

January 5, 2024

***VIA ELECTRONIC FILING***

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

**Re: UM 2221(2)—PacifiCorp’s Application for Reauthorization of Deferred Accounting for Operating Costs and Capital Investments Made to Implement and Operate PacifiCorp’s Oregon Wildfire Mitigation Plan**

PacifiCorp d/b/a Pacific Power submits for filing its Application for Reauthorization of Deferred Accounting for Operating Costs and Capital Investments Made to Implement and Operate PacifiCorp’s Wildfire Mitigation Plan.

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)

Carla Scarsella  
Deputy General Counsel  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [carla.scarsella@pacificorp.com](mailto:carla.scarsella@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 St., Suite 2000  
Portland, OR 97232

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

Sincerely,



Matthew McVee  
Vice President, Regulatory Policy and Operations

Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 2221(2)**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Approval of Deferred  
Accounting for Operating Costs and Capital  
Investments Made to Implement and Operate  
PacifiCorp's Oregon Wildfire Mitigation Plan

**APPLICATION FOR  
REAUTHORIZATION OF  
DEFERRED ACCOUNTING**

**I. INTRODUCTION**

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rule (OAR) 860-027-0300, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) submits this application to the Public Utility Commission of Oregon (Commission) for an order reauthorizing deferred accounting to permit tracking of the operating costs incurred and prudent capital investments made to implement and operate the Company's annual wildfire mitigation plan (WMP) filed in accordance with Senate Bill (SB) 762 (WMP Costs). PacifiCorp respectfully requests reauthorization for the 12 months beginning January 5, 2024.

**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](mailto:oregondockets@pacificorp.com)

Carla Scarsella  
Deputy General Counsel  
PacifiCorp  
825 NE Multnomah Street, Suite 2000  
Portland, OR 97232  
Email: [carla.scarsella@pacificorp.com](mailto:carla.scarsella@pacificorp.com)

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, Regulatory Affairs Manager, at (503) 813-5934.

### III. BACKGROUND

SB 762 established a new state-wide requirement for public utilities that provide electric service to customers in Oregon to file an annual wildfire protection plan (WPP).<sup>1</sup>

Section 3(8) of SB 762 provides for the following:

(8) All reasonable operating costs incurred by, and prudent investments made by, a public utility to develop, implement or operate a wildfire protection plan under this section are recoverable in the rates of the public utility from all customers through a filing under ORS 757.210 to 757.220. The commission shall establish an automatic adjustment clause, as defined in ORS 757.210, or another method to allow timely recovery of the costs.

PacifiCorp filed its first WMP on December 30, 2021 (2022 WPP)<sup>2</sup> and it was approved by the Commission on April 28, 2022, in Order No. 22-131.

On January 5, 2022, PacifiCorp filed for deferral of the operating costs and capital investments made to implement and operate its 2022 WPP. The Commission approved the deferral application on July 13, 2022, in Order No. 22-258, to defer costs related to the WPP for the 12 months beginning January 5, 2022.

On August 18, 2022, PacifiCorp filed Advice 22-009 (docketed as UE 407) for approval of a rate schedule and automatic adjustment clause to begin recovering these costs in

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<sup>1</sup> Per formal rulemaking and OAR 860-300-0020, the wildfire protection plan is now referred to as the wildfire mitigation plan.

<sup>2</sup> See *PacifiCorp's 2022 Wildfire Protection Plan*, filed December 30, 2021, Docket No. UM 2207.

rates as allowed by SB 762. On May 10, 2023, the Commission issued Order No. 23-172, adopting the Stipulation filed by PacifiCorp, Commission Staff, and the Alliance of Western Energy Consumers.<sup>3</sup>

PacifiCorp's 2023 WMP was filed on December 29, 2022,<sup>4</sup> and was approved by the Commission in Order No. 23-220.<sup>5</sup>

On January 5, 2023, PacifiCorp filed an application requesting reauthorization to defer the operating costs and capital investments made to implement and operate its WMP for the 12-month period beginning January 5, 2023. The Commission approved the deferral application in Order No. 23-032 issued on February 8, 2023.

The Company filed its 2024 WMP on December 29, 2023, in docket UM 2207.

#### **IV. DEFERRAL OF COSTS**

PacifiCorp respectfully requests reauthorization under ORS 757.259(2)(e) to continue deferral of WMP Costs for the 12-month period beginning January 5, 2024. As required by OAR 860-027-0300(3) and (4), PacifiCorp provides the following:

##### **A. Description of Utility Expense**

PacifiCorp's WMP describes the investments to construct, maintain, and operate electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire. The WMP includes incremental capital investments for system hardening (including system automation and fuse replacement), situational awareness (including weather station installs and fire impact modelling), system operations, and public safety partner coordination.

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<sup>3</sup> In the Matter of PacifiCorp, dba, Pacific Power, Application for Approval of an Automatic Adjustment Clause for Recovery of Costs Associated with the Company's Wildfire Protection Plan, Docket No. UE 407, Order No. 23-173 (May 10, 2023).

<sup>4</sup> See *PacifiCorp's 2023 Wildfire Mitigation Plan*, filed December 29, 2022, Docket No. UM 2207(1).

<sup>5</sup> Docket No. UM 2207(1), Order No. 22-032 (June 26, 2023).

The WMP also includes incremental operating costs for several measures including but not limited to risk modeling, inspection and correction, and vegetation management. PacifiCorp seeks to continue deferral of its full WMP operating costs and capital investments incurred for later inclusion in rates.

**B. Reasons for Deferral**

As discussed above, PacifiCorp requests reauthorization to defer the operating costs and capital investments made to implement and operate its WMP. 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.

PacifiCorp's application is consistent with SB 762 and with the Commission's previous approval of deferred accounting applications.

**C. Proposed Accounting**

If this application is approved, PacifiCorp will continue to record deferred amounts to Federal Energy Regulatory Commission account 182.3, Other Regulatory Assets. This account will accrue interest at the Commission-authorized rate for deferred accounts.

**D. Estimate of Amounts**

For 2024, PacifiCorp estimates it will incur approximately \$166 million in incremental capital investments and approximately \$42 million in incremental operating costs associated with the WMP.<sup>6</sup>

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<sup>6</sup> See Section 13.2 Costs, Table 37 and Table 38 in PacifiCorp's 2024 WMP filed December 29, 2023, in Docket No. UM 2207.

**E. Notice**

A copy of the Notice of Application and a list of persons served with the notice are attached as Exhibit A to this application.

**F. Entries in the Deferred Account to Date**

Exhibit B of the Application provides the entries in the deferred account to date.


**G. Reason for Continuation of Deferred Accounting**

As discussed in this application, continuation of this deferral is necessary to track the ongoing operating costs and prudent capital investments made to implement and operate the Company's annual WMP filed in accordance with SB 762.

**V. CONCLUSION**

For the reasons set forth above, in accordance with ORS 757.259(2)(e), PacifiCorp respectfully requests that the Commission reauthorize the Company to defer the WMP Costs described in this application for the 12-month period beginning on January 5, 2024. Recovery of the WMP Costs will only be authorized through a subsequent application, general rate case, or through other appropriate filings as authorized by the Commission.

Respectfully submitted this January 5, 2024.

By:   
Carla Scarsella  
Deputy General Counsel

Attorney for PacifiCorp d/b/a Pacific Power

## **Exhibit A**

### Notice of Application

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 2221(2)**

In the Matter of  
PACIFICORP d/b/a PACIFIC POWER  
Application for Approval of Deferred  
Accounting for Operating Costs and Capital  
Investments Made to Implement and Operate  
PacifiCorp's Oregon Wildfire Mitigation Plan

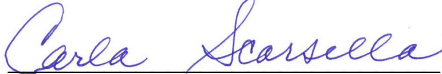
**NOTICE OF  
REAUTHORIZATION OF  
APPLICATION FOR DEFERRED  
ACCOUNTING**

On January 5, 2024, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) filed an application with the Public Utility Commission of Oregon (Commission) for an order to permit tracking of the operating costs incurred and prudent capital investments made to implement and operate the Company's annual wildfire mitigation plan (WMP) filed in accordance with Senate Bill 762 in a deferral account. PacifiCorp respectfully requests authorization for 12 months beginning January 5, 2024. An approval of the Company's 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  
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 within 25 days of the date of this filing.

Respectfully submitted on January 5, 2024.

By:   
Carla Scarsella  
Deputy General Counsel



## CERTIFICATE OF SERVICE

I certify that a true and correct copy of **PacifiCorp's Notice of Application for Reauthorization of Deferred Accounting** was served on the parties listed below via electronic mail in compliance with OAR 860-001-0180.

### Service List UE 399

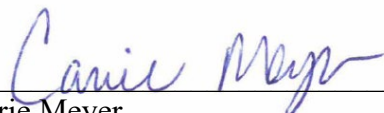
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PACIFICORP, DBA PACIFIC POWER 825 NE MULTNOMAH ST, STE 2000 PORTLAND, OR 97232 <a href="mailto:oregondockets@pacificorp.com">oregondockets@pacificorp.com</a>	KATHERINE A MCDOWELL (C) MCDOWELL RACKNER & GIBSON PC 419 SW 11TH AVE., SUITE 400 PORTLAND, OR 97205 <a href="mailto:katherine@mrg-law.com">katherine@mrg-law.com</a>
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GRANT HART (C) SMALL BUSINESS UTILITY ADVOCATES <a href="mailto:grant@utilityadvocates.org">grant@utilityadvocates.org</a>	MARY ANNE COOPER (C) OREGON FARM BUREAU FEDERATION 1320 CAPITOL ST NE STE 200 SALEM, OR 97301 <a href="mailto:maryanne@oregonfb.org">maryanne@oregonfb.org</a>
WILLIAM STEELE (C) BILL STEELE AND ASSOCIATES, LLC PO BOX 631151 HIGHLANDS RANCH, CO 80164 <a href="mailto:w.steele1@icloud.com">w.steele1@icloud.com</a>	DIANE HENKELS (C) SMALL BUSINESS UTILITY ADVOCATES 621 SW MORRISON ST. STE 1025 PORTLAND, OR 97205 <a href="mailto:diane@utilityadvocates.org">diane@utilityadvocates.org</a>

<b>VITESSE</b>	
DENNIS BARTLETT (C) META PLATFORMS, INC. 1 HACKER WAY MENLO PARK, CA 94025 <a href="mailto:dbart@meta.com">dbart@meta.com</a>	
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ALEX KRONAUER (C) WALMART <a href="mailto:alex.kronauer@walmart.com">alex.kronauer@walmart.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 5<sup>th</sup> day of January, 2024.

  
 \_\_\_\_\_  
 Carrie Meyer  
 Adviser, Regulatory Operations

## EXHIBIT B

OR Wildfire Mitigation Plan (WMP)  
189016

	Beg Balance	Total Deferred Costs	Amortization	Interest	Ending Balance
Dec-22	31,046,505	3,843,541	-	195,302	35,085,348
Jan-23	35,085,348	(18,753)	-	208,577	35,275,172
Feb-23	35,275,173	134,064	-	209,373	35,618,610
Mar-23	35,618,610	17,008	-	211,061	35,846,679
Apr-23	35,846,679	1	-	212,362	36,059,042
May-23	36,059,042	(116,547)	-	213,275	36,155,769
Jun-23	36,155,769	(202,992)	(1,691,392)	179,857	34,441,243
Jul-23	34,441,243	761,080	171,829	176,376	35,550,528
Aug-23	35,550,528	2,128,504	(2,453,020)	182,729	35,408,741
Sep-23	35,408,741	1,000,449	(2,231,959)	177,734	34,354,966
Oct-23	34,354,966	1,685,998	(1,538,916)	175,872	34,677,920
Nov-23	34,677,920	1,267,789	(1,154,780)	177,435	34,968,364
		<b>10,500,142.86</b>	<b>(8,898,237.98)</b>	<b>2,319,952.95</b>	