

May 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 2013(1)—Application for Reauthorization of Deferred Accounting for Costs  
Related to Wildfire Risk Mitigation Measures**

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

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 2000  
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,



Michael Wilding  
Director, Regulation

Cc: Service List for docket UM 2013  
Service List for docket UE 374

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 2013(1)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Deferred Accounting Related to  
Wildfire Risk Mitigation Measures

**APPLICATION FOR  
REAUTHORIZATION OF  
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 reauthorizing deferral of the incremental costs implementing the wildfire risk mitigation measures associated with mitigating wildfire risk in Oregon (Deferred Amount). PacifiCorp's request for authorization to defer the Deferred Amount for the 12 months beginning May 14, 2019, is currently pending before the Commission. PacifiCorp respectfully requests reauthorization for 12 months beginning May 14, 2020. PacifiCorp will seek amortization of the Deferred Amount in a future commission proceeding.<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 2000  
Portland, OR 97232  
Email: [matthew.mcvee@pacificorp.com](mailto:matthew.mcvee@pacificorp.com)

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

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

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

4 By regular mail: Data Request Response Center  
5 PacifiCorp  
6 825 NE Multnomah Street, Suite 2000  
7 Portland, OR 97232

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

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

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

12 **A. Background Description**

13 A number of devastating fires that spread across areas of southern California in 2007  
14 were attributed to ignitions caused by certain elements of overhead utility construction. In  
15 the wake of these incidents, the California Public Utilities Commission (CPUC) initiated a  
16 fire safety rulemaking proceeding spanning more than 10 years, concluding in early  
17 2018. The rulemaking focused on reducing the risk of wildland fire ignition caused by  
18 overhead utility systems.

19 Leveraging the framework developed for the California wildfire mitigation plan filed  
20 with the CPUC, PacifiCorp began taking incremental steps to mitigate wildfire risk in its  
21 Oregon service territory. PacifiCorp's wildfire mitigation planning effort has included an  
22 analysis of wildfire risk based on geography, weather, population, and historical wildfire  
23 data. PacifiCorp's comprehensive proposed wildfire mitigation plan is a multi-year effort  
24 that includes asset hardening and implementation of new protection and control technology

1 to reduce wildfire risk. The table below shows the incremental activities to be conducted  
2 2020.

3 On May 14, 2019, PacifiCorp filed an application for deferral of its incremental  
4 wildfire mitigation costs. In that application, PacifiCorp requested to defer approximately  
5 \$4.8 million of expenses starting in 2019 associated with the incremental costs of fire risk  
6 mitigation work that is not otherwise recovered in PacifiCorp's approved revenue  
7 requirement. In this application, PacifiCorp is requesting reauthorization to defer  
8 approximately \$27.4 million of expenses starting in 2020. These costs will include costs for  
9 inspection and correction of found fire-threat conditions, advanced system hardening and  
10 resiliency, expanded automation and protection, improved wildfire detection, enhanced event  
11 response capacity, vegetation management activities, along with other costs to mitigate the  
12 risk of wildfires. Recovery of the deferred fire risk mitigation costs will only be authorized  
13 for recovery through a subsequent application, general rate case, or through other appropriate  
14 filings as authorized by the commission.

#### 15 **B. Reasons for Deferral**

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

#### 21 **C. Estimated 2020 Costs**

22 PacifiCorp estimates the total costs will include:

**Table 1: Estimated 2020 Costs**

	Total- Company	Oregon- Allocated
Vegetation Inspections in Fire High Consequence Areas		\$400,000
Vegetation Pole Clearing in Fire High Consequence Areas		\$4,000,000
Distribution Inspections in Fire High Consequence Areas		\$180,000
Transmission IR / Corona Inspections in Fire High Consequence Areas		\$90,000
Begin environmental survey work in Fire High Consequence Areas		\$200,000
Distribution Capital Costs		\$15,694,000
Transmission Capital Costs	\$26,318,000	\$6,848,000
		<hr/> \$27,412,000

All costs are related to incremental costs to mitigate the risk of wildfire.

**D. Proposed Accounting**

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) and crediting revenue (FERC Account 440, 442 and 444) for the return on capital investments.

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.

**III. CONCLUSION**

PacifiCorp respectfully requests that, in accordance with ORS 757.259(2)(e), the Commission reauthorize the company to defer the costs described in this application

1 beginning May 14, 2020, and continuing through May 13, 2021. Recovery of the deferred  
2 fire risk mitigation costs will only be authorized for recovery through a subsequent  
3 application, general rate case, or through other appropriate filings as authorized by the  
4 commission.

Respectfully submitted this 14<sup>th</sup> day of May, 2020.

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 2013(1)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Deferred Accounting Related to  
Wildfire Risk Mitigation Measures

**NOTICE OF  
APPLICATION FOR  
REAUTHORIZATION OF  
DEFERRED ACCOUNTING**

On May 14, 2020, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order reauthorizing the use of deferred accounting for the costs implementing the wildfire risk mitigation measures associated with mitigating wildfire risk in Oregon. The reauthorization 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 may submit written comments to the Commission regarding the application with 25 days of the filing of the application.

Respectfully submitted on May 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 **Notice of Application for Reauthorization of Deferred Accounting** on the parties listed below via electronic mail and/or or overnight delivery in compliance with OAR 860-001-0180.

### Service List UE 374

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VICKI M BALDWIN (C) PARSONS BEHLE & LATIMER 201 S MAIN ST STE 1800 SALT LAKE CITY UT 84111 <a href="mailto:vbaldwin@parsonsbehle.com">vbaldwin@parsonsbehle.com</a>	STEVE W CHRISS (C) WAL-MART STORES, INC. 2001 SE 10TH ST BENTONVILLE AR 72716-0550 <a href="mailto:stephen.chriss@wal-mart.com">stephen.chriss@wal-mart.com</a>

Dated this 14<sup>th</sup> day of May, 2020.



Katie Savarin  
Coordinator, Regulatory Operations