

March 11, 2021

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

**RE: UM \_\_\_\_ — Application for Approval of Deferred Accounting for Costs Related to Wildfire Risk Mitigation Measures and Vegetation Management**

PacifiCorp d/b/a Pacific Power submits for filing its Application for Approval of Deferred Accounting for Costs Related to Wildfire Risk Mitigation Measures and Vegetation Management.

PacifiCorp respectfully requests that all communications related to this filing be addressed to:

Oregon Dockets  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
[oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Matthew McVee  
Chief Regulatory Counsel  
825 NE Multnomah Street, Suite 1800  
Portland, OR 97232  
[Matthew.mcvee@pacificorp.com](mailto:Matthew.mcvee@pacificorp.com)

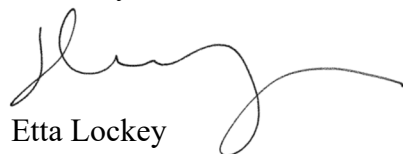
Additionally, PacifiCorp requests that all formal information requests regarding this matter be addressed to:

By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

Informal inquiries may be directed to Cathie Allen, Manager, Regulatory Affairs, at (503) 813-5934.

Sincerely,



Etta Lockey  
Vice President, Regulation

Cc: Service List for Docket No. UE 374

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM \_\_\_\_\_**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Deferred Accounting for Costs  
Related to Wildfire Risk Mitigation Measures and  
Vegetation Management

**APPLICATION FOR DEFERRED  
ACCOUNTING**

**I. INTRODUCTION**

In accordance with Oregon Revised Statutes (ORS) 757.259 and Oregon Administrative Rules (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power applies to the Public Utility Commission of Oregon (Commission) for an order authorizing deferral of the incremental costs of implementing the wildfire risk mitigation measures associated with mitigating wildfire risk in Oregon (Deferred Amount) and vegetation management.

PacifiCorp will seek amortization of the Deferred Amount in a future commission proceeding through the Wildfire Mitigation and Vegetation Management Cost Recovery Mechanism (WMVM).<sup>1</sup>

**II. NOTICE**

Communications regarding this application should be addressed to:

Oregon Dockets  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Matthew D. McVee  
Chief Regulatory Counsel  
PacifiCorp  
825 NE Multnomah Street, Suite 1800  
Portland, OR 97232  
Email: [matthew.mcvee@pacificorp.com](mailto:matthew.mcvee@pacificorp.com)

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<sup>1</sup> In UE 374, Order No. 20-473, the Commission authorized the Wildfire Mitigation and Vegetation Management Cost Recovery Mechanism. The first filing will be made on May 5, 2022.

In addition, the company requests that all data requests regarding this application be sent to the following:

By email (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232

Informal questions may be directed to Cathie Allen, Manager of Regulatory Affairs, at (503) 813-5934.

### **III. OAR 860-027-0300(3) REQUIREMENTS**

As required by OAR 860-027-0300(3) and (4), PacifiCorp provides the following:

#### **A. Background Description**

On May 14, 2019, in docket UM 2013 PacifiCorp submitted an *Application for Deferred Accounting Related to Wildfire Risk Mitigation Measures*. On May 14, 2020, PacifiCorp submitted an application for reauthorization of deferred accounting in docket UM 2013(1). The costs described in those applications included inspection and correction of found fire-threat conditions, advanced system hardening and resiliency, expanded automation and protection, improved wildfire detection, enhanced event response capacity, vegetation management activities, along with other costs to mitigate the risk of wildfires.

In UE 374, Order No. 20-473, the Commission authorized the WMVM mechanism for a period of three years. The Order authorized \$30 million in wildfire mitigation and vegetation management operations and maintenance (O&M) expense in base rates. The WMVM mechanism provides an opportunity to recover additional wildfire mitigation and vegetation management O&M spend beyond what is included in base rates subject to performance metrics and an earnings test.

The new WMVM mechanism authorized by the Commission includes vegetation management O&M costs not limited to the vegetation management costs incurred as part of PacifiCorp's wildfire mitigation planning effort. PacifiCorp is submitting this application requesting authorization to defer the incremental wildfire mitigation costs and vegetation management O&M costs incurred as part of the Company's ongoing vegetation management program. A request for recovery of costs is expected to be submitted as part of the WMVM mechanism filing on May 5, 2022.

**B. Reasons for Deferral**

As discussed above, PacifiCorp requests authorization to defer the incremental costs associated with wildfire risk mitigation and vegetation management. ORS 757.259(2)(e) allows the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne and benefits received by customers.

**C. Estimated 2021 Costs**

In Order No. 20-473, the Commission authorized \$30 million in base rates related to wildfire mitigation costs and vegetation management O&M. The costs are expected to include inspection and correction of found fire-threat conditions, advanced system hardening and resiliency, expanded automation and protection, improved wildfire detection, enhanced event response capacity, vegetation management activities, along with other costs to mitigate the risk of wildfires and vegetation management activities conducted outside of the wildfire mitigation program. The costs incurred in 2021 are expected to exceed the \$30 million authorized in base rates.

**D. Proposed Accounting**

If this application is approved, PacifiCorp will record deferred amounts by debiting FERC Account 182.3-Other Regulatory Assets and crediting the incremental operations and maintenance expense to various FERC Accounts including primarily 593.0 Maintenance Overhead Lines (distribution).and 571.0-Maintenance Overhead Lines (transmission).

If this application is denied, the costs will remain in the various FERC Accounts.

**E. Notice**

A copy of the Notice of Application is included as Exhibit A. This notice will be served to the service list in docket UE 374.


**F. Description and Explanation of Entries in the Deferred Account to Date**

Not applicable.

**IV. CONCLUSION**

PacifiCorp respectfully requests that, in accordance with ORS 757.259(2)(e), the Commission authorize the company to defer the costs described in this application. Recovery of the deferred fire risk mitigation costs and vegetation management costs will only be authorized for recovery through a subsequent application using the WMVM mechanism authorized by the Commission in Order No. 20-473.

Respectfully submitted this 11<sup>th</sup> day of March, 2021.

By:   
Matthew D. McVee  
Chief Regulatory Counsel  
PacifiCorp d/b/a Pacific Power

## **EXHIBIT A**

**EXHIBIT A**

**NOTICE**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM \_\_\_\_\_**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Deferred Accounting for Costs  
Related to Wildfire Risk Mitigation Measures  
and Vegetation Management

**NOTICE OF  
APPLICATION FOR DEFERRED  
ACCOUNTING**

On March 11, 2021, PacifiCorp d/b/a Pacific Power (PacifiCorp) filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing deferral of the incremental costs of implementing the wildfire risk mitigation measures associated with mitigating wildfire risk in Oregon (Deferred Amount) and vegetation management. The granting of this application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding. To obtain a copy of the application, contact the following:

Oregon Dockets  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [oregondockets@pacificorp.com](mailto:oregondockets@pacificorp.com)

Any person who wishes to submit written comments to the Commission must do so within 25 days of the date of PacifiCorp's application.

Respectfully submitted on March 11, 2021.

By:



Matthew D. McVee  
Chief Regulatory Counsel

## CERTIFICATE OF SERVICE

I certify that I delivered a true and correct copy of PacifiCorp's **Notice of Application for Approval of Deferred Accounting for Costs Related to Wildfire Risk Mitigation Measures and Vegetation Management** on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

### Service List UE 374

<p>BILL EHRLICH (C) (HC) TESLA 3500 DEER CREEK RD PALO ALTO CA 94304 <a href="mailto:wehrlich@tesla.com">wehrlich@tesla.com</a></p>	<p>STEVE ELZINGA (C) CHARGEPOINT INC 693 CHEMEKETA ST NE SALEM OR 97301 <a href="mailto:steve@shermlaw.com">steve@shermlaw.com</a></p>
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Dated this 11<sup>th</sup> day of March, 2021.




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Katie Savarin  
Coordinator, Regulatory Operations