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01/24/25

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A2409004

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFICORP (U 901 E) for Authority
to Recover Costs Recorded in the
Catastrophic Event Memorandum
Account.

Application 24-09-004

ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING

Summary

This Scoping Memo and Ruling (Scoping Memo) sets forth the issues, need for evidentiary hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Factual and Procedural Background

PacifiCorp d/b/a Pacific Power (PacifiCorp) filed Application (A.) 24-09-004 (Application) with the California Public Utilities Commission (Commission) on September 16, 2024. PacifiCorp is a multi-jurisdictional utility that provides electrical service to customers in California and several other states.¹

In August 2023, the Smith River Complex and Happy Camp Complex fires (collectively, Fires) occurred in northern California. The Fires caused extensive damage to PacifiCorp's electrical facilities. PacifiCorp recorded total operating

¹ Application at 2.

and capital costs of approximately \$29.6 million in its Catastrophic Event Memorandum Account (CEMA) to respond to the Fires and repair its electrical facilities excluding accrued interest. The Application seeks that the Commission approve PacifiCorp's request to recover its recorded CEMA costs for the Fires. Those costs include approximately \$25.3 million in operational and maintenance (O&M) expenses and \$4.4 million in capital costs on a California-allocated basis.² In Resolution No. E-3238, the Commission authorized investor-owned utilities to record and recover CEMA costs.³

On September 18, 2024, the Application appeared on the Commission's Daily Calendar.

On October 17, 2024, ALJ Resolution 176-3553 issued and preliminarily categorized this proceeding as ratesetting.

On October 18, 2024, the Public Advocates Office (Cal Advocates) filed a protest to the Application.

On November 22, 2024, a ruling set a virtual Prehearing Conference (PHC) for December 5, 2024.

On December 5, 2024, the PHC was held to address the issues of law and fact, the need for an evidentiary hearing, the schedule and other procedural matters. Representatives for PacifiCorp, Cal Advocates and Small Business Utility Advocates (SBUA) attended and participated in the PHC. During the PHC, SBUA's representative made an oral motion to become a party to this proceeding. The assigned Administrative Law Judge (ALJ) granted SBUA's motion to become a party on the record during the PHC.

² Application at 1.

³ See Pub. Util. Code Section 454.9.

After considering the record of this proceeding and the statements of the parties at the PHC, I have determined the issues and initial schedule of the proceedings as set forth in this Scoping Memo. I have also determined that no environmental and social justice issues have been raised at this time.

2. Issues

The issues to be determined in this proceeding are:

1. Whether PacifiCorp's requests of \$25.3 million in O&M expenses and approximately \$4.4 million in capital investments costs on a California-allocated basis are incremental, reasonable, and recoverable;
2. Whether PacifiCorp timely established a CEMA for each of the CEMA events and appropriately booked the costs of restoration in accordance with Pub. Util. Code Section 454.9, Commission Resolution E-3238, and/or any other pertinent Commission policies or practices;
3. Whether disaster declarations cover the geographical location and impacts of PacifiCorp's requested rate recovery for O&M and capital costs;
4. Whether the costs in PacifiCorp's \$25.9 million CEMA revenue requirement request are for: (1) restoring utility services to customers, (2) repairing, replacing, or restoring damaged utility facilities, or (3) complying with governmental agency orders in connection with the events declared disasters by competent state or federal authorities;
5. Whether PacifiCorp requests to recover costs that are not covered by insurance;
6. Whether the accounting method(s) used for booking costs regarding the CEMA events is reasonable, justified, and consistent with the law;
7. Whether the allocation of the CEMA-eligible incremental operating and capital costs to California ratepayers and the associated revenue requirement request of \$25.9 million is reasonable, justified and consistent with the law; and

8. Whether the Commission should approve PacifiCorp’s proposed amortization period of two years or another reasonable period.

3. Need for Evidentiary Hearing

Cal Advocates’ protest states an evidentiary hearing is necessary. In the absence of agreement of the parties that an evidentiary hearing is not needed, I find that an evidentiary hearing is needed.

4. Schedule

The following schedule is adopted and may be modified by the assigned ALJ as required to promote the efficient and fair resolution of the proceeding:

Event	Date
Intervenor Testimony	April 25, 2025
Rebuttal Testimony	May 23, 2025
Joint Case Management Statement for Evidentiary Hearings	May 30, 2025
Evidentiary Hearings (if necessary)	June 15-16, 2025
Opening Briefs	July 1, 2025
Reply Briefs (Submission)	July 15, 2025
Proposed Decision (PD)	Within 90 days of submission
Comments on PD	20 days after PD issues
Final Decision	No sooner than 30 days after PD issues

This proceeding will stand submitted upon the filing of Reply Briefs unless the ALJ issues a ruling requesting additional information. Based upon this schedule, I find that this matter will be resolved within 18 months of the filing of the Application as required by Pub. Util. Code Section 1701.5.

5. Category of Proceeding and Ex Parte Restrictions

This Scoping Memo confirms the Commission's preliminary categorization of this proceeding as ratesetting. Accordingly, *ex parte* communications are restricted pursuant to Article 8 of the Rules.

6. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. This matter was noticed on the Commission's Daily Calendar. Where feasible and appropriate, this matter was incorporated into engagements conducted by the Commission's External Affairs Division with local governments and other interested parties.

7. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

8. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at

<http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

9. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.⁴

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, however, paper copies are not required in this proceeding.

When serving documents upon Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at

⁴ The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

10. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

11. Assignment of Proceeding

Commissioner John Reynolds is the assigned commissioner and Patrick Petersen is the assigned ALJ and Presiding Officer in this proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. An evidentiary hearing is needed.
4. This proceeding is categorized as ratesetting.

5. Administrative Law Judge Patrick Petersen is the Presiding Officer.

Dated January 24, 2025, at San Francisco, California.

/s/ JOHN REYNOLDS

John Reynolds
Assigned Commissioner