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November 19, 2026

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
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Salem, OR 97301
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Re: In the Matter of PacifiCorp, d/b/a Pacific Power,
Request for General Rate Revision
OPUC Docket No. UE 470

Attention Filing Center,

Please find attached for filing in the above-referenced proceeding Intervenor Rachelle McMaster and the *James* Class's Objection to the Stipulation.

Thank you for your assistance. Please do not hesitate to contact me with any questions regarding this filing.

Thank you,

/s/ Nicholas Rosinia

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Counsel for Rachelle McMaster and the *James* Class

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UE 470

In the Matter of PACIFICORP, dba PACIFIC POWER, Request for a General Rate Revision.	**INTERVENOR RACHELLE MCMASTER AND THE *JAMES* CLASS'S OBJECTION TO THE STIPULATION**

Under OAR 860-001-0350(8) and the procedural schedule adopted on October 21, 2026, Rachelle McMaster, individually and on behalf of the certified class in *James v. PacifiCorp* (the "*James* class"), objects to the Stipulation filed in this docket on October 28, 2026.

The Commission is not bound by a stipulation and should reject or modify it here.[1] The proposed Stipulation would reward a multi-billion-dollar, investor-owned utility, whose grossly negligent, reckless and willful conduct on Labor Day 2020 led to the destruction of entire communities across the state, with a nine-figure rate increase borne most heavily by residential customers, which include the survivors of its own fires. In doing so, the Stipulation would (a) pass along PacifiCorp's increased insurance premiums, driven by its post-fire risk profile, (b) provide PacifiCorp a healthy 9.5 percent return on equity that would essentially excuse it from the consequences of its own wrongdoing, and (c) leave PacifiCorp free to return next year for more, including another attempt to pass through its wildfire litigation legal fees.[2] Ultimately,

[1] *See* OAR 860-001-0350(9).

[2] At PacifiCorp's request, the Commission barred Ms. McMaster and the *James* class—which is largely comprised of PacifiCorp ratepayers—from accessing PacifiCorp's "highly protected" materials in this proceeding. *See* Order No. 26-376 at 4 (Sept. 30, 2026). Accordingly, this Objection addresses the issues contained in what Ms. McMaster and the *James* class were permitted to see.

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accepting the Stipulation would permit PacifiCorp to sidestep the harm it caused to the customers it serves.

There must be some limit on a utility's misconduct sufficient to foreclose it from receiving another nine-figure rate increase funded in part by the Oregonians it harmed. If PacifiCorp's grossly negligent conduct here is not enough to reach that threshold, it is difficult to understand what sort of conduct would be required to do so. As explained below, the Stipulating Parties have not and cannot show that the Stipulation would result in just and reasonable rates. The Commission should reject the proposed Stipulation or, at the very least, modify it to ensure PacifiCorp cannot pass along the costs of its gross negligence to those it harmed.

I. BACKGROUND

a. The Labor Day 2020 Fires and the Jury's Verdict

After nearly eight weeks of trial in 2023, a Multnomah County jury found PacifiCorp responsible to a class of thousands for four Labor Day 2020 fires: the Santiam Canyon fire, the Echo Mountain Complex fire, the South Obenchain fire, and the 242 fire.[3] Collectively, those fires burned tens of thousands of acres and entire communities, and harmed thousands across the state. That jury found PacifiCorp's actions leading up to and on Labor Day 2020 were negligent, grossly negligent, reckless, and willful.[4] It also found PacifiCorp's conduct to be so egregious that it warranted the imposition of punitive damages, which means PacifiCorp's conduct "exhibited a reckless and outrageous indifference to a highly unreasonable risk of harm to the health, safety, and welfare of others."[5]

[3] McMaster/100 at 3.
[4] *Id.*
[5] *Id.*

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During the trial, the evidence demonstrated that the Labor Day 2020 fires were the result of PacifiCorp's decision to prioritize its own profits over the safety of Oregonians.[6] The evidence showed that PacifiCorp—an investor-owned utility—had for years failed to invest in monitoring tools to understand local conditions, to develop a plan to shut the power off in the fire areas, to insulate power lines, and to pursue system upgrades.[7] Instead, in the years leading up to the fires, it opted to send more than $3 billion in ratepayer money to its corporate parent, Berkshire Hathaway.[8] Along the way, PacifiCorp's vegetation management program fell into such disarray that Commission staff members repeatedly described its state as "disturbing" in their yearly audits.[9] Yet PacifiCorp's foresters cited "budget constraints" when asking for more money to trim trees.[10]

As Labor Day approached, PacifiCorp was repeatedly warned of the coming windstorm but took no steps to prepare for it—even as its lines began arcing, sparking, and exploding across Oregon and Washington.[11] The situation ultimately became so dire on the evening of Labor Day that the Governor's office convened a call with PacifiCorp and other utilities, during which it specifically warned PacifiCorp of the dangerous conditions and asked about the company's plans to shut off the power.[12] By then, PacifiCorp's power lines had already started the 242 fire. Yet

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[6] *Id.*
[7] *Id. at 4-5.*
[8] *Id.* at 4-5.
[9] *Id.* at 4; McMaster/103; McMaster/104.
[10] McMaster/100 at 5.
[11] *Id.* at 3-4.
[12] *Id.* at 3; McMaster/102.

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despite the warnings, PacifiCorp did not act to protect those living in the areas it served as its power lines sparked fires across the Santiam Canyon, in Otis, and near Eagle Point.[13]

PacifiCorp's misconduct did not stop there. After its fires had devastated communities across the state, PacifiCorp began to destroy the physical evidence of its fires.[14] Despite its Chief Legal Officer starting an investigation into the fires, company personnel and contractors went into the fire areas and removed its equipment associated with the fires and trees that had contacted its power lines, and hauled them off to the "dump."[15] PacifiCorp also destroyed its internal chat messages, with only a precious few remaining in a forgotten "purges" folder.[16] One of those messages reflected PacifiCorp employees discussing fires under the company's power lines.[17]

Finally, the evidence at trial featured testimony from the 15 class representatives who described how PacifiCorp's fires destroyed their homes and property, and how they had struggled in the aftermath of the fires.[18] One of those class representatives was Rachelle McMaster, a survivor of the Echo Mountain Complex fire, who evacuated with her son and described the terror of sitting in traffic as they fled the fire.[19] Ms. McMaster later found out her home was completely lost in the fire, along with everything in it—including family heirlooms, her daughter's Care Bear collection and her son's Star Wars collection.[20] She described the effect

[13] McMaster/100 at 3-4.
[14] *Id.* at 4.
[15] *Id.*
[16] *Id.*
[17] *Id.*
[18] *Id.* at 5.
[19] *Id.* at 2.
[20] *Id.* at 2.

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that had on her son, who would not accept his Christmas gifts later that year for fear of losing everything all over again.[21] And Ms. McMaster put into words the experience of losing everything, of bouncing from temporary place to temporary place in the aftermath of the fire, and of the enduring impact and trauma PacifiCorp's fires caused.[22]

b. PacifiCorp Refuses to Take Accountability for Its Fires.

Following the jury verdict, PacifiCorp has refused to accept any accountability for its actions and has yet to compensate thousands of fire survivors. Instead, it has dedicated the past few years to spending tens—if not hundreds—of millions of dollars continuing to contest its responsibility.[23] PacifiCorp has now retained six large, expensive law firms to litigate the *James* case. It has insisted on a jury trial to determine the damages for every class member, accompanied by full discovery. Along the way, it has spent years digging through survivors' medical records, deposing each survivor about any trauma they've experienced in their life, employing a team of psychiatric experts to administer day-long, invasive psychiatric examinations to survivors, and combing through survivors' social media accounts for "every outing, vacation, or positive recollection" to dispute the fact and extent of the emotional and psychological harm it has caused survivors across the state.[24]

Adding to its bill, PacifiCorp has also chosen to appeal all twenty jury verdicts against it, totaling more than $1 billion in judgments. And while it has pointed to the intermediate appellate court's decision reversing the Phase I verdict, that same decision found the evidence at trial was

[21] *Id.* at 3.
[22] *Id.* at 2-3.
[23] *Id.* at 9-10.
[24] *Id.*

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sufficient to support the verdict[25]—and will soon be superseded by the Oregon Supreme Court's decision.

Intervenors are aware of no other utility that has chosen to go to trial in this manner, opting to dedicate its resources, liquidity and goodwill to litigating in the most expensive and offensive manner possible.

c. PacifiCorp's Repeated Resort to This Commission for Successive Rate Increases

Along the way, PacifiCorp has repeatedly asked this Commission to bail it out. It filed UE 399 in 2022, seeking a rate increase exceeding $80 million.[26] This Commission ultimately permitted a $46.7 million overall increase effective January 1, 2023, while also approving PacifiCorp's agreement not to file a general rate case with rates effective before January 1, 2025.[27]

PacifiCorp then filed UE 433 in February 2024, with rates to take effect January 1, 2025, seeking a $322.3 million increase.[28] That rate case included a request to establish a catastrophic fire fund through which customers would fund PacifiCorp's wildfire liability.[29] Ultimately, this Commission approved an increase of approximately 8.5 percent to base rates, which PacifiCorp later indicated amounted to $139.6 million, effective January 1, 2025.[30]

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[25] *James v. PacifiCorp*, 348 Or App 347, 379 (2026).
[26] UE 399, Order No. 22-491 at 2-3 (Dec. 16, 2022).
[27] UE 399, PacifiCorp Compliance Filing, Advice No. 22-017 at 3 (Dec. 22, 2022); UE 399, Third Partial Stipulation ¶ 21 (Sept. 21, 2022).
[28] UE 433, Order No. 24-447 at 3-4.
[29] UE 433, PacifiCorp's Executive Summary at 1, 6 ($77.7 million for a fund covering "third-party liabilities . . . in excess of the Company's insurance coverage").
[30] UE 433, PacifiCorp Compliance Filing, Advice No. 24-024 at 5 (Dec. 27, 2024) ("overall annual increase of approximately $139.6 million"); UE 433, Order No. 24-447 at 1-2.

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PacifiCorp also filed a separate case, UE 428, through which it sought this Commission's approval to change its terms of service to require customers to waive all "special, noneconomic, punitive, incidental, indirect, or consequential damages" caused by PacifiCorp's actions.[31] Its proposal arguably would have stripped *James* class members of their available damages and would have released PacifiCorp from noneconomic damages even if it were to act with gross negligence or commit willful misconduct.[32] The Commission rejected and permanently suspended the tariff.[33]

d. This Rate Case and the Proposed Stipulation.

A little more than a year after its UE 433 increase took effect, PacifiCorp filed this rate case, seeking another $170.7 million increase, including a $55.1 million interim increase. In support, PacifiCorp cited "escalating wildfire risk and financial pressure" from wildfire litigation[34]; increased insurance premiums "caused by increased wildfire liability risks in the region generally, and for PacifiCorp specifically"[35]; credit-rating downgrades attributable to wildfire-related litigation (and the *James* case specifically) and liquidity and surety bond pressure attributable to "accelerating wildfire damages trials"[36]; and wildfire-related business risk and concern that liability from a wildfire "could exceed insurance coverage and balance

[31] UE 428, Order No. 24-155 at 2 (May 30, 2024).
[32] *Id.* at 3-5; *see id.* at 1.
[33] Against this backdrop, PacifiCorp also repeatedly sought refuge in the legislature, seeking the passage of bills designed to reduce or eliminate its obligation to pay for damages resulting from fires started by its power lines. *E.g.*, Alex Baumhardt, *PacifiCorp Involved In Bills In Oregon, western states, limiting utility wildfire liability, damages*, Oregon Capital Chronicle (March 31, 2025), https://oregoncapitalchronicle.com/2025/03/31/pacificorp-involved-in-bills-in-oregon-western-states-limiting-utility-wildfire-liability-damages/.
[34] UE 470, Executive Summary at 6.
[35] *Id.* at 5.
[36] PAC/300, Weems/2–3, 7–10, 16–18.

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sheet liquidity"[37]. PacifiCorp now explains that the rate increase "will support the company's financial health during this challenging time."[38]

On October 28, 2026, PacifiCorp and other parties filed a Stipulation that, if accepted, would allow PacifiCorp a $131.9 million base rate increase tied in part to its purported wildfire-related financial pressures, and that would be borne most prominently by residential customers—including the survivors of PacifiCorp's fires. Ultimately, through its Stipulation, PacifiCorp asks the Commission to require the survivors of its fires to pay more to the same corporation that burned down their homes and, in doing so, to reimburse PacifiCorp for the business impact of its fires and efforts to avoid accountability.

II. ARGUMENT

Stipulations are "not binding on the Commission," which "may adopt or reject a stipulation, or propose that a stipulation be modified prior to approval."[39] The Commission "may not authorize a rate or schedule of rates that is not fair, just and reasonable," and PacifiCorp bears the burden to demonstrate its rates meet that standard.[40] "A party may challenge a settlement by presenting evidence that the overall settlement results in something that is not compatible with a just and reasonable outcome."[41] Where that occurs, the Commission will "consider whether the information and argument submitted by the party . . . suggests that the

[37] PAC/400, Bulkley/38–44 (quoting S&P Global Ratings, "After The Firestorms: Credit Risks Related to U.S. Wildfires," May 5, 2025, at 6-7).
[38] Stipulating Parties/100 at 29.
[39] OAR 860-001-0350(9).
[40] ORS 757.210(1)(a); ORS 756.040.
[41] UE 461, Order No. 26-084 at 2 (Mar. 18, 2026).

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settlement is not in the public interest, will not produce rates that are just and reasonable, or otherwise is not in accordance with the law."[42]

As described next, the Stipulation is not in the public interest and will not produce rates that are just and reasonable.

a. The Stipulation Would Permit PacifiCorp to Pass Along the Full Cost of Insurance Premiums Driven by Its Own Wildfire Liability and Risk Profile.

Initially, the Stipulation should be rejected or modified because it would allow PacifiCorp to pass through in base rates its full liability insurance premiums. Under the Stipulation, the proposed increase appears to incorporate PacifiCorp's full 2026-27 liability insurance renewal premiums—totaling approximately $49 million—without any reduction or shareholder share.[43]

PacifiCorp acknowledges in this docket that its liability premium increases are "caused by increased wildfire liability risks in the region generally, and for PacifiCorp specifically."[44] In UE 433, PacifiCorp testified that its premiums were 18 times higher in 2023 than in 2019.[45] It also reported, two months after the *James* verdict, that its premiums rose 269 percent in August 2023—representing a "1,888 percent increase over the last five years"—which was "far beyond anything the Company has experienced before."[46] In short, PacifiCorp's premiums are at least in part derived from its own misconduct—that is, from its own Labor Day 2020 fires and post-2020 risk profile.

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[42] *Id.*
[43] PAC/800, McCoy/23-24; PAC/802, McCoy/97; PAC/1600, McCoy/92; PAC/1602, McCoy/72-74.
[44] Executive Summary at 5.
[45] UE 433, PAC/700, Coleman/6.
[46] UE 433, PAC/600, Steward/10-11; UE 433, PAC/700, Coleman/5.

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In UE 433, the Commission required PacifiCorp's shareholders to bear 10 percent of its liability premiums "as an interim measure."[47] The Commission adopted that share to "create new incentives to ensure that utility shareholders play an active role in both mitigating risks and determining the best value coverage for the risks that remain."[48] And the Commission made clear in UE 433 that it expected to address the shareholder share "if and when the company renews its pursuit of a comprehensive insurance approach, potentially including self-insurance."[49]

Nevertheless, in its reply testimony, PacifiCorp asked the Commission to end the shareholder share.[50] And though it is silent on the issue, the Stipulation appears to accept that position and end any shareholder share (which, at 10 percent, would account for nearly $5 million)—as well as forgo any deduction accounting for the degree to which PacifiCorp's liability insurance premiums are driven by its own fires and resulting risk profile.

PacifiCorp should not be permitted, through the Stipulation, to pass through the full cost of its liability insurance premiums to the same ratepayers whose homes it burned down. It should at the very least be limited to passing through only the portion of its premiums not attributable to its post-fire risk profile and its Labor Day fires, limited by a shareholder share or another mechanism.

b. The Stipulation Sets PacifiCorp's Return on Equity at the Top of Staff's Range and Rewards PacifiCorp for Financial Pressure of Its Own Making.

Next, the Stipulation would unfairly permit PacifiCorp to receive a 9.5 percent return on equity, at the very top of Staff's range, without any explanation. There is no indication as to how

[47] UE 433, Order No. 24-447 at 24 (Dec. 19, 2024).
[48] *Id.*
[49] *Id.*
[50] PAC/1600, McCoy/98-99.

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or why the parties landed on a 9.5 percent ROE or why they cast aside the 9.2 percent low end of Staff's range (which would reduce the increase by up to $12.5 million) or AWEC's recommended 9.25 percent. The only reason given for a 9.5 percent return is "compromise."[51]

Staff's opening testimony tied the top of its range, 9.5 percent, in part to PacifiCorp's "financial distress around wildfire litigation."[52] Staff also explained that its model checks "point to bottom of range" and that "[c]onsiderations of affordability and Oregon's broadly challenged economy would also point to low-to-middle range."[53] And while pushing for a higher return on equity, PacifiCorp referenced factors associated with its Labor Day fires and efforts to avoid accountability—including "escalating wildfire risk and financial pressure" from wildfire litigation[54]; increased insurance premiums "caused by increased wildfire liability risks in the region generally, and for PacifiCorp specifically"[55]; credit-rating downgrades attributable to wildfire-related litigation (and the *James* case specifically) and liquidity and surety bond pressure attributable to "accelerating wildfire damages trials"[56]; and wildfire-related business risk[57].

PacifiCorp should not be permitted to absolve itself of the consequences of its own fires and litigation decisions through a steady, unchanging 9.5 percent return on equity. As Ms. McMaster explains, "PacifiCorp cannot divorce its financial downgrades and increased insurance

[51] Stipulation ¶ 16; Stipulating Parties/100 at 9.
[52] Staff/100, Muldoon/22.
[53] *Id.*
[54] Executive Summary at 6.
[55] Executive Summary at 5.
[56] PAC/300, Weems/2–3, 7–10, 16–18.
[57] PAC/400, Bulkley/38–44 (quoting S&P Global Ratings, "After The Firestorms: Credit Risks Related to U.S. Wildfires," May 5, 2025, at 6-7).

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premiums from its grossly negligent, reckless, and willful conduct that caused the Labor Day fires, and its nearly six-year campaign to avoid compensating victims."[58] To permit PacifiCorp to cast aside the financial consequences of its own actions in favor of being rewarded with a steady return on equity would be to tell PacifiCorp that there are no consequences at all. Given the extent of PacifiCorp's misconduct and the justifications it has put forth for its return on equity, that return should be no higher than 9.2 percent, the low end of Staff's assessment, which is itself excessive under the circumstances.

c. The Stipulation Does Not Contain Any Limitation on Future Rate Increases.

Finally, the Stipulation does not provide any limitation on PacifiCorp seeking yet another rate increase next year. In its 2022 rate case, UE 399, PacifiCorp agreed that it would "not file a general rate case with rates effective earlier than January 1, 2025."[59] The Stipulation here contains no such commitment. Moreover, PacifiCorp "reserves the right to seek recovery of its deferred liability insurance expense," and the Stipulation contains no bar on PacifiCorp seeking to pass through its wildfire litigation legal fees in its next case.[60]

PacifiCorp has already received nearly $200 million in rate increases since its Labor Day fires, and the Stipulation would add another $131.9 million to that figure. Absent any limitation, there is nothing to stop PacifiCorp from filing another general rate case next year—and every incentive to do so. The clear message would be that PacifiCorp can insulate itself from the consequences of its own misconduct by appealing to this Commission for help year after year. Like in UE 399, the Commission should condition any approval on PacifiCorp's commitment not

[58] McMaster/100 at 11.
[59] UE 399, Third Partial Stipulation ¶ 21 (Sept. 21, 2022).
[60] Stipulation ¶¶ 20, 41.

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to file another general rate case with rates effective for a period of time. Given the significant increases already afforded to PacifiCorp, that period should be at least five years.

III. CONCLUSION

As Ms. McMaster explains, "fire victims and their neighbors should not bear the cost of PacifiCorp's self-inflicted financial pressures."[61] Approving the Stipulation here would set a precedent that a utility can "transform its wildfire liability exposure—no matter how negligently or recklessly incurred—into a recoverable cost of service."[62] That is fundamentally unfair, it is inconsistent with the responsibility to ensure just rates, and would disincentivize Oregon utilities from acting responsibly moving forward.[63]

The Commission should reject the Stipulation because the Stipulating Parties have not shown that it would result in just and reasonable rates. Alternatively, it should modify the Stipulation to (1) foreclose PacifiCorp from passing along its increased insurance premiums attributable to its fires and post-fire risk profile, particularly without any shareholder share; (2) set PacifiCorp's return on equity no higher than 9.2 percent; and (3) require PacifiCorp's commitment that it will not file another general rate case with rates effective for at least five years after the rates in this case take effect.

[61] McMaster/100 at 12.
[62] *Id.*
[63] *Id.*

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RESPECTFULLY SUBMITTED this 19th day of November, 2026.

EDELSON PC
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