

Decision 26-02-007 February 5, 2026

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

In the Matter of the Application of  
PacifiCorp (U-901E) for Authority to  
Establish the North Temple Property  
Memorandum Account

Application 24-05-013

**DECISION APPROVING PACIFICORP'S APPLICATION FOR AUTHORITY TO  
ESTABLISH THE NORTH TEMPLE PROPERTY  
MEMORANDUM ACCOUNT**

**Summary**

Pursuant to Public Utilities Code § 851 and Commission General Order 173, this decision approves PacifiCorp's application to establish the North Temple Property Memorandum Account that tracks all funds related to the sale of real property in Utah.

Application A.24-05-013 is closed.

**1. Background**

**1.1 Factual & Procedural Background**

PacifiCorp is a multi-jurisdictional investor-owned utility providing electric retail service to customers in California, Idaho, Oregon, Utah, Washington, and Wyoming. PacifiCorp owns the North Temple Property (NTP) that is about 100 acres of real property located in Salt Lake City, Utah.

On May 13, 2024, PacifiCorp submitted Advice Letter 740-E (Advice Letter) to the California Public Utilities Commission's (Commission) Energy Division to request approval to sell the NTP pursuant to General Order (G.O.) 173 and Public Utilities (Pub. Util.) Code § 851.<sup>1</sup> On June 12, 2024, the Commission's Energy Division approved PacifiCorp's Advice Letter authorizing the sale of the NTP.<sup>2</sup>

On May 16, 2024, PacificCorp filed Application (A.) 24-05-013 (Application) pursuant to Pub. Util. Code § 851, § 701, G.O. 173, and Rule 2.1 of the Commission's Rules of Practice and Procedure (Rules).<sup>3</sup> The Application requests the Commission to grant PacifiCorp the authority to establish the North Temple Property Memorandum Account (NTPMA) to track the proceeds from the sale of the NTP. The proposed sale is to a development company through a series of sales transactions scheduled to occur between 2024 and 2039.<sup>4</sup>

PacifiCorp's NTP facilities are outdated, unnecessary for utility operations, and past their useful life.<sup>5</sup>

The Application is subject to Pub. Util. Code § 851 that governs the sale and disposal of property that is otherwise necessary and useful to a public

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<sup>1</sup> On May 15, 2024, PacifiCorp submitted a confidential version of the Advice Letter to the Energy Division.

<sup>2</sup> Advice Letter 740-E at 1, 9.

<sup>3</sup> A ruling issued October 1, 2025, that identified the Application and its Exhibits A and B as evidence and admitted into the evidentiary record.

<sup>4</sup> A.24-05-013 at 2.

<sup>5</sup> *Ibid.*

utility's duties to the public. PacifiCorp's California-allocated portion of the NTP is valued at less than \$5 million.<sup>6</sup>

No protests or responses were filed to the Application.

On September 26, 2024, a remote Prehearing Conference was held to address the issues of law and fact, determine the need for evidentiary hearing, set the proceeding schedule, and consider other relevant matters. PacifiCorp is the only party.

On October 3, 2024, PacifiCorp filed a brief addressing authorizing retroactive effective dates for memorandum accounts.

On January 6, 2025, the assigned Commissioner issued a Scoping Memo and Ruling (Scoping Memo). The Scoping Memo discharged the need for an evidentiary hearing or further analysis under the California Environmental Quality Act (CEQA) or other environmental and social justice issues.

## **1.2 Submission Date**

This matter was submitted on October 1, 2025, following the issuance of a ruling to identify and admit evidence into the evidentiary record.

## **2. Issues to Address**

The Scoping Memo identified the following issues to be determined:

1. Should the Commission grant PacifiCorp's request to create the NTPMA to manage and distribute the California-allocated portion of the NTP sale?
2. If authorized, when should the NTPMA be effective?
3. Is PacifiCorp's proposed NTPMA tariff language reasonable and should it be approved?

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<sup>6</sup> *Id.* at 1.

### **3. Pub. Util. Code § 851 and G.O. 173**

Generally, if a transaction is valued at \$5 million or less, Pub. Util. Code § 851 approvals may proceed following the Commission's G.O. 173 expedited process which requires only an Advice Letter. In this case, the Commission's Energy Division properly approved the sale of the NTP in Advice Letter 740-E because the California-allocated value of the NTP was not greater than \$5 million.

Pub. Util. Code § 851 requires PacifiCorp to submit the Application if the sale of property is greater than \$5 million or if the Commission "determines that the transaction warrants a more comprehensive review." PacifiCorp submitted this Application to create the NTPMA because this transaction warrants a more comprehensive review because it is a series of transactions spanning a lengthy time-period.

### **4. Discussion**

#### **4.1 Analysis of Standards for Approval of NTPMA**

The NTPMA plans to track the proceeds from the sale of NTP parcels. The NTP is approximately 100 acres. PacifiCorp purchased the NTP in the 1940s, and the NTP later became PacifiCorp's corporate headquarters, but these facilities have exceeded their operational life.<sup>7</sup> The NTPMA will remain open until PacifiCorp and the buyer have concluded the purchase agreement period. The NTPMA will also manage any remaining costs or profits until the Commission assesses the funds for general ratemaking. PacifiCorp plans to maintain the NTPMA to track and record transactions associated with the sale of the NTP by

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<sup>7</sup> A.24-05-013 at 2.

making entries at the end of each month.<sup>8</sup> The account will track both debits and credits, as well as record all associated interest rates.<sup>9</sup>

The reasonableness of establishing a memorandum account is determined by four criteria: (1) the ability of the utility to control the expense, (2) the foreseeability of the expense to incorporate into the utility's last general rate case, (3) the substantial nature of the amount of money to justify the process of establishing a memorandum account, and (4) if the memorandum account will provide ratepayer benefits.<sup>10</sup> Each factor is addressed in turn. The reasonableness test provides a backstop to ensure that PacifiCorp remains cost-conscious in its transactions with the buyer, and ultimately, protects ratepayer affordability.

Under the first element, since all infrastructure ultimately ages and becomes less useful and market prices for real estate fluctuate over time, it follows that a future market price for a sale transaction is not necessarily within the utility's ability to control. PacifiCorp has maximized the useful life of its current facilities. In this specific situation, the need to sell the property and the exact value of the transactions is outside of PacifiCorp's ability to estimate with accuracy or precision. PacifiCorp's final plan reserves many acres for PacifiCorp's remaining buildings and local headquarters, which will continue to accommodate roughly 760 employees and provide service.<sup>11</sup> Aging facilities on

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<sup>8</sup> A.24-05-013, Exhibit A at 10.

<sup>9</sup> *Ibid.*

<sup>10</sup> D.94-06-033 at 51; D.08-03-020 at 18.

<sup>11</sup> Advice Letter 740-E at 3.

the NTP are inevitable and a future market price for a sale transaction is not within the utility's ability to control.

The second element to examine is the foreseeability of the expense to incorporate into the utility's last general rate case. If the expense is foreseeable, there is no need to go through the process of establishing a memorandum account. Here, the expense is not foreseeable and so, a memorandum account is necessary. The sales detail window is substantially larger than the general rate case window. The NTP transactions will take place over the next 15 years and will vary in value. The planned use of the land is speculative and likely to change subject to permitting, funding availability, and other market variables. As each parcel is sold and its transaction costs are settled, PacifiCorp can incorporate each transaction into the next applicable rate case.

The Commission historically, but not exclusively, granted memorandum accounts to combat wildfire costs or unexpected natural disasters. By using a memorandum account, a utility preserved the opportunity to seek recovery of these costs after the unforeseeable expenditure of funds. Here, PacifiCorp cannot reasonably foresee all the NTPMA expenses to be included in the utility's general rate case.<sup>12</sup> While these expenses are not tied to an unforeseeable event like a natural disaster, the expenses are equally difficult to predict with the degree of certainty required to submit in a general rate case. At the time of the NTPMA formation, the total NTP costs and profits cannot be forecasted across the entire

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<sup>12</sup> D.94-06-033 at 51.

multi-year period and therefore, it is reasonable to track funds via a memorandum account.

Under the third element, the NTP expense is of such a substantial nature that it is worth the costs of establishing a memorandum account.<sup>13</sup> The purpose of this element is to ensure the costs of establishing the memorandum account do not outweigh the actual funds to be managed in the memorandum account. The exact value of the property is confidential, but worth a substantial amount to justify the expense.<sup>14</sup> The costs to set up the NTPMA are negligible in comparison to the value of the property.<sup>15</sup> The substantial nature of the potential NTP value justifies the minimal effort associated with the memorandum account creation.<sup>16</sup> Based on the original cost of the property alone, the NTP is valued at least \$730,948.<sup>17</sup>

Lastly, the NTPMA will provide both present and future ratepayer benefits.<sup>18</sup> The NTPMA will benefit current ratepayers through the generation of value for the utility, subject to any costs. Additionally, the sale of the outdated NTP with unused facilities will not cause any disruptions in current operations or customer support and instead provide greater efficiency.<sup>19</sup> The removal of old

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<sup>13</sup> D.94-06-033 at 51.

<sup>14</sup> See Advice Letter 740-E at 4 to learn about the Confidential Advice Letter.

<sup>15</sup> See Advice Letter 740-E at 4.

<sup>16</sup> *Ibid.*

<sup>17</sup> *Id.* at 6.

<sup>18</sup> D.08-03-020 at 18.

<sup>19</sup> A.24-05-013 at 2.

facilities will lead to less maintenance costs and time spent repairing old equipment. The sales will yield a net benefit, generating some profit to reinvest in improved service, upgrade current utility facilities, and improve operations.

Moreover, the NTPMA will benefit future ratepayers in several ways. PacifiCorp provides ratepayers with a net benefit as the sale of real property will generate value and translate to savings on customer bills. When the transactions occur in future years, PacifiCorp can then submit the actual numbers in its general rate case with certainty. If PacifiCorp attempted to forecast all sales values today, these projections would be inaccurate and lead to either a surplus recovery or shortfall. The NTPMA allows the Commission to determine at a future date how the rates should be changed. The reasonableness of any costs incurred over the course of the NTPMA will be assessed in PacifiCorp's future general rate case(s) and disposed of accordingly. Any expenses incurred and maintained in the NTPMA will need to be accounted for and determined to be reasonable if the utility seeks to recover said expenses. As a result, we determine that establishing the NTPMA is just and reasonable.

#### **4.2 Effective Date of NTPMA**

The effective date of the NTPMA is May 16, 2024, when the Application was filed. This effective date allows PacifiCorp to recover any costs spent in preparation for the sale of real property or incurred during the duration of this proceeding. Under Pub. Util. Code § 1731(a), the Commission can set an effective date of an Order or Decision before the date of issuance of the Order or Decision. The Commission has authorized many retroactively effective memorandum accounts that do not disrupt the proper ratemaking process. PacifiCorp asserts



these accounts do not constitute retroactive ratemaking since memorandum accounts have no present impact on rates.<sup>20</sup>

PacifiCorp sought to make the NTPMA effective as of June 12, 2024, the date of the Commission's approval of Advice Letter 740-E. On June 12, 2024, the Commission's Energy Division approved the underlying transaction to sell the NTP.<sup>21</sup> PacifiCorp's justification for this date is that June 12 is one month later than the date PacifiCorp filed its Application and is "appropriate." Despite the fact that PacifiCorp Application requests June 12, 2024 as the effective date, the Commission grants an earlier date based on prior decisions. The Commission has generally approved the date when the application was filed as the effective date.<sup>22</sup> Following this series of Commission decisions, the Commission grants PacifiCorp's NTPMA to be effective as of May 16, 2024.

#### **4.3 PacifiCorp's NTPMA Tariff Language is Reasonable.**

This decision determines that PacifiCorp's proposed memorandum account is reasonable and just. This memorandum account will effectively provide PacifiCorp with the ability to record all costs and proceeds associated with the sales of NTP parcels over the multi-year period.

PacifiCorp provided its proposed tariff language for the NTPMA as an exhibit to the Application.<sup>23</sup> In the following paragraphs of this Section, we

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<sup>20</sup> Brief Addressing Precedent Authorizing Retroactive Effective Dates for Memorandum Accounts at 3.

<sup>21</sup> A.24-05-013 Scoping Memo and Ruling at 2.

<sup>22</sup> See A.24-03-011, D.23-04-007, D.18-06-029, D.18-11-051, D.19-01-019 and D.19-09-026

<sup>23</sup> Application, Exhibit A.

review PacifiCorp's proposed tariff language to determine whether it is reasonable.

PacifiCorp states that the purpose of the NTPMA is to track and record the proceeds from and costs associated with the proposed sale of real property.<sup>24</sup> This purpose is just and reasonable as stated above: PacifiCorp could not control the expense, the property sale values are not foreseeable given the design of the deal, the amount of money from the sale is substantial, and the memorandum account will provide both current and future ratepayer benefits.

PacifiCorp asserts that the NTPMA applies to all customer classes.<sup>25</sup> This is just and reasonable, as the disposition of property will generate savings to be shared and distributed across customers.

PacifiCorp's described account procedures are just and reasonable, following standard memorandum account methodology to manage both debts and credits.<sup>26</sup> The interest will be added at the beginning of the month and kept at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month.<sup>27</sup> The previous month's rate is dictated by the Federal Reserve. This is a just and reasonable approach to a memorandum account structure and follows appropriate procedures for tracking all funds.

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<sup>24</sup> Application, Exhibit A at 10.

<sup>25</sup> *Ibid.*

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

PacifiCorp plans to dispose of any amount tracked via its future general rate case(s).<sup>28</sup> By distributing funds through the general rate case, the Commission is able to ensure ratepayers are protected, all funds are appropriately tracked, and ratepayers receive their portion of the benefits.

After review, we find that PacifiCorp's proposed tariff language is reasonable and should be approved.

## **5. Summary of Public Comment**

Rule 1.18 allows any member of the public to submit written comments in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final Decision issued in that proceeding.

At the time of issuance of this decision, no public comments had been submitted in this proceeding.

## **6. Conclusion**

The Commission grants PacifiCorp's request to establish the NTPMA to manage and distribute the proceeds and costs associated with the sale of real property in Utah. All California-allocated costs and proceeds related to the sale of the NTPMA may be tracked retroactively, effective as of May 16, 2024.

## **7. Procedural Matters**

This decision affirms all rulings made by the ALJ in this proceeding. All motions not ruled on are deemed denied.

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<sup>28</sup> *Id.*

## **8. Waiver of Comment Period**

This proceeding is an uncontested matter in which this decision grants the relief requested by PacifiCorp. As a result, pursuant to Rule 14.6(c)(2), it is appropriate to waive the 30-day period for public review and comment regarding this decision.

## **9. Assignment of Proceeding**

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

## **Findings of Fact**

1. PacifiCorp is a multi-jurisdictional investor-owned utility providing electric retail service to customers in California, Idaho, Oregon, Utah, Washington, and Wyoming.
2. PacifiCorp filed A.24-05-013 to establish a memorandum account to track all funds from the sale of approximately 100 acres of real property in Salt Lake City, Utah identified as the NTP. This Application was filed concurrently with Advice Letter 740-E seeking to dispose of the NTP.
3. PacifiCorp's Advice Letter was approved on June 12, 2024, by the Commission's Energy Division, permitting the sale of the NTP to the buyer.
4. PacifiCorp's California-allocated portion of the total NTP transaction will be less than \$5 million.
5. PacifiCorp seeks authorization to establish the NTPMA to track the California portion of the sale of the NTP.
6. The NTP is comprised of PacifiCorp's corporate headquarters and outdated facilities beyond their useful life.

7. The NTP buyer plans to use the property for development, but the exact purpose of the property, the number of future transactions, and amount paid to PacifiCorp, are unknown and unforeseeable.

8. The Application is not contested.

### **Conclusions of Law**

1. PacifiCorp's Application request for Commission authorization to establish the NTPMA to track the California-allocated portion of the sale of the NTP is reasonable and should be approved.

2. The Commission should allow the memorandum account to take effect starting May 16, 2024, given the precedent of granting a retroactive effective date based on the utility's application filing date.

3. PacifiCorp's proposed NTPMA tariff language is reasonable and should be approved.

4. Application 24-05-013 should be closed.

## **O R D E R**

### **IT IS ORDERED** that:

1. PacifiCorp is authorized to establish the North Temple Property Memorandum Account with an effective date of May 16, 2024, to track the proceeds from the sale of the North Temple Property located in Salt Lake City, Utah.

2. Application 24-05-013 is closed.

This order is effective today.

Dated February 5, 2026, at San Francisco, California.

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

MATTHEW BAKER

KAREN DOUGLAS

Commissioners