS COMPANY INC.
 Depreciation as of December 31, 2024
 Page 1 of 2

ACCT. #	DEPRECIATION	ORIGINAL COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
NON UTILITY PLANT ASSETS				
121	Herlong Plant	383,459.11	255,362.85	128,096.26
121a	Plant PHFU	24,370.62	0.00	24,370.62
	TOTAL NON UTILITY PLANT ASSETS	407,829.73	255,362.85	152,466.88
ORGANIZATIONAL COSTS				
301c	Castle	9,858.58	0.00	9,858.58
301m	Mather	37,744.42	0.00	37,744.42
302c	Other	66,110.00	0.00	66,110.00
302m	Loan Fees & Costs	332,066.00	0.00	332,066.00
	TOTAL ORANIZATIONAL COSTS	445,779.00	0.00	445,779.00
GAS FACILITIES - CASTLE				
376c	Mains	132,419.42	115,180.17	17,239.25
378c	Measure & Regulator Equipment	0.00	0.00	0.00
379c	Measure Equipment - Prison	57,124.27	33,237.27	23,887.00
380c	Services	19,574.58	15,073.77	4,500.81
381c	Meters	9,839.22	7,311.97	2,527.25
382c	Meter Installation	522.63	429.39	93.24
383c	Regulators	1,939.50	851.94	1,087.56
385c	Reg Station	81,195.48	62,523.40	18,672.08
387c	Cathodic Protection	32,595.69	24,775.31	7,820.38
	Total Castle	335,210.79	259,383.22	75,827.57

Attachment D
WEST COAST GAS COMPANY INC.
 Depreciation as of December 31, 2024
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ACCT.		ORIGINAL COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE
#	DEPRECIATION			
GAS FACILITIES - MATHER				
376m	Mains	897,689.36	897,689.36	0.00
378m	Measure & Regulator Equipment	16,624.06	14,783.83	1,840.23
379m	Measure Equipment - Wherry	32,964.32	30,067.92	2,896.40
380m	Services	379,919.86	289,691.35	90,228.51
381m	Meters	528,068.11	528,068.11	0.00
382m	Meter Installation	13,555.87	13,555.87	0.00
383m	Regulators	7,641.47	6,061.90	1,579.57
385m	Reg Station	37,941.54	15,720.05	22,221.49
387m	Cathodica Protection	99,984.79	46,220.53	53,764.26
Total Mather		2,014,389.38	1,841,858.92	172,530.46
TOTAL GAS FACILITIES		2,349,600.17	2,101,242.14	248,358.03
389	Land	37,226.35	0.00	37,226.35
OTHER ASSETS				
390	Improvements	94,513.71	35,136.12	59,377.59
391	Office Furniture & Equipment	96,318.60	75,209.83	21,108.77
392	Automotive Equipment	365,248.88	217,150.37	148,098.51
393	Excavator	61,327.63	59,283.19	2,044.44
394	Machinery & Equipment	58,790.16	50,956.22	7,833.94
396	Power Operated Equipment	51,596.97	47,798.75	3,798.22
397	Communication Equipment	10,408.54	9,948.94	459.60
398	Misc. Equipment	72,356.51	65,783.57	6,572.94
TOTAL OTHER ASSETS		810,561.00	561,266.99	249,294.01
GRAND TOTAL ASSETS				
4,013,769.90				
2,917,871.98				
1,095,897.92				