

ORDER NO. 25-296

ENTERED Aug. 6, 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2270(2)

In the Matter of

IDAHO POWER COMPANY,

Application for Reauthorization to Defer
Costs Associated with Wildfire Mitigation
Activities.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on August 5, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.



BY THE COMMISSION:

Alison Lackey
Chief Administrative Law Judge

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 5, 2025**

REGULAR **CONSENT** X **EFFECTIVE DATE** N/A

DATE: July 30, 2025

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Scott Gibbens and Bret Stevens **SIGNED**

SUBJECT: IDAHO POWER:
(Docket No. UM 2270(2))
Application for Reauthorization of Deferred Accounting of costs associated
with Wildfire Mitigation Activities.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Idaho Power Company's (Idaho Power or Company) request to defer costs associated with Wildfire Risk Mitigation for the 12-month period beginning January 1, 2025

DISCUSSION:

Issue

Whether the Commission should approve Idaho Power's request to defer costs related to Wildfire Risk Mitigation.

Applicable Law

In accordance with ORS 757.259, utilities may seek approval to defer amounts for later inclusion in rates to minimize the frequency of rate changes or to appropriately match customer benefits and costs.

OAR 860-027-0300(4) requires the utility to provide certain information in an application to defer, such as reason for the deferral, estimated amount of the deferral.

Docket No. UM 2270(2)
July 30, 2025
Page 2

ORS 757.963(1) provides that a public utility that provides electricity must have and operate in compliance with a risk-based wildfire protection plan that is filed with the Public Utility Commission and has been evaluated by the commission.

ORS 757.963(8) provides that all reasonable operating costs incurred by, and prudent investments made by, a public utility to develop, implement or operate a wildfire protection plan are recoverable in the rates of a public utility.

In Commission order 24-311 the Commission adopted the party's First Partial Stipulation to include \$1.06 million, collected through base rates, for Oregon Wildfire Mitigation efforts.¹

Analysis

Background

This Idaho Power filing was submitted on December 30, 2024. This is the second request for reauthorization. The first reauthorization request was approved by the Commission and Order No. 24-010.²

Specifically, the Company is requesting the Commission's approval to defer the Oregon jurisdictional share of incremental wildfire operation and maintenance (O&M) expenses until identified expenses can be included in base rates or another acceptable collection method as envisioned by OAR 860-300-0003.

The Company states in its application that its wildfire-mitigating operational practices and measures have been informed by the Commission's rules and orders, as well as participation in industry and regulatory workshops and working groups, on-site visits, conferences, and peer-sharing events with other Western utilities and with government entities to learn current and potential best practices to reduce wildfire risk.

The Company seeks reauthorization to defer, for future amortization, actual new or incremental costs associated with its wildfire mitigation activities.

Reasons for Deferral

The Company requests this deferral under ORS 757.259(2)(e). Authorizing the Company's requested deferred accounting related to wildfire plans and mitigation

¹ UE 426, Joint Testimony in Support of first Partial Stipulation, Stipulating Parties/100 Tatum-Aschenbrenner-Chipanera-Stevens-Jenks-Fain/9 (June 24, 2024).

² UM 2270, *In the Matter of Idaho Power Company, Application for Deferred Accounting of Costs Associated with Wildfire Mitigation Activities*, Order No. 24-010 (Jan. 10, 2024).

Docket No. UM 2270(2)
July 30, 2025
Page 3

activities will minimize the frequency of rate changes and match appropriately the costs borne, and benefits received by customers.

Description of the Expenses

For description of expenses, the Company mentioned six items:

1. Quantifying Wildland Fire Risk - new wildfire risk modeling and mapping activities for its entire service area.
2. Situational Awareness - weather is forecasted across the Company's entire service area and also may data from cameras to inform operations across its service area. As such, costs for these efforts will be allocated by the Company to both Idaho and Oregon. Similarly, the other situational awareness expenses—weather station maintenance, weather forecasting personnel, and pole loading assessments—will support enhanced situational awareness activities across the Company's service area.
3. T&D Mitigation Programs - O&M expenses associated with Idaho Power's T&D programs will include new personnel to perform inspections and assist with the management and requirements of the wildfire mitigation program.
4. Enhanced Vegetation Management - this is associated with vegetation management and is Idaho Power's largest wildfire mitigation expense, including additional inspections and patrols. These Company enhanced efforts are stated to be consistent with rules under OAR 860-024-0016 and -0018 related to vegetation management and mitigation activities in HFRZs expenses related to vegetation management in 2025.
5. Communications & Engagement - this covers additional customer and community educational outreach on both wildfire and PSPS via advertisements, printed media, social media, and meetings to keep customers aware of mitigation and fire-related activities before, during, and after fire season.
6. PSPS Emergency Preparedness & Technology - supports customer communication during emergencies such as PSPS. Additionally, the Company intends to invest in new emergency support functions during the 2025 wildfire season, including contracted fire suppression resources, standby helicopter support for patrols, mobile generators, and resources to stand up community resource centers.

Docket No. UM 2270(2)
 July 30, 2025
 Page 4

Estimate of Amounts

The Company has identified and incremental wildfire-related O&M expenditures in the areas mentioned above. In 2025, the Company estimates Oregon-allocated incremental and new wildfire O&M expenses of \$3,260,000. This amount is based on an allocation percentage agreed upon in the Company's last general rate case.³

According to the Company, this deferral reflects directly assigned O&M expenditures where known, including a forecast of vegetation management and transmission thermography inspections expected in Oregon in 2025 and environmental management practices that are only performed in Oregon. Details are in Table 1.

Table 1. Estimate of 2025 Incremental Wildfire O&M Expenses (\$000s)

	2025 Oregon Deferral Estimate
A. Quantifying Wildland Fire Risk	
Risk Map Updates, Dynamic Risk Modeling, Probabalistic Risk Modeling	\$ 85.5
B. Situational Awareness	
Weather Forecasting - System development and support	\$ 10.5
Weather Forecasting Personnel - Fire Potential Index (FPI) and Public Safety Power Shutoff (PSPS)	\$ 0.7
Weather Forecasting - Weather Station Maintenance	\$ 1.7
Synoptic Data Services for Weather Station Data Integration	\$ 2.2
Pole Loading Modeling & Assessment (Contract service)	\$ 3.2
Cameras	\$ 8.0
C. Mitigation - Transmission & Distribution Programs	
Annual O&M T&D Patrol Maintenance Repairs	\$ 4.3
Environmental Management Practices	\$ 15.8
Transmission Thermography Inspection Mitigation	\$ 50.0
Distribution Thermography Inspection Mitigation	\$ 1.3
Thermography Technician Personnel	\$ 2.6
Wildfire Mitigation Program Labor	\$ 50.6
Patrolmen for Wildfire Safety Inspections	\$ 10.6
Drone Beyond Visual Line of Sight Waiver for PSPS	\$ 5.0
Aerial Drone Inspections (Pilot Project)	\$ 9.0
D. Vegetation Management	
Transition to/Maintain 3-year Vegetation Management Cycle	\$ 2,840.6
Enhanced Practices for Dist. Red & Yellow Zones (Pre-Season Patrols/Mitigation, Clearing, Removals, Work QA)	\$ 127.9
Line Clearing Personnel	\$ 1.0
Fuel Reduction Program	\$ 3.2
E. Communications, Engagement, and Support	
Wildfire Education/Communication - Advertisements, Bill Inserts, Meetings & PSPS Customer Education/Communication - Advertisements, Bill Inserts, Other	\$ 2.8
Public Meetings/Events for PSPS Engagement, Maps, Flyers	\$ 0.4
PSPS and Wildfire Event Management Support	\$ 7.9
Community and Customer Engagement and Outreach	\$ 6.8
F. PSPS/Emergency Preparedness and Technology	
Communication/Alert Tool for PSPS Customer Alerts/Extended Use	\$ 8.4
Fire Suppression Resources	\$ 4.4
Standby Helicopter Service & Patrols for PSPS and EPS Patrols	\$ 23.5
Community Resource Center	\$ 0.2
Mobile Generators	\$ 1.3
Total	\$ 3,260.0

³ See, Settlement stipulation in Docket No. UE 426 in Order No. 24-311.

Docket No. UM 2270(2)
July 30, 2025
Page 5

Proposed Accounting

The Company proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets), crediting the appropriate FERC accounts as identified in the Code of Federal Regulations for each circumstance.

Information Related to Future Amortization

- Earnings review - Staff propose that the Commission will not apply an earnings test, which is consistent with Order No. 23-173 issued for Portland General Electric and Pacific Power.⁴
- Prudence Review - Will be conducted prior to amortization and should include a verification of the accounting methodology used to determine the final amortization balance.
- Sharing - Staff are not recommending an overall sharing mechanism, consistent with Order No. 23-173.
- Rate Spread/Design - The deferred amortization amount will be spread based on distribution and transmission revenues in proportion to the components for which costs are incurred.
- Three Percent Test (ORS 757.259(6)) - The three percent test measures the annual overall average effect on customer rates resulting from deferral amortizations. The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year. Because Pacific Power is an electric utility, ORS 757.259(8) allows the Commission to consider up to a six percent limit.

Conclusion

Staff reviewed the Company's application and identified no concerns at this time. Accordingly, Staff recommends the application be approved.

⁴ Staff recognizes that Order No. 23-173 did not make decisions related to Idaho Power, but believes it is appropriate to treat the earnings review and cost sharing mechanisms for wildfire expense deferrals the same across electric utilities unless otherwise directed by the Commission.

Docket No. UM 2270(2)
July 30, 2025
Page 6

PROPOSED COMMISSION MOTION:

Approve Idaho Power's application to defer costs associated with Wildfire Risk Mitigation for the 12-month period beginning January 1, 2025.