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### Pacific Power potentially wants its customers to pay \$90M in wildfire liability



In The News

By Ryan Haas (OPB) June 16, 2023 2:29 p.m.

The request to the Oregon Public Utility Commission would allow PacifiCorp to potentially pass on legal costs from fires it started in 2020.



A substation owned by PacifiCorp is shown in this file photo. Amelia Templeton / OPB



PacifiCorp has asked state regulators to let it potentially pass the cost of damages it owes for wildfires in 2020 onto its customers.

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<u>In a filing Thursday</u> with the Oregon Public Utility Commission, PacifiCorp asked the regulatory body to allow the utility to defer any costs related to wildfire liability through June 2024. That would give the company the option to add those costs to customer rates in the future.

Earlier this week, a Multnomah County jury found PacifiCorp owes around <u>\$90 million</u> <u>in damages</u> related to four wildfires after its Oregon business, Pacific Power, had a hand in causing or worsening those fires on Labor Day weekend 2020.

"The deferred accounting application enables (PacifiCorp) to preserve its ability to seek (wildfire cost) recovery in the future in the event the outcome could potentially impact the financial stability of the Company, which would result in higher costs to customers," attorneys for PacifiCorp wrote regulators.

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A class action lawsuit against the company for its role in the wildfires also remains ongoing, and jurors have found PacifiCorp could be liable for punitive damages to potentially thousands of Oregonians who lost property in the Echo Mountain Complex,

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PacifiCorp's concerns about its financial future are not entirely unfounded. In 2019, California's largest utility, Pacific Gas & Electric, went bankrupt after it paid out billions in lawsuits related to the deadly wildfires it caused.

"PacifiCorp has not requested recovery and is not requesting the commission take action at this time," the company said in a written statement. "This is a backstop to preserve our ability to take action in the event there is impact to the financial stability of the company."

Oregon's Citizens' Utility Board, a nonprofit that advocates for utility customers at the state level, called it "outrageous" that PacifiCorp wants to potentially pass its legal costs on to Oregonians.

"Customers pay the costs of prudent, reasonable utility operations," said Bob Jenks, the CUB executive director. "The court found that Pacific Power was reckless and grossly negligent, and included punitive damages meant to punish the company, not customers. Customers should not pay a dime of these costs."

The state Public Utility Commission, which approves rates and regulates utilities in Oregon, would need to approve PacifiCorp's request before it can defer the wildfire liability costs. Citizens' Utility Board said Friday that it intends to fight that approval.

The organization also noted that Pacific Power customers already experienced a rate increase this year for costs related to wildfire mitigation. Given PacifiCorp's plans to spend more money in coming years on similar efforts, it's likely customers will already see their bills rise before any costs related to the 2020 Labor Day fire litigation are added.

This story may be updated.

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