

October 4, 2022

VIA ELECTRONIC FILING

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

Re: UM 2116(2)—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 Carla Scarsella

PacifiCorp Deputy General Counsel

825 NE Multnomah Street, Suite 2000 825 NE Multnomah Street, Suite 2000

Portland, OR 97232 Portland, OR 97232

<u>oregondockets@pacificorp.com</u> <u>Carla.scarsella@pacificorp.com</u>

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 Jennifer Angell, Regulatory Project Manager, at (503) 331-4414.

Sincerely,

Shelley McCoy Director, Regulation

Enclosure

Cc: Service List for docket UE 399

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2116(2)

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

reauthorizing deferral of the incremental costs associated with restoring service to customers

and repairing, replacing, and restoring damaged utility facilities due to the 2020 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 beginning October 4, 2022.

PacifiCorp will seek amortization of the Deferred Amount in a future commission

proceeding.¹

II. CONTACT INFORMATION

Communications regarding this application should be addressed to:

Oregon Dockets
PacifiCorp
825 NE Multnomah Street, Suite 2000

Portland, OR 97232

Email: oregondockets@pacificorp.com

Carla Scarsella
Deputy General Counsel
PacifiCorp
825 NE Multnomah Street, Suite 2000

Portland, OR 97232

Email: carla.scarsella@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.

III. BACKGROUND

At the beginning of September 2020, several devastating wildfires spread across western Oregon causing widespread and extensive damage to PacifiCorp's transmission and distribution facilities and resulting in loss of power to customers. Counties within the Company's service area that were affected by the fires included Josephine, Jackson, Douglas, Lane, Linn, Lincoln, and Marion Counties. These areas had extensive damage to transmission and distribution lines that required the immediate reconstruction of burnt poles and replacement of conductors to restore vital electric service to communities in PacifiCorp's service territory.

On September 14, 2020, PacifiCorp filed an application for deferral of the incremental costs associated with restoring service to customers and repairing, replacing, and restoring utility facilities damaged by the 2020 wildfires in Oregon. The Commission approved the deferral application for the 12-month period starting September 14, 2020, in Order No. 22-154 issued on May 9, 2022. On October 4, 2021, the Company filed an application for reauthorization to defer the incremental costs associated with restoring service to customers and repairing, replacing, and restoring utility facilities damaged by the

2020 wildfires in Oregon for the 12 months beginning October 4, 2021. The Commission approved the application for reauthorization for the 12-month period starting October 4, 2021, in Order No. 22-140 issued on May 9, 2022.

PacifiCorp respectfully requests reauthorization for deferred accounting of the Company's incremental wildfire damage and restoration costs associated with the 2020 wildfires for the 12-month period beginning October 4, 2022.

IV. DEFERRAL OF COSTS

PacifiCorp respectfully requests reauthorization under ORS 757.259(2)(e) to continue deferral of the incremental costs associated with restoring service to customers and repairing, replacing, and restoring utility facilities damaged by the 2020 wildfires in Oregon.

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

A. Description of Utility Expense

PacifiCorp proposes to continue to maintain a balancing account to record all incremental costs related to the restoration of service to customers and the repair, replacement, or restoration of facilities damaged by the 2020 wildfires in Oregon. The following table provides a high-level summary of the benefits and resiliency efforts:

District	WF Rebuild Project	Benefits
Medford	Almeda	Restore services to customers in Talent, Phoenix, Ashland and Medford and address distribution tree removal.
Medford	S. Obenchain	Restore transmission on Line 19 for Prospect Hydro, and to customers in Shady Cove and Butte Falls. Address transmission rights of way vegetation and distribution tree removal.
Lincoln City	Echo Mountain	Restore transmission redundancy on Van Duzer lines, address vegetation management along transmission right of way and restore customers in Otis and Neotsu and address distribution tree removal.

Roseburg	Archie Creek	Restore Line 46 and Line 39 transmission in support of Umpqua hydro projects, address long-term vegetation management and tree removal for both rebuild and future asset protection, procure pre-wrapped Genics fire wrapped poles for Line 39, access management and erosion control for improved access.
Stayton	Beachie Creek	Restore customers on the distribution system in Mehama, Mill City, Gates, and Lyons. Address vegetation removal in support of rebuild efforts.
Grants Pass	Slater (Oregon)	Restore transmission on Line 33 in Oregon. Restore distribution service to customers in Takelma and O'Brien.
Klamath Falls	Two Four Two Fire	Restore distribution service to customers in Chiloquin and address vegetation along both distribution and transmission right of way.

Of the work noted in the table above, vegetation management (including environmental cultural studies) remains for the Archie Creek and Two Four Two rebuild projects. Ongoing service restoration will continue in all rebuild project locations as customers continue to rebuild homes and businesses that were destroyed. This work is anticipated to continue through 2023.

B. Reason for Deferral

ORS 757.259(2)(e) allows the deferral of identifiable utility expenses to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by customers. In this application, PacifiCorp seeks reauthorization to defer the Deferred Amount to match appropriately the costs borne by, and benefits received by customers.

C. 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). 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.

D. Estimate of Amounts

PacifiCorp has incurred approximately \$189 million in incremental costs associated with restoring service to customers and repairing, replacing, and restoring damaged utility facilities due to the 2020 wildfires in Oregon during the 12-month period beginning September 14, 2020. The following table reflects the incremental costs the Company forecasts it will incur through calendar year 2023. In this Application, PacifiCorp is seeking authorization to defer costs from the date of filing for a 12-month period and will file for reauthorization in 2023.

Forecasted Costs Through CY 2023

Oct. – Dec. 2022	CY 2023	Total
\$985,189	\$1,463,648	\$2,448,838

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 399.

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

A description and explanation of the entries in this deferred account is provided in the Description of Utility Expense section.

G. Reason for Continuation of Deferred Accounting

The Company's efforts to repair, replace, and restore utility facilities damaged by the 2020 wildfires is ongoing. As discussed in this application, continuation of this deferral is

necessary to track the ongoing incremental costs associated with restoring service to customers and repairing, replacing, and restoring utility facilities.

V. **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 for the 12-month period beginning October 4, 2022. 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 4th day of October 2022.

By: Carla Scarsella

Deputy General Counsel

PacifiCorp d/b/a Pacific Power

EXHIBIT A

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NOTICE

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 2116(2)

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 October 4, 2022, 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 incremental costs associated with restoring service to customers and repairing, replacing, and restoring damaged utility facilities due to the 2020 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 October 4, 2022.

Bv

Carla Scarsella
Carla Scarsella

Deputy General 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 399

PACIFICORP	
PACIFICORP, DBA PACIFIC POWER	KATHERINE A MCDOWELL
825 NE MULTNOMAH ST, STE 2000	MCDOWELL RACKNER & GIBSON PC 419
PORTLAND, OR 97232	SW 11TH AVE., SUITE 400
oregondockets@pacificorp.com	PORTLAND, OR 97205
	katherine@mrg-law.com
CARLA SCARSELLA (C)	
PACIFICORP	
825 NE MULTNOMAH ST STE 2000	
PORTLAND, OR 97232	
carla.scarsella@pacificorp.com	
STAFF	
JILL D GOATCHER (C)	MATTHEW MULDOON (C)
PUC STAFFDEPARTMENT OF JUSTICE	PUBLIC UTILITY COMMISSION OF OREGON
BUSINESS ACTIVITIES SECTION	PO BOX 1088
1162 COURT ST NE	SALEM, OR 97308
SALEM, OR 97301-4096	matt.muldoon@state.or.us
jill.d.goatcher@doj.state.or.us	
IOHANDIA DIEMENGGIDIEIDED (C)	
JOHANNA RIEMENSCHNEIDER (C)	
PUC STAFF - DEPARTMENT OF JUSTICE	
BUSINESS ACTIVITIES SECTION	
1162 COURT ST NE	
SALEM, OR 97301-4796	
johanna.riemenschneider@doj.state.or.us	
AWEC BRENT COLEMAN (C)	JESSE O GORSUCH (C)
DAVISON VAN CLEVE, PC	1750 SW HARBOR WAY STE 450
1750 SW HARBOR WAY, SUITE 450	PORTLAND, OR 97201
PORTLAND, OR 97201	jog@dvclaw.com
blc@dvclaw.com	Jogleyer vitaw . voiii
ologovelaw.com	

	,
TYLER C PEPPLE (C)	
DAVISON VAN CLEVE, PC	
1750 SW HARBOR WAY STE 450	
PORTLAND, OR 97201	
tcp@dvclaw.com	
topico, aveiaw. som	
CALPINE SOLUTIONS	
GREGORY M. ADAMS (C)	GREG BASS
RICHARDSON ADAMS, PLLC	CALPINE ENERGY SOLUTIONS, LLC
PO BOX 7218	401 WEST A ST, STE 500
BOISE, ID 83702	SAN DIEGO, CA 92101
greg@richardsonadams.com	greg.bass@calpinesolutions.com
greg@nchardsonadams.com	greg.bass(w/carpmesorutions.com
KEVIN HIGGINS (C)	
ENERGY STRATEGIES LLC	
215 STATE ST - STE 200	
SALT LAKE CITY, UT 84111-2322	
khiggins@energystrat.com	
Minggino(e) onergy stratiooni	
CUB	
MICHAEL GOETZ (C)	WILLIAM GEHRKE (C)
OREGON CITIZENS' UTILITY BOARD	OREGON CITIZENS' UTILITY BOARD
610 SW BROADWAY STE 400	610 SW BROADWAY, STE 400
PORTLAND, OR 97205	PORTLAND, OR 97205
mike@oregoncub.org	will@oregoncub.org
inketeroregonede.org	winter or egone uo.org
OREGON CITIZENS' UTILITY BOARD	
610 SW BROADWAY, STE 400	
PORTLAND OR 97205	
dockets@oregoncub.org	
dockets(b)oregoneus.org	
FRED MEYER	
JUSTIN BIEBER (C)	KURT J BOEHM (C)
FRED MEYER/ENERGY STRATEGIES LLC	BOEHM KURTZ & LOWRY
215 SOUTH STATE STREET, STE 200	36 E SEVENTH ST - STE 1510
SALT LAKE CITY, UT 84111	CINCINNATI, OH 45202
jbieber@energystrat.com	kboehm@bkllawfirm.com
<u></u>	
JODY KYLER COHN (C)	
BOEHM KURTZ & LOWRY	
36 E SEVENTH ST - STE 1510	
CINCINNATI, OH 45202	
jkylercohn@bkllawfirm.com	
JKyterconn(woknawinini.com	
	1

KWUA	
LLOYD REED (C)	CRYTAL RIVERA (C)
REED CONSULTING	SOMACH SIMMONS & DUNN
10025 HEATHERWOOD LANE	500 CAPITOL MALL STE 1000
HIGHLANDS RANCH, CO 80126	SACRAMENTO, CA 95814
<u>lloyd.reed@lloydreedconsulting.com</u>	crivera@somachlaw.com
NEWGUN ENEDGY	
NEWSUN ENERGY	MANAGORIA
JACOB (JAKE) STEPHENS	MAX YOKLIC
NEWSUN ENERGY	NEW SUN ENERGY LLC
3500 S DUPONT HWY	2033 E. SPEEDWAY BLVD, SUITE 200
DOVER, DE 19901	TUCSON, AZ 85719
jstephens@newsunenergy.net	myoklic@newsunenergy.net
MARIERRANIOW	
MARIE P BARLOW	
NEWSUN ENERGY LLC	
390 SW COLUMBIA ST STE 120	
BEND OR 97702	
mbarlow@newsunenergy.net	
NIPPC	
CARL FINK	CDENICED CDAY
	SPENCER GRAY
BLUE PLANET ENERGY LAW LLC	NIPPC
628 SW CHESTNUT ST, STE 200	sgray@nippc.org
PORTLAND, OR 97219	
cmfink@blueplanetlaw.com	
OREGON FARM BUREAU	
PAUL S SIMMONS (C)	MADY ANNE COODED (C)
	MARY ANNE COOPER (C)
OREGON FARM BUREAU FEDERATION	OREGON FARM BUREAU FEDERATION
550 CAPITOL MALL STE 1000	1320 CAPITOL ST NE STE 200
SACREAMENTO, CA 95814	SALEM, OR 97301
psimmons@somachlaw.com	maryanne@oregonfb.org
SBUA	
GRANT HART (C)	DIANE HENKELS
SMALL BUSINESS UTILITY ADVOCATES	SMALL BUSINESS UTILITY ADVOCATES
grant@utilityadvocates.org	621 SW MORRISON ST. STE 1025
	PORTLAND, OR 97205
	diane@utilityadvocates.org
WILLIAM STEELE (C)	
BILL STEELE AND ASSOCIATES, LLC	
l	
PO BOX 631151	
HIGHLANDS RANCH, CO 80164	
w.steele1@icloud.com	

VITESSE	
DENNIS BARTLETT	LIZ FERRELL
META PLATFORMS, INC.	META PLATFORMS, INC.
1 HACKER WAY	1 HACKER WAY
MENLO PARK, CA 94025	MENLO PARK, CA 94025
dbart@fb.com	eferrell@fb.com
IRION A SANGER	
SANGER LAW PC	
1041 SE 58TH PLACE	
PORTLAND, OR 97215	
<u>irion@sanger-law.com</u>	
WALMART	
VICKI M BALDWIN (C)	STEVE W CHRISS (C)
PARSONS BEHLE & LATIMER	WAL-MART STORES, INC.
201 S MAIN ST STE 1800	2001 SE 10TH ST
SALT LAKE CITY, UT 84111	BENTONVILLE, AR 72716-0550
vbaldwin@parsonsbehle.com	stephen.chriss@wal-mart.com
ALEX KRONAUER (C)	
WALMART	
alex.kronauer@walmart.com	

Dated this 4th day of October 2022.

Santiago Gutierrez Coordinator, Regulatory Operations