PRELIMINARY STATEMENT (Continued)
PART D

Balancing Accounts

1. Energy Savings Assistance Program Balancing Account (ESAPBA)

1. PURPOSE

The purpose of the ESAPBA is to establish the Energy Savings Assistance Program Balancing Account to track the Public purpose program charge funds allocable to the energy savings assistance programs and the expenses associated with those programs.

2. APPLICABILITY

The ESAPBA applies to all rate schedules and special contracts subject to the jurisdiction of the Commission.

3. ENERGY SAVINGS ASSISTANCE PROGRAM BALANCING ACCOUNT (ESAPBA)

In compliance with Decision No. 03-03-007, the ESAPBA will track the funds allocable to the energy savings assistance programs and the program expenses.

Entries made to the ESAPBA at the end of the month shall be determined by the following calculation:

(a) The energy savings assistance program expenses incurred during the month.

(b) Less: one-twelfth of the funds allocable the energy savings assistance programs.

Interest will accrue monthly to the ESAPBA by applying one-twelfth of the interest rate to the average of the beginning and ending balance in the ESAPBA. The Interest Rate shall be the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release.

2. Solar Incentive Program Balancing Account

The Solar Incentive Program Balancing Account is established in accordance with Decision 11-03-007 to track program collections and expenditures under the Solar Incentive Program. Collections in the balancing account shall be capped at the approved total program costs as set forth in D.11-03-007. Unspent collections shall be rolled over annually for the first four years until further order of the Commission either directing use of the funds or return of the money to the Company's ratepayers.

(Continued)

PRELIMINARY STATEMENT (Continued)
PART D

Balancing Accounts Continued

3. Greenhouse Gas Allowance Costs Sub-balancing Account

The Greenhouse Gas(GHG) Allowance Costs Sub-balancing Account_is established in accordance with Decision 12-12-033 to track and defer costs from the purchase of GHG allowances for subsequent recovery in rates. GHG costs will be based on the forecast of GHG allowance costs included in the Company's 2013 Energy Cost Adjustment Clause Application 12-08-033. Interest on the sub-balancing account will accrue at 1/12 of the interest rate on Commercial Paper for the previous month, as published in the Federal Reserve Statistical Release, H.15. In the event publication of the interest rate on 3-month Commercial Paper is discontinued, interest will accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper which most closely approximates the rate that was discontinued and which is published in the Federal Reserve Statistical Release, H.15, or its successor publication.

Upon declaration by the California Public Utilities Commission that the GHG allocation methodology is ready for implementation, PacifiCorp may begin to recover costs recorded in the GHG Allowance Costs Sub-balancing Account in rates. The outstanding balance in the GHG Allowance Costs Sub-balancing Account, including accrued interest, must be amortized over a reasonable period so that all deferred costs are distributed within 24 months.

4. Greenhouse Gas Allowance Revenue Balancing Account

The Greenhouse Gas (GHG) Allowance Revenue Balancing Account is established in accordance with Decision 12-12-033 to track and defer revenue from the sale of GHG allowances for subsequent allocation to eligible customer classes. Estimated GHG revenues will be based on the forecast of GHG revenues included in the Company's 2013 Energy Cost Adjustment Clause Application 12-08-033. Interest on the balancing account will accrue at 1/12 of the interest rate on Commercial Paper for the previous month, as published in the Federal Reserve Statistical Release, H.15. In the event publication of the interest rate on 3-month Commercial Paper is discontinued, interest will accrue at the rate of 1/12 of the most recent month's interest rate on Commercial Paper which most closely approximates the rate that was discontinued and which is published in the Federal Reserve Statistical Release, H.15, or its successor publication.

Upon declaration by the California Public Utilities Commission that the GHG allocation methodology is ready for implementation, PacifiCorp may begin to allocate allowance revenues recorded in the GHG Allowance Revenue Balancing Account to eligible customer classes. The outstanding balance in the GHG Allowance Revenue Balancing Account, including accrued interest, must be amortized over a reasonable period so that all deferred revenues are distributed within 24 months.

PRELIMINARY STATEMENT (Continued)
PART D

5. Mobile Home Park Conversion Balancing Account (MHPCBA)

Purpose:

The Mobile Home Park Conversion Balancing Account (MHPCBA) is established in accordance with D. 14-03-021 and retained in D.20-04-004. The purpose of the MHPCBA, a two-way, interest-bearing balancing account, is to record costs associated with implementing the voluntary conversion of master-metered mobile home parks or manufactured housing communities to direct utility service by Pacific Power. The costs associated with the entries to the MHPCBA shall include incremental incurred expenses for both to-the-meter and beyond-the-meter capitalized costs and ongoing incremental Operation and Maintenance (O&M) expenses. Actual construction costs for each MHP conversion shall be entered into a balancing account and recovered in the year immediately following service cut over for that MHP. Reasonableness review of “to-the-meter” cost will occur in the Company General Rate Case (“GRC”) proceedings, where these costs are included into the base rate. The review of the “beyond-the-meter” costs will occur in the first GRC after service cut over. This account will remain open and continue to record the ongoing MHP conversion costs and associated revenue requirements related to all completed projects until those are included in a GRC revenue requirement. Pursuant to OP 1 of D.20-04-004, the Company is offering Mobilehome Park Utility Conversion Program until the earlier date of December 31, 2030 or the issuance of a Commission Decision for the continuation, expansion, or modification of the program.

Disposition and Review:

The Company will file an advice letter annually to recover the recorded balance through rates for completed conversions in the year immediately following the cut over service.

The Company is authorized to fully recover in distribution rates the costs of the conversion program, subject to reasonableness review. Review for reasonableness of “to the meter” costs and “beyond the meter” costs will occur in the first General Rate Case (GRC) proceeding where conversion costs are included into the GRC rate base for the MHPs that have service cut over completed.

Operation of the MHPCBA:

Entries to the MHPCBA will be made monthly and will include:

a. A debit entry equal to the recorded incremental O&M expenses, including applicable payroll taxes and benefits, administration, and customer outreach.

b. A debit entry equal to the incremental capital-related revenue requirement, excluding associated Franchise Fees and Uncollectibles (FF&U), related to the to-the-meter capital costs incurred. The capital-related revenue requirement shall include depreciation expense, return on rate base at the currently authorized rate of return on rate base and applicable taxes.

c. A debit entry equal to the revenue requirement on the regulatory asset, excluding FF&U, related to beyond-the-meter costs incurred. The revenue requirement shall include amortization expense, return on investment at the currently authorized rate of return on rate base, and applicable taxes associated with the installed equipment. The beyond-the-meter costs will be amortized over ten years.

Interest shall accrue monthly at one-twelfth of the interest rate on Commercial Paper for the previous month, as published in the Federal Reserve Statistical Release, H. 15. In the event publication of the interest rate on Commercial Paper (prime, 3 months) is discontinued, interest will accrue at the rate of one-twelfth of the most recent month's interest rate on Commercial Paper which most closely approximates the rate that was discontinued, and which is published in the Federal Reserve Statistical Release, H. 15, or its successor publication.

(Continued)

PRELIMINARY STATEMENT (Continued)
PART D

5. Mobile Home Park Conversion Balancing Account (MHPCBA) (Continued):

Disposition and Review:

Immediately following service cutover for a mobile home park, the Company will submit an advice letter to establish the MHPCBA surcharge to recover the actual incremental costs recorded in the MHPCBA.[i] An annual advice letter will be submitted in subsequent years as needed to adjust the surcharge following service cutover of any additional mobile home parks during the three-year pilot program.

The Company is authorized to fully recover in distribution rates the costs of the conversion program, subject to reasonableness review. The review for reasonableness of the costs will occur in the Company's first general rate case following service cutover. The surcharge will continue until the to-the-meter costs are rolled into base rates in connection with a general rate case or other applicable proceeding and the beyond-the-meter costs are fully amortized over a ten-year period.

6. Demand Side Management (DSM) Balancing Account
The purpose of the DSM Balancing Account is to provide a summary of the Surcharge to Fund the Public Purpose Programs collected under Schedule S-191 that funds the energy efficiency programs offered by the Company.* Entries captured in the DSM Balancing Account include program expenditures incurred by the Company, Public Purpose funds collected through Schedule S-191 to offset program expenditures and accrued liabilities the Company would be obligated to pay in support of the DSM program.

* Funding for the Energy Savings Assistance Program (ESAP), offered to income-qualified customers, is collected through Schedule S-192. The funding and program expenses for ESAP are tracked in the ESAP Balancing Account.

7. Assembly Bill (AB) 693 Balancing Account

The purpose of the AB 693 Balancing Account is to track authorized funding for the Solar on Multifamily Affordable Housing Program (SOMAH) authorized by Commission Decision (D.) 17-12-022. The AB 693 Balancing Account will track the funds set aside from PacifiCorp's sale of Greenhouse Gas Allowances (GHG Allowance Proceeds) and all the costs associated with the SOMAH Program which may include, but are not limited to, initial costs of fielding a request for proposal, utility administrative costs (including but not limited to reporting), contributions to the Program Administrator administrative budget, and incentive payments. Unencumbered funds at the end of a program year may be carried over to future years. The treatment of unused funds at the end of the program will be determined either through a Tier 3 advice letter submitted by the Company, or a Commission decision, once the duration of the SOMAH program and the extent of funds are known.

(Continued)

[i] See D.14-03-021 at 50.

PRELIMINARY STATEMENT (Continued)
PART D

7. Assembly Bill (AB) 693 Balancing Account (Continued)

Interest will accrue monthly to the SOMAH Balancing Account by applying one-twelfth of the interest rate to the average of the beginning and ending balance in the memorandum account. The interest rate will be the interest rate on the three-month commercial paper for the previous month, as reported in the Federal Reserve Statistical Release.

8. Rule 20 Balancing Account

1. Purpose:
The Rule 20 one-way Balancing Account is established in accordance with Commission Decision D. 21-06-013 to track the difference between: (1) capital expenditures and related expenses authorized in PacifiCorp's General Rate Case proceeding(s) (GRC) and (2) the actual capital expenditures and related expenses required to complete the overhead to underground conversion projects consistent with the Rule 20 programs. The balancing account will track all costs to be included in the Rule 20 Annual Report, in addition to any figures typically tracked in a balancing account including cancelled project expense. These amounts shall be tracked separately for each Rule 20 Program in the following sub-accounts, as follows: (1) Rule 20A Program Sub-Account; (2) Rule 20B Program Sub-Account; and (3) Rule 20C Program Sub-Account.

Any funds authorized in a GRC for the purpose of a Rule 20 Program, shall be reserved exclusively for the purpose and benefit of the Rule 20 Programs as authorized in the Rule 20 tariff. Rule 20 Program funds shall not be reallocated to any other purpose without the express authorization of the Commission.

2. Operation of Rule 20 Balancing Accounts and Sub-Accounts Rule 20A, Rule 20B, Rule 20C:
Monthly entries shall be determined as follows:
(1) A credit entry equal to the authorized capital expenditures
(2) A credit entry equal to the authorized related expenses;
(3) A debit entry equal to actual capital expenditures
(4) A debit entry equal to actual related expenses;
(5) Equals: the monthly (Over)/Under Collection.

The one-way Rule 20 Balancing Account is non-interest bearing.

3. Disposition and Review:
Pursuant to D.21-06-013, review and disposition of balances in the Rule 20 BA will occur in the Company's General Rate Case proceedings.

(Continued)

PRELIMINARY STATEMENT
PART D

Wildfire and Natural Disaster Resiliency Rebuild Balancing Account "WNDRRBA") Balancing Account

1. Purpose:
   The purpose of the Wildfire and Natural Disaster Resiliency Rebuild Balancing Account ("WNDRRBA") is to track payments issued for PacifiCorp's participation in the Wildfire and Natural Disaster Resiliency Rebuilding ("WNDRR") program, and track recovery of these payments. This balancing account is established in accordance with Decision No. 21-11-002.

2. Operation of WNDRRBA:
   1. Record expenses issued by PacifiCorp for contribution to the WNDRR program.

   2. Record revenues received from the WNDRR portion of the Public Purpose Program surcharge collected from residential customers over one year via non-bypassable PPP charges.

   3. Record monthly interest. Monthly interest will accrue at 1/12 of the interest rate on 3-month Commercial Paper for the previous month, as published in the Federal Reserve Statistical Release, H.15 or its successor publication.

3. Disposition and Review:
   Pursuant to D.21-11-002, PacifiCorp's WNDRR program is $80,759. The Decision authorizes PacifiCorp to recover its contribution in rates from residential customers through nonbypassable Public Purpose Program (PPP) charges amortized over one year. PacifiCorp will recover its contribution from its residential customers only.

(Continued)

PRELIMINARY STATEMENT
PART D

Transportation Electrification Framework Balancing Account

1. Purpose:

The purpose of the Transportation Electrification Framework Balancing Account ("TEFBA") funding for the long-term Transportation Electrification Framework TEF) program and associated activities. The TEF policy was adopted in Decision No. ("D.") 22-11-040. The Funding Cycle 1 (FC1) framework includes a five-year (2025-2029) funding cycle of $1 billion between the California electrical corporations. The funding allocation is based on each IOU's percentage of electric sales for 2024 as outlined in Advice Letter 709-E. Pursuant to D.22-11-040, total FC1 rebate funding in PacifiCorp's service territory shall be capped based on its funding contribution, after deducting costs for program administration, technical support and evaluations, the Locally Invested Transportation Equity (LITE) pilot program, Technical Assistance (TA) programs, and marketing, education, and outreach (ME&O) programs.

This one-way balancing account is established in accordance with D.22-11-040.

2. Accounting Procedures:

PacifiCorp shall maintain the TEFBA by recording the following entries at the end of each month:

a) A debit entry equal to the incremental costs associated with the FC1 program; disbursement of appropriate funds to the Program Administrator, costs for program administration, technical support and evaluations, the Locally Invested Transportation Equity (LITE) pilot program, Technical Assistance (TA) programs, and marketing, education, and outreach (ME&O) programs.

b) A debit entry equal to the incremental capital-related costs (depreciation, taxes, and return) associated with the FC1 program, if applicable.

c) A credit entry equal to the revenue collected.

d) An entry equal to reflect any transfers to other regulatory accounts for recovery in rates, as authorized by the Commission; and

e) An entry to record the interest on the average balance at the beginning of the month and the balance after the entries above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor publication.

3. Rates:

The TEFBA costs shall be recovered through distribution rates allocated on an equal per kilowatt-hour basis applied to all customer classes.

4. Disposition and Review:

The disposition of the final balance in the TEFBA and the termination of the account will be addressed in the Company's General Rate Case (GRC) or other applicable proceeding designated by the Commission.

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