BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

FILED
11/06/26
04:59 PM
A2611009

In the matter of PacifiCorp's (U 901 E) 2027 General Rate Case	Application No. 26-11-___ (Filed November 6, 2026)

PACIFICORP'S (U 901 E) APPLICATION

Ajay Kumar
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
503-813-5161
ajay.kumar@pacificorp.com

DOWNEY BRAND, LLP
Michael B. Day
455 Market Street, Suite 1500
San Francisco, California 94105
(415) 848-4808
mday@downeybrand.com

PacifiCorp Attorneys

November 6, 2026

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PacifiCorp d/b/a Pacific Power, respectfully requests the California Public Utilities Commission (Commission) increase PacifiCorp's rates for electric service by approximately $103.4 million, or a 57 percent net increase, effective January 1, 2027 (Application).[1] These rates will help improve PacifiCorp's financial health, as the company continues to address rising costs of operations, capital investments critical to serving customers, and higher costs for insurance coverage.

I. INTRODUCTION

PacifiCorp is a multi-jurisdictional utility providing retail electric service to customers in Northern California, Idaho, Oregon, Utah, Washington, and Wyoming. In California, PacifiCorp serves approximately 46,000 customers spread over more than 11,292 square miles in Siskiyou, Modoc, Shasta, and Del Norte counties.

As a regulated utility, PacifiCorp has a duty and an obligation to provide safe, adequate, and reliable service to customers in its California service territory while balancing costs, risks, and state energy policy objectives.

[1] *E.g.,* Cal. Pub. Util. Code §§ 451, 454, 491, 701, 728, and 729; Commission Rules of Practice and Procedure, Art. 2-3.

However, since PacifiCorp's last rate case in 2023 (2023 GRC), PacifiCorp's financial condition has materially weakened. Between June 2023 and early 2026, PacifiCorp experienced a series of credit rating downgrades driven by wildfire-related litigation, weakening cash-flow-to-debt metrics, and adverse regulatory outcomes in other jurisdictions. As of the date of this filing, PacifiCorp's issuer credit rating is one notch above non-investment grade, and under current rates, PacifiCorp will earn an overall return on equity (ROE) in California of negative 2.636 percent (-2.636%)—well below PacifiCorp's currently authorized 10.0 percent ROE.

In response to these financial pressures, PacifiCorp has undertaken a series of extraordinary financial stabilization measures to preserve liquidity, support its credit ratings, and maintain access to reasonably priced capital. These efforts include the suspension of upstream dividends to Berkshire Hathaway Energy (BHE); a long-term sale-leaseback of the Boardman-to-Hemingway transmission line with BHE; PacifiCorp's proposed sale of certain Washington-based assets and its Washington service area to Gem sub LLC (Washington Service Area Transfer), an affiliate of Portland General Electric Company; and reductions in near-term capital expenditures.

At the same time, deferred wildfire mitigation-related costs, tracked in Commission-authorized memorandum accounts, have grown substantially since the 2023 GRC. Collectively, these developments have significantly impacted PacifiCorp's financial health and impacted operations, and underscore the importance of timely recovery of prudently incurred costs.

This rate case will help improve PacifiCorp's financial health, by realigning base rates with the utility's current cost of providing safe and reliable electric service. Updating rates to reflect more recent operating expenses, capital investments, and costs that have been deferred pursuant to Commission authorization, will allow PacifiCorp to recover its prudently incurred costs on a timely basis.

In particular, this GRC provides a mechanism to address large, safety driven expenditures—such as wildfire mitigation costs—that have been incurred to comply with Commission directives and to protect customers, but that are not currently reflected in existing rates. Timely recovery of these costs reduces regulatory lag, stabilizes cash flow and credit metrics, and allows PacifiCorp the opportunity to earn its authorized return and maintain financial stability, while continuing to make necessary investments to reduce wildfire risk and safely and reliably serve customers. Absent timely recovery, PacifiCorp would be required to continue financing mandated safety expenditures without corresponding revenues, placing additional pressure on liquidity, and potentially increasing long-term costs to customers.

Importantly, however, PacifiCorp recognizes that its request comes at a time when customers are facing rising prices for all necessities. This Application is a significant request for the company's customers, and PacifiCorp understands that many of the individuals, families, and businesses that it serves continue to face real economic pressures. PacifiCorp does not take lightly the responsibility that comes with asking to recover these costs, and remains committed to doing everything it can to address affordability and lessen the impact of this request.

Consequently, the company's proposals are designed to mitigate near-term rate impacts on customers. These proposals include: (a) a six-year amortization of deferred wildfire mitigation costs to spread recovery over time; (b) a two-step price change that separates the base revenue requirement change from the rate adjustment associated with the Washington Service Area Transfer; and (c) a proposed customer credit, reflecting California's share of the goodwill value that is expected to result from the Washington Service Area Transfer.

PacifiCorp represents its requested rate increase and rate mitigation proposals present a reasonable balance between ensuring PacifiCorp's revenue requirement more accurately matches

its current costs of service, with avoiding unnecessary rate shocks for its California customers. Ultimately, PacifiCorp is responsible for making the right investments to provide safe and reliable electric services, but also be thoughtful stewards of its customers' trust. This Application reflects those commitments.

PacifiCorp's Application Summary, and supporting materials, are discussed below.

II. SUMMARY OF APPLICATION

A. Revenue Requirement and Rate Design

PacifiCorp's rate increase is largely driven by rising costs of operations, capital investments critical to serving customers, and higher costs for insurance coverage. The principal drivers of the requested overall rate change include increased capital investments to support wildfire risk mitigation, system hardening, and vegetation management in California, inflationary pressures affecting operations and maintenance expenses, and higher insurance costs associated with elevated wildfire risk. These investments include enhanced inspection and maintenance practices and targeted upgrades to improve system reliability and safety in high fire-threat areas.

To address these requirements, PacifiCorp proposes a base revenue requirement increase of $82.8 million, or 56.8 percent. On a net basis, including PacifiCorp's proposed deferral amortizations discussed below and excluding impacts from the SAT, PacifiCorp's overall proposed net price increase is approximately $102.6 million, an increase of 57.0 percent on a net basis. PacifiCorp proposes a 0.3 percent increase for all customer classes to incorporate forecasted impacts from the sale of PacifiCorp's Washington service territory. PacifiCorp requests rates effective January 1, 2027.

PacifiCorp's request includes an overall rate of return of 7.96 percent, an ROE of 10.5 percent, and a capital structure comprised of 50.0 debt and 50.0 equity. This request is based on a

forecasted test year, for the twelve-month period ending December 31, 2027, with a base year of the twelve-month period ending December 31, 2025. PacifiCorp requests the Commission generally retain PacifiCorp's current rate design, yet proposes that customers with loads of 30 megawatts and above take service under special contracts, to address cost shifting risks associated with these large loads. To ensure timely and efficient review and recovery of investments and costs, PacifiCorp requests the Commission allow PacifiCorp to retain its current Energy Cost Adjustment Clause (ECAC) and Post-Test Year Mechanisms (PTAM).

PacifiCorp's Application would result in the following percentage increase for each customer class:

Table 1—Percentage Increase for PacifiCorp Customer Classes

Customer Class	Proposed Price Change
Residential	56.9%
General Service	
Schedule A-25	56.9%
Schedule A-32	57.1%
Schedule A-36	57.0%
Large General Service	
Schedule AT-48	58.0%
Irrigation Schedule PA-20	57.4%
Lighting	55.6%
Overall	57.0%

B. Amortization of Deferred Memorandum Account Balances

In addition to the base rate change described above, PacifiCorp requests authorization to amortize balances deferred to Commission-authorized memorandum accounts starting on the rate effective date of this GRC. These include incremental wildfire mitigation costs recorded to the Wildfire Mitigation Plan Memorandum Account (WMPMA) and the Fire Risk Mitigation Memorandum Account (FRMMA), from December 1, 2023, through December 31, 2025. They also include PacifiCorp's California share of incremental wildfire liability insurance premiums

above the levels in current base rates, which are recorded to the insurance premium sub-account of the Wildfire Expense Memorandum Account (WEMA). The 2023 GRC authorized amortization of WMPMA and FRMMA balances recorded through December 2022, and this request incorporates costs deferred since that time.

The projected December 31, 2026, balances are approximately $93.8 million for the WMPMA, $11.1 million for the WEMA insurance premium sub-account, and $0.2 million for the FRMMA. To limit the near-term effect on customer bills, PacifiCorp proposes to recover these balances over six years, which results in an annual amortization of approximately $19.7 million. PacifiCorp also seeks to recover its 2022 contribution to the Wildfire and Natural Disaster Resilience Rebuild (WNDRR) Program required by D.21-11-002, plus accumulated interest, over a 12-month period. This GRC is the first ratemaking application PacifiCorp has filed since it made that payment. Together, these amortizations add approximately $19.8 million to the annual revenue requirement. The amortization schedules are provided in Exhibit PAC/807.

C. Washington Service Area Transfer Price Change and Customer Credit

The revenue requirement described above reflects PacifiCorp's current six-state system. Once the Washington Service Area Transfer is approved and closes, PacifiCorp will no longer serve customers in Washington, and the 2020 Protocol allocation factors and other revenue requirement inputs must be updated to reflect a five-state system. Using the same models and methodology as the initial revenue requirement, PacifiCorp calculated an incremental annual non-net power cost revenue requirement of approximately $1.4 million attributable to the transaction. The impact of the transaction on net power costs is addressed in PacifiCorp's 2027 ECAC.

PacifiCorp proposes a two-step price change to implement this amount. The first step puts the base revenue requirement change into effect on January 1, 2027. The second step adjusts base

rates to include the $1.4 million incremental revenue requirement on the later occurrence of either the GRC rate effective date, or the date the Washington Service Area Transfer closes. PacifiCorp currently expects the transaction to close by April 1, 2027, but this structure ensures that customers do not pay any transaction-related costs until the transaction has actually closed. When this second step takes effect, PacifiCorp will pass back to California customers their share of the goodwill value of the sale of PacifiCorp's Washington service territory, through the Washington Asset Transfer Memorandum Account, which PacifiCorp has asked to establish in A.26-04-005. The credit is currently projected at approximately $1.6 million, and returning it over three years produces an annual credit of approximately $0.6 million. The final amount will depend on the outcome of A.26-04-005. Support for the incremental revenue requirement is provided in Exhibit PAC/802 and the testimony of company witness Sherona Cheung, Exhibit PAC/800. Rate design for the second-step adjustment and the credit is addressed in the testimony of company witness Lee Elder, Exhibit PAC/900.

D. List of Testimony and Appendices Accompanying this Application

PacifiCorp's Application includes the following supporting materials:

Appendix A: PacifiCorp's 10-K Annual Report for the period ending December 31, 2025.

Appendix B: Berkshire Hathaway, Inc.'s definitive proxy statement (Form DEF 14A) for 2025.

Appendix C: PacifiCorp Summary Earnings for 2025.

Exhibit PAC/100, Ryan L. Flynn, Pacific Power's President, discusses PacifiCorp's operations and service area, provides an overview of the issues presented in PacifiCorp's Application, and introduces the company witnesses that have also submitted testimony to support this Application.

Exhibit PAC/200, Rick T. Link, Senior Vice President of Regulation and Planning, provides an overview of PacifiCorp's 2027 GRC, including the company's policy positions, major cost drivers, continued use of the Energy Cost Adjustment Clause and

Post-Test Year Adjustment Mechanism, and the Commission-requested support for PacifiCorp's coal retirement planning analysis.

Exhibit PAC/300, Ann E. Bulkley, Principal at The Brattle Group, presents PacifiCorp's requested return on equity and supports the reasonableness of the company's proposed capital structure for ratemaking purposes.

Exhibit PAC/400, Nikki L. Kobliha, Senior Vice President of Finance, supports PacifiCorp's overall cost of capital recommendation, including capital structure and cost of debt, and discusses the company's financing needs, credit ratings, financial metrics, and financial stabilization efforts.

Exhibit PAC/500, Travis R. Walker, Senior Business Specialist, supports PacifiCorp's customer, sales, system load, and system peak load forecasts for the twelve months ending December 31, 2027, and explains the data, assumptions, and methodology used to develop the forecast.

Exhibit PAC/600, Curtis B. Mansfield, Senior Vice President of Power Delivery, describes PacifiCorp's risk-based decision-making framework and how it informs investment prioritization and financial planning to ensure resources are directed toward the areas of greatest risk and customer benefit to manage safety, reliability, and provide cost-effective service. Mr. Mansfield's testimony identifies PacifiCorp's principal operational, safety, and reliability risks, including wildfire, employee and contractor safety, public safety, cybersecurity and physical security events, seismic events, dam safety, and major distribution and transmission equipment failures. His testimony further explains how PacifiCorp's risk assessment supports the company's proposed investments and mitigation activities in this 2027 GRC.

Exhibit PAC/700, Carrie Laird, Vice President of Wildfire Mitigation and Emergency Operations, describes PacifiCorp's wildfire mitigation investments in the company's transmission and distribution system and demonstrates that these investments are prudent and in the public interest. Ms. Laird addresses PacifiCorp's system hardening and infrastructure upgrades, advanced protection and control investments, and situational awareness enhancements, as well as incremental wildfire mitigation expenses including: asset inspections, stakeholder and community engagement, customer resiliency programs, plan monitoring, and vegetation management.

Exhibit PAC/800, Sherona L. Cheung, Revenue Requirement Manager, presents PacifiCorp's California-allocated non-net power cost revenue requirement for the 2027 GRC. Ms. Cheung explains the development of the forecast test period, the California results of operations, and the ratemaking adjustments supporting the requested revenue increase. She also addresses inter-jurisdictional cost allocation, the impact of the Washington Service Area Transfer, and the proposed amortization of deferred cost balances.

Exhibit PAC/900, Kenneth Lee Elder, Jr., Director of Pricing and Tariff Policy, presents PacifiCorp's cost of service study, class revenue allocation, and rate design proposals for California. Mr. Elder addresses customer bill impacts by class, the required affordability metrics under the Commission's updated affordability framework, and PacifiCorp's proposal that customers with loads of 30 megawatts and above take service under a special contract to mitigate cost-shifting risks associated with large loads. He also addresses the base rate adjustment and customer credit associated with the Washington Service Area Transfer that will take effect upon closing of the transaction.

III. STATUTORY AND REGULATORY REQUIREMENTS

A. Legal Name, Correspondence, Concise Statement of Relief, and Supporting Authority (Rule 2.1(a)-(b))

PacifiCorp is a multi-jurisdictional utility, incorporated under the laws of the state of Oregon, doing business as Pacific Power in California. PacifiCorp's principal place of business is 825 NE Multnomah Street, Suite 2000, Portland, Oregon 97232.

PacifiCorp requests the Commission increase PacifiCorp's currently effective electric retail rates, as described in this Application and supporting testimony, exhibits, and workpapers. This request is supported by, among other California authorities, Cal. Pub. Util. Code §§ 451, 454, 491, 701, 728, and 729, Articles 2 and 3 of the Commission's Rules, and various Commission decisions, orders, and resolutions governing PacifiCorp and rate cases in general. This Application has been verified by an officer of PacifiCorp in accordance with the requirements of Rules 1.1 and 2.1.

Communications regarding this Application should be addressed to:

Chelsey Roth
Regulatory Projects Manager
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
(503) 813-6895
californiadockets@pacificorp.com

Ajay Kumar
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
(503) 813-5161
ajay.kumar@pacificorp.com

Michael B. Day
Downey Brand, LLP
455 Market Street, Suite 1500
San Francisco, CA 94105
(415) 848-4808
mday@downeybrand.com

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed, by E-mail, to: datarequest@pacificorp.com.

B. Proposed Categorization, Need for Hearing, Issues to be Considered and Relevant Safety Considerations, and Proposed Schedule (Rule 2.1(c))

PacifiCorp proposes that the Commission classify this proceeding as a ratesetting.[2] The principal issues that the Commission should consider in this proceeding are whether PacifiCorp's proposed revenue requirement, rate design, ECAC, and PTAM proposals would result in just and reasonable rates. These issues are described and further supported by PacifiCorp's Application, testimonies, exhibits, and supporting workpapers.

PacifiCorp acknowledges there is likely a need for an evidentiary hearing in this matter, and proposes the following procedural schedule to allow for a reasonable investigation of the issues presented:

Event	Estimated Timeline
Application Filed	November 6, 2026
Protests Due	30 days after filing appears on Commission's Daily Calendar
Response to Protests Due	10 days after the last day for filing a protest

[2] *E.g.,* Rule 1.3(e) (defining ratesetting as "proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities) . . .").

Event	Estimated Timeline
Prehearing Conference	January 5, 2027
Scoping Memo Issued	January 27, 2027
Intervenor Testimony Due	February 26, 2027
PacifiCorp Rebuttal Testimony Due	March 26, 2027
Evidentiary Hearings	April 14-15, 2027
Opening Briefs	May 5, 2027
Reply Briefs	May 19, 2027
Proposed Decision (PD) Issued	June 30, 2027
Comments on PD Due	July 20, 2027
Reply Comments on PD Due	July 26, 2027
Final Commission Decision	August 12, 2027

To the extent that evidentiary hearings are required, PacifiCorp requests that any schedule include mechanisms that require parties to identify materially disputed issues of fact that warrant an evidentiary hearing. The Commission may decline to hold a hearing where there are no materially disputed issues of fact.[3] Due Process "does not require a hearing that serves no useful purpose,"[4] nor does Due Process "require a hearing merely to 'sharpen the issues' or 'fully develop the facts;' rather, there must be disputed issues of *material* fact in order to merit a hearing."[5]

C. Safety Considerations

Safety—particularly wildfire risk mitigation in California—is foundational to PacifiCorp's operations and deeply embedded in the company's culture, governance, and leadership commitment. PacifiCorp's safety culture emphasizes ownership, continuous learning, and an unwavering focus on protecting customers, employees, and the communities we serve. Employees at all levels are expected to identify and address risks, raise concerns, learn from operational experience, and incorporate safety considerations into daily decision making.

[3] *E.g.,* D.04-05-033, at 10-11; D.20-03-019 at 25 ("if a contesting party asserts that a hearing is required by law, the party must provide appropriate citation and specify the materially contested facts."); Rule 12.3 (Settlements) ("If there are no material contested issues of fact, or if the contested issue is one of law, the Commission may decline to set hearing.").
[4] D.04-05-033 at 10 (brackets omitted).
[5] *Id.* at 11 (original italics).

This commitment begins with executive leadership and extends throughout the organization, shaping how PacifiCorp plans, prioritizes, and executes work—particularly in areas with elevated wildfire risk. Considerations related to safety and risk reduction are integrated into operational planning, capital investment decisions, workforce training, and performance expectations.

In California, this approach is reflected through the company's implementation of its Wildfire Mitigation Plan, enhanced inspection and maintenance practices, vegetation management prioritization, and the deployment of advanced technologies to reduce ignition risk and improve situational awareness. PacifiCorp continually evaluates lessons learned from industry best practices, regulatory engagement, and operational experience to strengthen its wildfire mitigation and safety programs.

By integrating safety and risk reduction into its governance, planning, and operational processes, PacifiCorp works to protect customers, employees, and communities. This risk-informed, safety-focused approach directly informs the investments and costs presented in this application. Company witnesses Curtis B. Mansfield and Carrie Laird, in Exhibits PAC/600 and PAC/700, further detail PacifiCorp's approach to risk-based decision making.

D. Organization and Qualification to Transact Business (Rule 2.2)

A certified copy of PacifiCorp's prior Articles of Incorporation were filed with the Commission in 1997,[6] and is incorporated herein by reference pursuant to Rule 2.2. PacifiCorp's presently effective Articles of Incorporation can be found online at the Securities and exchange Commission's website.[7]

[6] D.97-12-093.
[7] Available here: Document.

E. Financial Statements (Rules 2.3(a)(1), and 3.2)

PacifiCorp's most recent financial statements are contained in PacifiCorp's 2025 Annual 10-K Report, included as Appendix A.

F. Statement of Present and Proposed Rates (Rule 2.3(a)(2)-(3) and 3.2(a)(2)-(3))

Accompanying this Application are Exhibits PAC/900 through PAC/910, the testimony and exhibits sponsored by company witness Kenneth Lee Elder, Jr. which reflect PacifiCorp's present and proposed rates.

G. General Description of Property and Equipment, Summary of Earnings, and Total-Company and California Operations Statement of Earnings (Rules 3.2(a)(4)-(6))

The testimony and exhibits sponsored by witness Cheung, Exhibits PAC/800 through PAC/809, provide: (a) a general description of PacifiCorp's property and equipment as a multijurisdictional electric utility provider, the original cost of its infrastructure, and a statement of applicable depreciation reserves (Rule 3.2(a)(4)); (b) a summary of earnings on a depreciated rate base for the test period (Rule 3.2(a)(5)); and (c) a statement of earnings stated on both a total-company basis and California-allocated basis (Rule 3.2(a)(5)).

H. Statement Regarding Tax Depreciation (Rule 3.2(a)(7))

For federal income tax purposes, PacifiCorp uses applicable depreciation methods prescribed by the Internal Revenue Code to maximize tax deductions for tax depreciation purposes. PacifiCorp uses these same depreciation methods for federal income tax purposes for calculating test period federal income taxes for this Application.

I. Affiliated Interests and Proxy Statement (Rule 3.2(a)(8))

PacifiCorp filed its Affiliated Interest Report for Calendar Year 2025 with the Commission on May 27, 2026.[8] A copy of Berkshire Hathaway, Inc., PacifiCorp's parent company, most recent definitive Proxy Statement is included as Appendix B.

J. Statement of Basis for Requested Increase (Rule 3.2 (a)(10))

PacifiCorp's requested rate increase reflects, and passes through to customers, both increased costs and savings to the utility for providing electric service to its customers within California. PacifiCorp's proposed rate increase is primarily due to several factors, including, among other things, increased operating expenses and company investments related to wildfire mitigation and vegetation management.

K. Public Notice (Rule 3.2(b)-(d))

The cities and counties that would be affected by PacifiCorp's Application include the cities and towns of Yreka, Crescent City, Alturas, Mount Shasta, Weed, Dunsmuir, Fort Jones, Dorris, and Tulelake, and Siskiyou, Del Norte, Modoc, and Shasta counties. As provided in Rule 3.2(b), (c), and (d), notice of filing of this Application will be: (1) mailed to the appropriate officials of the State of California, specifically the Attorney General and Department of General Services, and the counties and cities listed above; (2) published in a newspaper of general circulation in each county in PacifiCorp's service territory within which the rate changes would be effective; (3) included with regular bills mailed to all customers affected by the proposed changes; and (4) mailed to any other persons whom PacifiCorp deems appropriate.

[8] *E.g.,* Cal. Pub. Util. Code § 587.

IV. CONCLUSION

PacifiCorp respectfully requests that the Commission issue an order, effective January 1, 2027, approving the proposed rate increase.

Respectfully submitted November 6, 2026,

Ajay Kumar
PacifiCorp
825 NE Multnomah, Suite 2200
Portland, OR 97232
503-813-5161
ajay.kumar@pacificorp.com

DOWNEY BRAND, LLP
Michael B. Day
455 Market Street, Suite 1500
San Francisco, California 94105
(415) 848-4808
mday@downeybrand.com

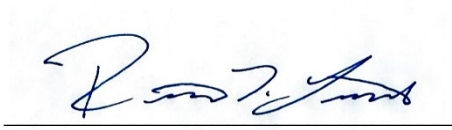
PacifiCorp Attorneys

V. OFFICER VERIFICATION

(Rule 1.11 and 2.1)

I am a PacifiCorp officer, and am authorized to make this verification on its behalf. The statements in this document are true of my own knowledge, except for matters that are stated on information or belief, and for those issues 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 November 6, 2026, in Portland, Oregon,



Rick Link
Senior Vice President, Regulation and Planning
PacifiCorp