

September 14, 2020

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 Deferred Accounting Related to Wildfire Damage and Restoration Costs

PacifiCorp d/b/a Pacific Power submits for filing its Application for Deferred Accounting Related to Wildfire Damage and Restoration Costs.

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

Oregon Dockets

PacifiCorp

825 NE Multnomah Street, Suite 2000

Matthew McVee
Chief Regulatory Counsel
825 NE Multnomah Street, Suite 2000

Portland, OR 97232 Portland, OR 97232

oregondockets@pacificorp.com matthew.mcvee@pacificorp.com

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

By email (preferred): <u>datarequest@pacificorp.com</u>

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 UE 374

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

| UM |
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In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Deferred Accounting Related to Wildfire Damage and Restoration Costs

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 (PacifiCorp or Company) applies to the Public Utility Commission of Oregon (Commission) for an order authorizing deferral of the incremental costs associated with restoring service to customers and repairing, replacing, and restoring damaged utility facilities due to wildfires in Oregon (Deferred Amount). PacifiCorp seeks authorization to defer the recovery of costs incurred from the date of this application for a 12-month period ending September 14, 2021. PacifiCorp will seek amortization of the Deferred Amount in a future commission proceeding.1

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

Chief Regulatory Counsel PacifiCorp 825 NE Multnomah Street, Suite 1800 Portland, OR 97232

Matthew D. McVee

Email: matthew.mcvee@pacificorp.com

¹ In accordance with OAR 860-027-0300, PacifiCorp will file for reauthorization of the deferral, as necessary.

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

By email (preferred): <u>datarequest@pacificorp.com</u>

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.

I. OAR 860-027-0300(3) REQUIREMENTS

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

A. <u>Background Description</u>

At the beginning of September 2020, a number of devastating wildfires spread across Oregon causing widespread and extensive damage to PacifiCorp's transmission and distribution facilities and resulting in loss of power to customers. PacifiCorp is coordinating with state and local officials to gain access and repair damaged structures to restore service to its customers in those areas affected. PacifiCorp expects to incur significant costs restoring power to customers and repairing, restoring, and replacing damaged equipment. Areas affected by the fires include the majority of western Oregon, specific counties particularly impacted in which the Company provides service include Josephine, Jackson, Douglas, Lane, Linn, Lincoln and Marion Counties. These areas have extensive damage to transmission and distribution lines that will require immediate reconstruction of burnt poles and replacement of conductors to restore vital electric service to communities in PacifiCorp's service territory. Over 500 field resources have been deployed to work with public safety partners responding to the containment and reconstruction and restoration of communities. While assessment is

still underway in many of the areas, the Company's current information has identified at least 600 poles (both distribution and transmission), hundreds of crossarms, dozens of service transformers and more than 20 miles of conductor will require replacement.

B. Reasons for Deferral

As discussed above, PacifiCorp requests authorization to defer the incremental costs associated with restoring service to customers and repairing, replacing, and restoring utility facilities damaged by the wildfires in Oregon. 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.

All costs are related to incremental costs to restore service to customers and repair, replace, or restore facilities damaged by the wildfire. At this time, some of the wildfires are not yet contained. Due to the ongoing threat to the Company's facilities and the extensive and widespread damage that has already occurred, the Company has not been able to access all areas impacted by the fires. While still assessing the extent of damage, PacifiCorp anticipates the capital and operations and maintenance costs will exceed \$10 million.

This deferral will appropriately align costs borne by and benefits received by customers. The potential magnitude of wildfire damage and restoration costs will significantly exceed normal costs anticipated by PacifiCorp and included in its retail rates, and far exceed the reasonable business risk associated with outage restoration.

D. <u>Proposed Accounting</u>

If this application is approved, PacifiCorp will record deferred amounts by debiting Federal Energy Regulatory Commission (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). Deferrals of capital related revenue

requirement will be credited to Operating Revenues (FERC Accounts 440, 442 and 444).

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

Notice Ε.

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.

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

Not applicable.

III. **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 for the

12-month period beginning September 14, 2020. Recovery of the deferred wildfire-related

costs will only be authorized for recovery through a subsequent application, general rate

case, or through other appropriate filings as authorized by the commission.

Respectfully submitted this 14th day of September, 2020.

By: Mh Matthew D. McVee

Chief Regulatory Counsel

PacifiCorp d/b/a Pacific Power

EXHIBIT A

EXHIBIT A

NOTICE

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

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In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Deferred Accounting Related to Wildfire Damage and Restoration Costs

NOTICE OF APPLICATION FOR DEFERRED ACCOUNTING

On September 14, 2020, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing the use of deferred accounting for the incremental costs associated with restoring service to customers and repairing, replacing, and restoring damaged utility facilities due to wildfires in Oregon. The application will not result in 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

E-mail: oregondockets@pacificorp.com

Any person may submit written comments to the Commission regarding the application with 25 days of the filing of the application.

Respectfully submitted on September 14, 2020.

By:

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

CERTIFICATE OF SERVICE

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

Service List UE 374

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Dated this 14th day of September, 2020.

Katie Savarin

Coordinator, Regulatory Operations