

August 12, 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 Insurance
Premiums**

PacifiCorp d/b/a Pacific Power submits for filing its application to defer costs associated with the Insurance Premium costs above those currently included in rates in accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rules (OAR) 860-027-0300.

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

Matthew McVee
Chief Regulatory Counsel
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
matthew.mcvee@pacificorp.com

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

By email (preferred): 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,



Shelley McCoy
Director, Regulation

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM _____

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Order Approving the Deferral
of Costs Associated with Insurance Premiums.

**APPLICATION FOR APPROVAL OF
DEFERRED ACCOUNTING FOR
INSURANCE PREMIUMS**

I. INTRODUCTION

Under ORS 757.259 and OAR 860-027-0300, PacifiCorp d/b/a Pacific Power requests an order authorizing PacifiCorp to defer for later ratemaking treatment liability and property insurance premium costs above those currently included in rates. PacifiCorp seeks authorization to defer the recovery of the incremental costs beginning August 12, 2021 for a twelve-month period ending August 11, 2022. PacifiCorp will seek amortization of the deferred costs in a future Commission proceeding.

In support of this Application, PacifiCorp states:

II. NOTICE

Communications regarding this application should be addressed to:

Oregon Dockets
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
oregondockets@pacificorp.com

Matthew McVee
Chief Regulatory Counsel
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
matthew.mcvee@pacificorp.com

In addition, PacifiCorp requests that all information requests regarding this application be sent to the following:

By email (preferred): 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

A. Description

PacifiCorp seeks authorization from the Public Utility Commission of Oregon (Commission) to defer, for future amortization, actual incremental liability and property insurance premium costs above those currently included in rates. In docket UE 374,¹ PacifiCorp included estimated insurance premiums based on premiums in effect beginning August 15, 2020. In PacifiCorp's reply update filed in June, PacifiCorp estimated liability insurance premium costs of \$10,298,049 and property insurance premium costs of \$3,582,579, for a total of \$13,880,628, all on a total company basis. PacifiCorp's insurance premiums have unexpectedly increased due to wildfire risk and other factors outside PacifiCorp's control, and the Company will incur significant costs associated with its liability and property insurance renewals that go into effect on August 15, 2021. As addressed in UE 374, PacifiCorp's insurance policies cover system-allocated assets, and therefore all customers benefit from this coverage. Accordingly, PacifiCorp requests authorization to defer the 2021 insurance premium renewal costs above those currently included in rates.

¹ In the matter of PacifiCorp, dba Pacific Power, Request for a General Rate Revision, Docket No. UE 374, Order No. 20-473 (Dec 18, 2020).

B. Reasons for Deferral

PacifiCorp requests this deferral under ORS 757.259(2)(e). This deferral will match appropriately the costs borne by and benefits received by customers.

This deferral will minimize the frequency of rate changes or the fluctuation of rate levels or match appropriately the costs borne by and benefits received by customers.

C. Proposed Accounting

PacifiCorp proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets), crediting FERC Account 924 (Property Insurance) and FERC Account 925 (Injuries and Damages). In the absence of a deferred accounting order, the costs would remain in FERC Accounts 924 and 925.

D. Estimate of Amounts

PacifiCorp currently estimates that its total liability insurance premiums will exceed \$24.3 million, including taxes and fees. This would be an increase of \$14.7 million from renewal costs in 2020, and would more than double what is currently included in rates for liability insurance.

E. Notice

A copy of the Notice of Application for Order Approving the Deferral of Costs Associated with Insurance Premiums and a list of persons served with the notice are included with this filing as Exhibit A.

IV. CONCLUSION

Authorization of deferred accounting treatment is appropriate, just, and reasonable. For the reasons stated above, PacifiCorp requests authorization for deferral of incremental

costs associated with its 2021 insurance renewal premiums for the 12-month period beginning August 12, 2021.

Respectfully submitted this 12th day of August, 2021.

By:



Matthew McVee, OSB #020735
Chief Regulatory Counsel
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, OR 97232
PHONE: (503) 813-5585
EMAIL: matthew.mcvee@pacificorp.com
Attorney for PacifiCorp

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 Order Approving the Deferral
of Costs Associated with Insurance Premiums.

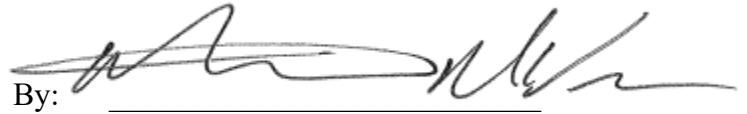
**APPLICATION FOR APPROVAL OF
DEFERRED ACCOUNTING FOR
INSURANCE PREMIUMS**

On August 12, 2021, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing PacifiCorp to defer for later ratemaking treatment liability and property insurance premium costs above those currently included in rates in accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rules (OAR) 860-027-0300. PacifiCorp seeks authorization to defer the recovery of the incremental costs beginning August 12, 2021 for a twelve-month period ending August 11, 2022. 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

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 August 12, 2021.

By: 

Matthew McVee
Chief Regulatory Counsel

CERTIFICATE OF SERVICE

I certify that I delivered a true and correct copy of PacifiCorp's **APPLICATION FOR APPROVAL OF DEFERRED ACCOUNTING FOR INSURANCE PREMIUMS** on the parties listed below via electronic mail and/or or overnight delivery in compliance with OAR 860-001-0180.

Service List UE 374

BILL EHRLICH (C) (HC) TESLA 3500 DEER CREEK RD PALO ALTO CA 94304 wehrlich@tesla.com	STEVE ELZINGA (C) CHARGEPOINT INC 693 CHEMEKETA ST NE SALEM OR 97301 steve@shermlaw.com
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WALMART	
VICKI M BALDWIN (C) PARSONS BEHLE & LATIMER 201 S MAIN ST STE 1800 SALT LAKE CITY UT 84111 vbaldwin@parsonsbehle.com	STEVE W CHRISS (C) WAL-MART STORES, INC. 2001 SE 10TH ST BENTONVILLE AR 72716-0550 stephen.chriss@wal-mart.com

Dated this 12th day of August, 2021.



Mary Penfield
Adviser, Regulatory Operations