

FAQ – Liberty CalPeco 2025 WEMA Application

1. What is the WEMA Application?

- **Answer:** On June 20, 2025, Liberty filed an application with the CPUC requesting approval to recover in rates incremental costs recorded to its Wildfire Expense Memorandum Account (“WEMA”). These incremental costs are related to the 2020 Mountain View Fire and include costs to resolve third-party claims arising from the fire, as well as associated legal and financing costs.

2. Why is Liberty requesting approval to recover these costs through customer rates?

- **Answer:** In California, utilities are required to pay for property damage and other costs resulting from a fire associated with utility facilities even if they operated their systems prudently. **California law also allows for utilities to recover these costs in rates if the utility was not negligent.** In accordance with the principles of cost-based ratemaking, Liberty requests recovery of these costs through rates. The CPUC then reviews those costs before allowing these costs to be recovered in rates. Recovery of prudent costs through rates helps ensure continued safe and reliable service while keeping Liberty financially stable.

3. Why didn't Liberty use the California Wildfire Fund like PG&E or SCE?

- **Answer:** Liberty is not eligible for the **California Wildfire Fund** because the fund was designed for the state's large utilities, requiring a minimum of \$1 billion in damages before the fund can be utilized. As a small utility, Liberty must secure its own wildfire insurance and cover its costs independently.

4. Did Liberty cause the Mountain View Fire?

- **Answer:** While Cal Fire identified Liberty equipment as the “most probable” source, the cause of the fire is not definitively known. External factors like **extreme wind and dry conditions** played a major role in how the fire ignited and spread. **Liberty was not cited for any violations, and no findings of fault were issued by state regulators.**

5. How much is the proposed increase?

- **Answer:** If Liberty's rate request is approved by the CPUC, the average residential monthly bill would increase by approximately \$29 or 15% per month for three years.

6. How will this affect my electricity bill?

- **Answer:** If approved, this will cause a **temporary** increase to customer bills. The impact on your bill will depend on your usage and rate class. The final decision on how much rates will increase is made by the CPUC after a thorough review process. The CPUC carefully examines Liberty's proposal and considers input from customers, consumer advocates, and other stakeholders. This includes public hearings and a detailed



analysis of Liberty's application. Only after this in-depth review will the CPUC decide to approve, modify, or reject the proposed rate increase.

7. When will this rate increase take effect?

- **Answer:** The rate increase will not take effect until the CPUC issues a decision. This could take up to a year or longer.

8. How long will the new rates last?

- **Answer:** If the CPUC approves Liberty's proposal, the new rates will be in place for three years.

9. Can I participate in the rate case process?

- **Answer:** Yes. Please visit apps.cpuc.ca.gov/c/A2506017 to submit a comment about this proceeding on the CPUC Docket Card. You can also view documents and other public comments related to this proceeding at this location.

10. What if I can't afford the rate increase?

- **Answer:** Liberty understands that rate increases can be challenging. The company offers assistance programs for low-income customers, including the CARE program, as well as flexible payment plans. Customers are encouraged to reach out to discuss the options available to help manage their bills.

11. What does Liberty do to prevent wildfires?

- **Answer:** Liberty has a robust wildfire mitigation program and continues to make major investments in fire risk modeling, covered conductors, weather stations, Public Safety Power Shutoff (PSPS) protocols, vegetation management, as well as numerous other fire prevention projects and programs.