

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of PacifiCorp (U 901 E) to Establish
the Successor Wildfire Liabilities and Legal
Expenses Memorandum Sub-Account

Application 26-06-_____
(Filed June 22, 2026)

**APPLICATION OF PACIFICORP (U 901 E) TO ESTABLISH THE SUCCESSOR
WILDFIRE LIABILITIES AND LEGAL EXPENSES MEMORANDUM SUB-ACCOUNT**

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Dated: June 22, 2026

Attorneys for PacifiCorp

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In accordance with Article 2 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, and Public Utilities Code section 701, PacifiCorp d/b/a Pacific Power submits this application requesting authority to establish the successor Wildfire Liabilities and Legal Expenses sub-account in its existing Wildfire Expense Memorandum Account (WEMA). The successor sub-account will track incremental unreimbursed wildfire liability-related costs for any wildfire that ignites and causes damage in PacifiCorp’s California service territory beginning July 1, 2026. PacifiCorp further requests that the successor sub-account be effective as of July 1, 2026, and that it be ongoing with no scheduled closing date. PacifiCorp’s request is consistent with the Commission’s authorization of the company’s existing WEMA and with the WEMAs authorized for the majority of the electric utilities under the Commission’s jurisdiction.

I. STATEMENT OF RELIEF AND AUTHORITY SOUGHT

The Commission authorized PacifiCorp’s existing WEMA in Decision (D.) 25-09-003. The WEMA framework was the result of extensive negotiations between PacifiCorp and the Public Advocates Office at the California Public Utilities Commission (Cal Advocates). As relevant to this application, the WEMA comprises two sub-accounts: (1) the Incremental Insurance Cost Sub-

Account; and (2) the Wildfire Liabilities and Legal Expenses Sub-Account.¹ The insurance sub-account is ongoing and has no sunset date. The wildfire liabilities and legal expenses sub-account, by contrast, is limited to costs associated with wildfires that ignite during the period between June 21, 2020, and June 30, 2026.² PacifiCorp must therefore establish a successor to the wildfire liabilities and legal expenses sub-account for fires occurring after June 30, 2026, if PacifiCorp wishes for the opportunity to recover the associated costs.

A. Proposed Successor Sub-Account

The successor wildfire liabilities and legal expenses sub-account will be identical in most respects to the current sub-account. The sub-account will allow PacifiCorp to record the following costs: (1) wildfire-related liabilities; (2) outside legal costs incurred in the defense or resolution of wildfire claims; (3) insurance proceeds; and (4) financing costs associated with items (1) through (3). Any recorded costs will be incremental to any costs authorized for recovery in a general rate case or other cost recovery proceeding. PacifiCorp will allocate the costs recorded in the sub-account based on the Situs Treatment Based on Damage Location methodology approved in D.25-09-003.³ And the successor sub-account will have a retroactive effective date, either to July 1, 2026, or to the date this application is filed.⁴ PacifiCorp believes a July 1 effective date for the successor sub-account will avoid any confusion or overlap with the June 30 cutoff date of the current sub-account.

The successor wildfire liabilities and legal expenses sub-account will differ from the current sub-account in two respects. First, it will remain open indefinitely, like the existing

¹ D.25-09-003, p. 11.

² D.25-09-003, p. 11.

³ D.25-09-003, pp. 14–17.

⁴ See D.26-02-007, pp. 8–9 (authorizing PacifiCorp to establish a memorandum account with an effective date of May 16, 2024, the application date, instead of PacifiCorp's requested June 12, 2024 effective date, which is the date the Commission approved the advice letter authorizing the underlying transaction).

insurance sub-account. As is discussed below, ongoing WEMAs are standard for electric utilities, and the Commission has determined that ongoing treatment is administratively efficient.⁵ Second, PacifiCorp does not propose to include the three up-front customer cost-mitigation measures that were adopted for the current sub-account.⁶ While PacifiCorp believes in the importance of minimizing rate impacts to customers, there is no way to forecast what costs may be recorded in the successor sub-account in the future and no way to forecast on what timeline such costs may be incurred. By contrast, PacifiCorp and Cal Advocates agreed to the three cost-mitigation measures adopted for the current sub-account because the Slater and McKinney Fires had already occurred and the general magnitude of potential costs could be quantified. For the successor sub-account, it is not possible to make the same determinations or to identify specific proactive cost mitigations that may be helpful or appropriate at whatever future time PacifiCorp seeks to recover the recorded costs. Such decisions must be made based on the totality of known circumstances, including the then-authorized revenue requirement, the magnitude of the recorded costs, PacifiCorp's then-current financial position, affordability metrics, and other similar considerations.

B. PacifiCorp Faces Potential Liability for Future Catastrophic Wildfires

PacifiCorp's California service territory includes significant areas of Tier 2 and some areas of Tier 3 increased wildfire risk, as well as heavily forested regions that have been impacted by increasing rates of tree mortality. PacifiCorp's California service territory has been impacted by wildfires in recent years, including by the 2020 Slater Fire and the McKinney, Mill, and Mountain Fires in 2022. PacifiCorp recently filed WEMA cost recovery Application 26-02-021, which seeks

⁵ See discussion in Section I.D.

⁶ See D.25-09-003, pp. 19–22. The up-front cost-mitigation measures are: (1) deduction of the full stat sublimit insurance coverage for the year the fire occurred, regardless of insurance proceeds actually received; (2) a 60 percent cap on the total expense for cost-recovery requests; and (3) PacifiCorp would seek securitization or amortization over at least five years of the authorized costs.

recovery of approximately \$340 million in liability and legal expense costs associated with the Slater and McKinney Fires.⁷ If PacifiCorp's equipment or facilities are found to be the cause of any future wildfires or if PacifiCorp faces lawsuits based on such allegations, PacifiCorp could face substantial additional costs, including strict liability damages arising from the doctrine of inverse condemnation.

C. A Successor Sub-Account is Appropriate and Necessary

The Commission has identified a number of policy considerations that support authorizing ongoing WEMAs for electric utilities. In terms of wildfire risk and the associated financial repercussions, the Commission has found that all electric utilities in California face heightened wildfire risk.⁸ The current state of the law on utility wildfire liability and its effects on utilities and the uncertainty about if, how, or when the law may change support establishing an ongoing WEMA; the Commission can always direct the utility to discontinue the WEMA if circumstances change such that the potential risk to the utility of unreimbursed liability decreases.⁹ As is discussed above, and as is demonstrated by PacifiCorp's current WEMA cost-recovery application, the risk of significant wildfire-related costs is not speculative for PacifiCorp. It is appropriate for the Commission to approve the successor wildfire liability and legal expense sub-account to ensure that PacifiCorp has the opportunity to seek recovery of costs relating to future wildfires. The Commission will always retain the ability to order the WEMA discontinued if circumstances change.

The Commission has also emphasized that establishing a WEMA does not mean the Commission will automatically grant recovery of the costs recorded in the WEMA and that any

⁷ A.26-02-021, p. 1.

⁸ See D.25-09-003, p. 8; D.20-11-034, p. 3; D.18-11-051, p. 6; D.18-06-029, pp. 7–8.

⁹ D.18-11-051, pp. 7–8.

rate recovery requires express authorization from the Commission in a separate proceeding.¹⁰ That is true here. Allowing PacifiCorp to establish a successor wildfire liability and legal expense sub-account in the WEMA will have no impact on customer rates and will not predetermine the reasonableness of any costs recorded in the successor sub-account. PacifiCorp will seek recovery of any recorded costs in a separate application, which the Commission and parties will scrutinize for reasonableness, as is currently taking place in A.26-02-021.

Finally, the Commission has supported ongoing WEMAs to save the Commission, utilities, and parties the time and money that would have to be expended on wildfire-specific WEMA requests. As is discussed below, PacifiCorp's request for an ongoing successor sub-account is consistent with Commission precedent and will conserve valuable resources in the future.

D. An Ongoing Successor Sub-Account is Appropriate

PacifiCorp's request to establish an ongoing successor wildfire liabilities and legal expenses sub-account is consistent with Commission precedent. The Commission has approved WEMAs for every electric utility that has sought authority to establish one.¹¹ The Commission does not require that a utility have had a wildfire in its service territory that gives rise to potential liability before authorizing a WEMA.¹² To the contrary, the Commission's usual practice is to authorize ongoing WEMAs to avoid the administrative burden of requiring utilities to file for new WEMAs associated with each new wildfire.¹³ When dismissing objections to prior requests for

¹⁰ See D.25-09-003, p. 9; D.20-11-034, Conclusion of Law 4; D.18-11-051, Conclusion of Law 4; D.18-06-029, p. 2.

¹¹ See Resolution E-4311 (approving a WEMA for SDG&E on an interim basis); D.12-12-029 (approving the continued existence of SDG&E's and SoCalGas's WEMAs); D.18-06-029 (approving a WEMA for PG&E, effective as of the date of the application); D.18-11-051 (approving a WEMA for SCE, effective as of the date of the application); D.20-11-034 (approving a WEMA for Liberty, effective as of the date of the application); D.25-09-003 (approving a WEMA for PacifiCorp, effective as of the date of the application).

¹² See, e.g., D.20-11-034, pp. 3–4 (authorizing Liberty's WEMA to record likely liability insurance cost increases and any future eligible costs associated with wildfire claims and legal expenses).

¹³ See, e.g., D.18-06-029, pp. 7–8 (granting an ongoing WEMA for PG&E); D. 18-11-051, pp. 6–8 (granting an ongoing WEMA for SCE).

ongoing WEMAs, the Commission observed that the potential for future wildfires and significant fire-related costs was not speculative and that if a utility were required to establish event-specific WEMAs through a series of applications, the end result would be the same as granting a single ongoing WEMA but would require significantly more resources from all parties involved.¹⁴

E. A Retroactive Effective Date is Appropriate

Commission precedent supports granting PacifiCorp's request to make the successor wildfire liabilities and legal expenses sub-account retroactively effective as of July 1, 2026 (or the date of this application). Public Utilities Code section 1731(a) authorizes the Commission to set the effective date of an order or decision before the date of issuance of that order or decision, and the Commission has relied on this provision in multiple instances to set the effective date of a memorandum account as of the application filing date.¹⁵ The Commission has found that, in light of its statutory authority and its own precedent, establishing a retroactive effective date for a memorandum account does not constitute retroactive ratemaking.¹⁶ The Commission generally interprets Public Utilities Code section 1731(a) as authorizing retroactive effective dates no earlier than the date the utility filed the underlying application or motion.¹⁷

The Commission has authorized retroactive effective dates for memorandum accounts in a variety of circumstances. While the usual practice is for utilities to request that the memorandum account become effective as of the date the application to establish the account was filed, the

¹⁴ D.18-06-029, pp. 7–8; see also D.18-11-051, pp. 6–8.

¹⁵ See, e.g., D.18-06-029, pp. 14–15; D.18-11-051, p. 8; D.19-09-026, p. 10; D.20-05-042, p. 10; D.21-12-005, pp. 7–8 (setting the effective date as the filing date of the motion requesting the memorandum account); D.22-09-008, Conclusion of Law 6.

¹⁶ See, e.g., D.18-06-029, pp. 11–15; D.18-11-051, p. 8 (“The Commission finds that granting SCE’s WEMA effective as of the application’s filing date does not constitute retroactive ratemaking.”); D.20-11-034, pp. 4–5 (“Liberty’s WEMA effective date as of the date of the application’s filing does not constitute retroactive ratemaking.”).

¹⁷ See, e.g., D.22-09-027, p. 3; D.21-02-009, p. 16.

Commission has on at least one occasion approved retroactive effective dates tied to court orders or settlements and has authorized recordation of costs for events that predate the memorandum account.¹⁸ PacifiCorp's request that the successor wildfire liabilities and legal expenses sub-account have a retroactive effective date of July 1, 2026, is consistent with Commission precedent and should be granted. While PacifiCorp would also accept an alternative retroactive date as of the filing date of this application, PacifiCorp believes that preventing overlap between the current sub-account, which has a cutoff date of June 30, and the successor sub-account is the most straightforward option.

II. ADDITIONAL INFORMATION REQUIRED BY COMMISSION RULES

A. Statutory and Other Authority (Rule 2.1)

PacifiCorp files this application under Public Utilities Code section 701; Article 2 of the Commission's Rules of Practice and Procedure; and prior decisions, orders, and resolutions of the Commission, including but not limited to Resolution E-4311 (interim WEMA authorization for San Diego Gas & Electric Company (SDG&E)), D.12-12-029 (continuation of WEMA for SDG&E), D.18-06-029 (authorization of WEMA for PG&E), D.18-11-051 (authorization of WEMA for Southern California Edison Company (SCE)), D.20-11-034 (authorization of WEMA for Liberty Utilities (Liberty)), and D.25-06-003 (authorization of WEMA for PacifiCorp).

¹⁸ See, e.g., Resolution E-3761, p. 4 (authorizing a memorandum account for SCE effective as of the date the U.S. District Court approved a settlement agreement related to the costs to be recorded in the account); D.18-01-014, pp. 10–11 (authorizing a memorandum account for Suburban Water Systems effective as of the date Suburban filed its request for the account); D.19-01-019, pp. 6, 8 (authorizing a memorandum account for SCE effective as of the date SCE filed its motion to establish the account); D.20-05-042, pp. 34–35 (authorizing a memorandum account for Golden State Water company effective as of the date of the motion requesting the account); D.22-04-010, p. 28 (authorizing Suburban Water Systems to establish a memorandum account effective as of the date Suburban filed the application to acquire the related assets [retroactive date of the memorandum account affirmed on rehearing in D.22-09-027]).

B. Legal Name and Principal Place of Business (Rule 2.1(a))

PacifiCorp is a public utility organized and existing under the laws of the State of Oregon. PacifiCorp's legal name is PacifiCorp. PacifiCorp engages in the business of generating, transmitting, and distributing electric energy in portions of northern California and in the states of Idaho, Oregon, Utah, Washington, and Wyoming.¹⁹ PacifiCorp's principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232.

C. Correspondence and Communications (Rule 2.1(b))

Communications regarding this application should be addressed to:

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D. Categorization, Hearings, and Issues to be Considered (Rule 2.1(c))

1. Proposed Categorization

PacifiCorp proposes that this application be categorized as ratesetting pursuant to Rules

¹⁹ PacifiCorp recently filed A.26-04-005, which seeks Commission authorization to sell its Washington service territory and assets.

1.3(g) and 7.1(e).

2. Need for Hearings

PacifiCorp believes that evidentiary hearings are not required. The Commission has authorized the establishment of memorandum accounts without requiring evidentiary hearings, given that the opening of the account itself does not prejudice the appropriateness of the costs to be recorded for recovery.²⁰ That should be the case here. PacifiCorp will seek reasonableness review and recovery of any costs recorded in the successor sub-account in a future application.

3. Issues to be Considered

The issue presented by this application is whether the Commission should authorize PacifiCorp to establish an ongoing successor wildfire liabilities and legal expenses sub-account within PacifiCorp's existing WEMA to track incremental unreimbursed wildfire liability-related costs for wildfires that ignite on or after July 1, 2026, to preserve PacifiCorp's ability to seek recovery of those costs in a future application.

E. Proposed Schedule (Rule 2.1(c))

The Commission authorized SCE's and Liberty's requests to establish WEMAs on an expedited basis, as neither utility sought cost recovery and there was no need for evidentiary hearings.²¹ For the same reasons, PacifiCorp proposes the following expedited schedule:

| Action Item | Date |
|-----------------------|---|
| Application Filed | June 22, 2026 |
| Protests Due | 30 days after publication in the Daily Calendar |
| Reply to Protests | 15 days after protest deadline |
| Prehearing Conference | September 2026 |

²⁰ See, e.g., A.20-08-009, p. 7; A.18-04-001, p. 13; A.17-07-011, p. 14; A.23-06-017, p. 7.

²¹ A.18-04-001, *Joint Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge*, p. 3; A.20-08-009, *Assigned Commissioner's Scoping Memo and Ruling*, p. 2.

| | |
|---|---------------|
| Scoping Memo | October 2026 |
| Proposed Decision (waive or shorten comment time, as appropriate) | November 2026 |
| Final Decision Issued | December 2026 |

F. Articles of Incorporation (Rule 2.2)

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

G. Safety (Rule 2.1(c))

In D.16-01-017, the Commission adopted an amendment to Rule 2.1(c) requiring applications to clearly state “relevant safety considerations.”²² PacifiCorp does not view this application as presenting any safety considerations, as it only requests authorization to establish a memorandum account to track costs.

III. CONCLUSION

For the reasons set forth in this application, PacifiCorp respectfully requests that the Commission issue an expedited decision on this application that: (1) authorizes PacifiCorp to establish an ongoing successor wildfire liabilities and legal expenses sub-account within PacifiCorp’s existing WEMA, to track incremental unreimbursed wildfire liability-related costs for wildfires that ignite on or after July 1, 2026; (2) authorizes a July 1, 2026 effective date for the successor sub-account; and (3) approves PacifiCorp’s proposed WEMA tariff, provided as Attachment A, which PacifiCorp will implement via a Tier 1 Advice Letter.

²² R.15-07-024, *Order Instituting Rulemaking to Amend Rule 2.1 of the Rules of Practice and Procedure to Require Detailed Showing of Relevant Safety Considerations in Applications*, D.16-01-017, “Decision Approving Amendment to Rule 2.1,” p. 2.

Dated: June 22, 2026

Respectfully submitted,

PACIFICORP

BRB Law LLP

By: /s/ Megan J. Somogyi

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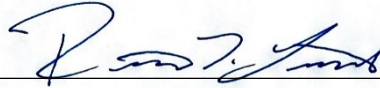
Attorneys for PacifiCorp

VERIFICATION

I, Rick T Link, am an officer of the corporation herein, and I 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 under the laws of the State of California that the foregoing is true and correct.

Executed on June 22, 2026, at Portland, Oregon.

A handwritten signature in blue ink, appearing to read "Rick T. Link", is written over a horizontal line.

Rick T. Link
Senior Vice President, Regulation and Resource Planning

ATTACHMENT A

Wildfire Expense Memorandum Account (WEMA)

I. **Purpose:** The purpose of the WEMA is to track and record amounts paid by PacifiCorp as a result of wildfires - costs which were not previously authorized in the Company's rates. The amounts include costs that (1) would have been covered by insurance and (2) would not have been incurred if insurance had been available. This includes all incremental amounts paid by PacifiCorp to a third party with respect to a claim by such third party for damage or loss resulting directly or indirectly from a wildfire, including claims by a governmental entity for the reimbursement of fire suppression costs, damages to environmental resources, and other governmental claims against PacifiCorp arising from a wildfire.

Costs to be tracked in three different sub-accounts include:

- a. payments made for incremental wildfire insurance premiums and/or related risk transfer mechanisms;
- b. payments to satisfy wildfire claims including any deductibles, coinsurance and other insurance expenses paid by PacifiCorp, but excluding costs that have already been authorized in PacifiCorp's General Rate Case (GRC);
- c. outside legal costs incurred in the defense of wildfire claims; and
- d. the cost of financing these amounts.

Only incremental costs will be recorded to the WEMA. Entries in the account shall be segregated by cost type or specific wildfire event. Insurance proceeds, as well as any payments received from third parties, will be credited to the WEMA as PacifiCorp receives them.

II. **Applicability:** The WEMA applies to all customer classes, except for those specifically excluded by the Commission.

III. **WEMA Sub-accounts:** The WEMA consists of the following three sub-accounts:

1. The "WEMA Incremental Insurance Cost Sub-account" tracks PacifiCorp's California share of incremental costs of liability insurance premiums.
2. The "WEMA Wildfire Liabilities and Wildfire Legal Expenses Sub-account" tracks expenses associated with wildfires ignited between June 21, 2020 through June 30, 2026.
3. The "Successor WEMA Wildfire Liabilities and Legal Expenses Sub-account" tracks expenses associated with wildfires that ignite on or after July 1, 2026.

IV. Accounting Procedures: WEMA Incremental Insurance Cost Sub-Account

- A. The “WEMA Incremental Insurance Cost Sub-Account” tracks the actual costs of liability insurance premiums, less the amount of revenue authorized for this purpose (on a forecasted basis) in the most recent general rate case for each state.
- B. Allocation Methodology: Costs in the WEMA Incremental Insurance Cost Sub-Account will be allocated to California utilizing the System Overhead (SO) factor. PacifiCorp’s current inter-jurisdictional cost allocation methodology (the 2020 Protocol) was approved by California Public Utilities Commission Decision 23-12-016. Costs will be tracked in this memorandum account in accordance with the approved cost-allocation methodology effective in California at the time the cost is incurred.
- C. Effective Dates: PacifiCorp can record incremental insurance costs incurred on or after June 21, 2023. This sub-account is to remain open indefinitely.
- D. PacifiCorp shall maintain the WEMA Incremental Insurance Cost Sub-Account by making entries to this account at the end of each month, or more frequently if applicable, as follows:
 - i. A debit entry equal to any incremental insurance costs or premiums not previously authorized in a previous general rate case;
 - ii. An entry equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the account after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve.

V. Accounting Procedures: WEMA Liabilities and Legal Expenses Sub-Account

- A. The “WEMA Liabilities and Legal Expenses Sub-Account” tracks the following types of expenses and revenues associated with any wildfires that ignited during the period from June 21, 2020 through June 30, 2026 (the “Covered Period”).
 - i. Wildfire-related liabilities;
 - ii. Outside legal costs incurred in the defense or resolution of wildfire claims;
 - iii. Insurance proceeds; and
 - iv. Financing costs associated with items (a) through (c) above.
- B. Allocation Methodology: PacifiCorp will use the Situs Treatment Based on Damage Location methodology as approved in California Public Utilities Commission Decision 25-09-003 to allocate costs between the jurisdictions that the utility serves and to determine the amounts that are recordable in the WEMA Liabilities and Legal Expenses Sub-Account. Wildfire liability and legal expenses will be allocated to each state based on the location of the claimed damages. The WEMA liabilities and legal expenses account will track only the expenses associated with claims located in California.

- C. Effective Dates: PacifiCorp can record costs that it incurs on or after June 21, 2023, and that are associated with wildfires that occur during the “Covered Period.” Entries tracked in the WEMA sub-accounts will be segregated by wildfire event, or by cost type for costs not specific to a wildfire event.
- D. PacifiCorp shall maintain the WEMA Liabilities and Legal Expenses Sub-Account by making entries to this account at the end of each month, or more frequently if applicable, as follows:
 - i. Wildfire liability and legal expenses will be capped to 60 percent of the recorded dollar amounts;
 - ii. A debit entry equal to PacifiCorp’s costs arising from wildfires;
 - iii. A debit entry equal to PacifiCorp’s recordable outside legal expenses arising from wildfires;
 - iv. A credit entry equal to amounts received by PacifiCorp from insurance companies or other third parties in respect of costs arising from wildfires. PacifiCorp will discount the total wildfire liability and legal expense costs by the full state sublimit insurance coverage amount under the applicable year in which the fire occurred, regardless of the amounts actually received from insurers;
 - v. A debit or credit entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
 - vi. An entry equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the account after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve.

VI. Accounting Procedures: Successor WEMA Liabilities and Legal Expenses Sub-Account

- A. The “Successor WEMA Liabilities and Legal Expenses Sub-Account” tracks the following types of expenses and revenues associated with any wildfires that ignite on or after July 1, 2026.
 - i. Wildfire-related liabilities;
 - ii. Outside legal costs incurred in the defense or resolution of wildfire claims;
 - iii. Insurance proceeds; and
 - iv. Financing costs associated with items (a) through (c) above.
- B. Allocation Methodology: PacifiCorp will use the Situs Treatment Based on Damage Location methodology to allocate costs between the jurisdictions that the utility serves and to determine the amounts that are recordable in the Successor WEMA Liabilities and Legal Expenses Sub-Account. Wildfire liability and legal expenses will be allocated to each state based on the location of the claimed

damages. The Successor WEMA Liabilities and Legal Expenses Sub-Account will track only the expenses associated with claims located in California.

- C. Effective Dates: PacifiCorp can record costs that are associated with wildfires that ignite on or after July 1, 2026. Entries tracked in this sub-account will be segregated by wildfire event or by cost type for costs not specific to a wildfire event.
- D. PacifiCorp shall maintain the Successor WEMA Liabilities and Legal Expenses Sub-Account by making entries to this account at the end of each month, or more frequently if applicable, as follows:
 - i. A debit entry equal to PacifiCorp's costs arising from wildfires;
 - ii. A debit entry equal to PacifiCorp's recordable outside legal expenses arising from wildfires;
 - iii. A credit entry equal to amounts received by PacifiCorp from insurance companies or other third parties in respect of costs arising from wildfires;
 - iv. A debit or credit entry to record the transfer of amounts to or from other accounts as approved by the Commission; and
 - v. An entry equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the account after the above entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve.

5. Disposition and Amortization Period

WEMA Wildfire Liabilities and Wildfire Legal Expenses Sub-Account: PacifiCorp will seek approval to securitize wildfire liability expense amounts or request to amortize them over a period of no shorter than five years at the actual cost of long-term debt.

The disposition of any amounts tracked in the WEMA sub-accounts that are incremental to the amount recovered in PacifiCorp's GRC or other regulatory account shall be established by a Commission decision through a subsequent application or through other appropriate filings as authorized by the Commission.

Successor WEMA Liabilities and Legal Expenses Sub-Account: The disposition of any amounts tracked in the Successor WEMA Liabilities and Legal Expenses Sub-Account shall be established by a Commission decision through a subsequent application or through other appropriate filings as authorized by the Commission. Any rate recovery requires express authorization from the Commission in a separate proceeding.