ORDER NO. 26-343

ENTERED Sep 15 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2270(3)

In the Matter of IDAHO POWER COMPANY, Application for Deferred Accounting of Costs Associated with Wildfire Mitigation Activities.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on September 15, 2026, 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.

ITEM NO. CA13

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 15, 2026

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** __________N/A__________

DATE: August 19, 2026

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Scott Gibbens and Michelle Scala **SIGNED**

SUBJECT: IDAHO POWER:
(Docket No. UM 2270(3))
Authorize Deferral of Costs Associated with Wildfire Mitigation Activities.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Idaho Power' Company's (Idaho Power or Company) request to defer costs associated with wildfire mitigation activities for the 12-month period beginning January 1, 2026.

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.

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.

Analysis

Background
This Idaho Power filing was submitted on December 31, 2025. The Commission previously approved similar deferral requests for 2023 and 2025 expenses.[1]

The Company has recent and additional initiatives aimed at tackling the possible risk of wildfires, as elaborated further in Idaho Power's Oregon 2026-2028 WMP.[2] The Company indicates in its submission that its strategies and actions aimed at reducing wildfire risks have been shaped by the directives and regulations set forth by the Commission.[3]

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

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

Reasons for Deferral
According to the Company, authorizing the Company's requested deferred accounting related to wildfire plans and mitigation activities will minimize the frequency of rate changes and match appropriately the costs borne, and benefits received, by customers.

Expenses
The Company has identified the Oregon jurisdictional share of new and incremental wildfire-related O&M expenditure in the following categories:

1. Quantifying wildland fire risk;
2. Situational awareness;

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1 *See, Orders No. 24-010 (Jan. 10, 2024) and 25-296 (Aug. 6, 2025), respectively.*
2 *See*, The Company's recent and additional initiatives aimed at tackling the possible risk of wildfires are elaborated in its Oregon 2026-2028 WMP.
3 *See, In the Matter of Idaho Power Wildfire Mitigation Plan*, Docket No. UM 2209, Order No. 26-223 (June 25, 2026).

3. Transmission and distribution (T&D) mitigation programs;
4. Enhanced vegetation management;
5. Communications and engagement; and
6. PSPS/emergency preparedness and technology.

Estimate of Amounts[4]

Table 1. Estimate of 2026 Incremental Wildfire O&M Expenses ($000s)

	2026 Oregon Deferral Estimate	
A. Quantifying Wildland Fire Risk		
Risk Map Updates and Dynamic Risk Modeling	$	97.9
B. Situational Awareness		
Weather Forecasting - System development and support	$	3.1
Weather Forecasting Personnel - Fire Potential Index (FPI) and Public Safety Power Shutoff (PSPS)	$	8.8
Weather Forecasting - Weather Station Maintenance & Coms	$	3.8
Pole Loading Modeling & Assessment (Contract service)	$	3.1
Wildfire Detection Cameras	$	11.1
C. Mitigation - Transmission & Distribution Programs		
O&M Component of Capital Work	$	10.5
Annual O&M T&D Patrol Maintenance Repairs	$	4.0
Environmental Management Practices	$	15.8
Transmission Thermography Inspection Mitigation	$	2.1
Distribution Thermography Inspection Mitigation	$	2.1
Thermography Technician Personnel	$	3.2
Wildfire Mitigation Program Labor	$	46.8
Patrolman for Wildfire Safety Inspections	$	6.9
Aerial Drone Inspections (Pilot Project)	$	29.6
Other	$	(16.3)
D. Vegetation Management		
Transition to/Maintain 3-year Vegetation Management Cycle	$	2,852.4
Line Clearing Personnel (Arborist)	$	2.5
Partner-Driven Fuel Reduction Efforts (shared stewardship)	$	3.1
Other	$	(6.3)
E. Communications, Engagement, and Support		
Wildfire/Wildfire Mitigation Education/Communication - Advertisements, Bill Inserts, Meetings, Other & PSPS Customer Education/Communication - Advertisements, Bill Inserts, Other	$	2.8
Public meetings/event fees for PSPS engagement, maps, flyers	$	0.3
Community and Customer Engagement and Outreach	$	7.0
F. PSPS/Emergency Preparedness and Technology		
Communication/Alert Tool for PSPS Customer Alerts/Extended Use	$	6.1
Fire Suppression Resources	$	8.0
Standby Helicopter Service & Patrols for PSPS and EPS Patrols	$	12.6
Mobile Community Resource Center	$	0.2
Total	**$**	**3,121.4**

In the year 2026, Idaho Power projects extra and additional operating and maintenance costs for wildfire mitigation in Oregon to be $3,121,400. To arrive at this figure, Idaho Power established a baseline figure of expenses connected to wildfire mitigation that will be included in the rates charged to customers, using an allocation percentage that was settled upon during the Company's most recent general rate case settlement in Docket No. UE 426 and approved by the Commission through Order No. 24-311.

[4] The estimated Oregon-specific costs for these categories are presented in Table 1 of Idaho Power's reauthorization request.

Information Related to Future Amortization

- Earnings review - Staff propose that the Commission will not apply for an earnings test, which is consistent with Order No. 23-173 issued for Portland General Electric and Pacific Power.[5]

- 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 Idaho 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.

The Company has reviewed a draft of this memo and voiced no concerns.

PROPOSED COMMISSION MOTION:

Approve Idaho Power's application to defer costs associated with wildfire risk mitigation for the 12-month period beginning January 1, 2026

[5] 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.