

May 14, 2019

***VIA ELECTRONIC FILING***

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

Attn: Filing Center

**RE: UM 2013 — Application for Approval of Deferred Accounting for Costs Related to Wildfire Risk Mitigation Measures**

PacifiCorp d/b/a Pacific Power submits for filing its Application for Approval 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 1800  
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,

  
Etta Lockey  
Vice President, Regulation

Cc: Service List for docket UE 263

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 2013**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Deferred Accounting Related to  
Wildfire Risk Mitigation Measures

**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 applies to the Public Utility Commission of Oregon (Commission) for an order authorizing deferral of the incremental costs implementing the wildfire risk mitigation measures associated with mitigating wildfire risk in Oregon (Deferred Amount).<sup>1</sup> PacifiCorp will seek amortization of the Deferred Amount in a future commission proceeding.<sup>2</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 1800  
Portland, OR 97232  
Email: [matthew.mcvee@pacificorp.com](mailto:matthew.mcvee@pacificorp.com)

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

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<sup>1</sup> PacifiCorp has voluntarily established a Wildfire Mitigation Plan for its Oregon service territory. Although not filed with the Commission, Pacific Power will present on its wildfire mitigation activities at a June 18, 2019 Special Public Meeting of the Commission.

<sup>2</sup> In accordance with OAR 860-027-0300, PacifiCorp will file for reauthorization of the deferral, as necessary.

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

### **III. OAR 860-027-0300(3) REQUIREMENTS**

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

#### **A. Background Description**

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

Leveraging the framework developed for the California wildfire mitigation plan filed with the CPUC, PacifiCorp is taking incremental steps to mitigate wildfire risk in its Oregon service territory. PacifiCorp's wildfire mitigation planning effort has included an analysis of wildfire risk based on geography, weather, population, and historical wildfire data. While the comprehensive proposed wildfire mitigation plan is a multi-year effort that includes asset hardening and implementation of new protection and control technology, some immediate steps can be taken in the current year to reduce wildfire risk. The table below shows the incremental activities to be conducted in the Fire High Consequence Areas, where the impact of wildfire has been determined to be the most consequential to population and property.

PacifiCorp is requesting authorization to defer approximately \$4.8 million of expenses starting in 2019 associated with the incremental costs of fire risk mitigation work that is not otherwise recovered in PacifiCorp’s approved revenue requirement. These costs will include costs for inspection and correction of found fire-threat conditions, advanced system hardening and resiliency, expanded automation and protection, improved wildfire detection, enhanced event response capacity, vegetation management activities, along with other costs to mitigate the risk of wildfires. Recovery of the deferred fire risk mitigation costs will only be authorized for recovery through a subsequent application, general rate case, or through other appropriate filings as authorized by the commission.

**B. Reasons for Deferral**

As discussed above, PacifiCorp requests authorization to defer the incremental costs associated with fire risk mitigation. 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.

**C. Estimated 2019 Costs**

PacifiCorp estimates the total costs will include:

**Table 1: Estimated 2019 Costs**

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
	<hr/>
	\$4,770,000

All costs are related to incremental costs to mitigate the risk of wildfire. Costs for 2020 have not yet been estimated.

**D. Proposed Accounting**

If this application is approved, PacifiCorp will record deferred amounts by debiting 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).

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 263.


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

Not applicable.

**IV. CONCLUSION**

PacifiCorp respectfully requests that, in accordance with ORS 757.259(2)(e), the Commission authorize the company to defer the costs described in this application. Recovery of the deferred fire risk mitigation 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 14<sup>th</sup> day of May, 2019.

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**

In the Matter of

PACIFICORP d/b/a PACIFIC POWER

Application for Deferred Accounting Related to  
Wildfire Risk Mitigation Measures

**NOTICE OF  
APPLICATION FOR  
DEFERRED ACCOUNTING**


On May 14, 2019, PacifiCorp d/b/a Pacific Power filed an application with the Public Utility Commission of Oregon (Commission) for an order authorizing 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, 2019.

By:



Matthew D. McVee  
Chief Regulatory Counsel  
PacifiCorp d/b/a Pacific Power

## CERTIFICATE OF SERVICE

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

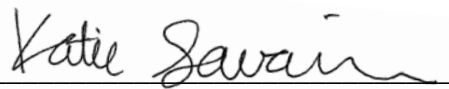
### Service List UE 263

<p>OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 <a href="mailto:dockets@oregoncub.org">dockets@oregoncub.org</a></p>	<p>GREGORY M. ADAMS RICHARDSON ADAMS, PLLC PO BOX 7218 BOISE, ID 83702 <a href="mailto:greg@richardsonadams.com">greg@richardsonadams.com</a></p>
<p>GREG BASS NOBLE AMERICAS ENERGY SOLUTIONS, LLC 401 WEST A ST., STE. 500 SAN DIEGO, CA 92101 <a href="mailto:gbass@noblesolutions.com">gbass@noblesolutions.com</a></p>	<p>KURT J BOEHM BOEHM KURTZ &amp; LOWRY 36 E SEVENTH ST - STE 1510 CINCINNATI, OH 45202 <a href="mailto:kboehm@bkllawfirm.com">kboehm@bkllawfirm.com</a></p>
<p>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></p>	<p>MARIANNE GARDNER (C) PUBLIC UTILITY COMMISSION OF OREGON PO BOX 1088 SALEM, OR 97308-1088 <a href="mailto:marianne.gardner@state.or.us">marianne.gardner@state.or.us</a></p>
<p>KEVIN HIGGINS ENERGY STRATEGIES LLC 215 STATE ST - STE 200 SALT LAKE CITY, UT 84111-2322 <a href="mailto:khiggins@energystat.com">khiggins@energystat.com</a></p>	<p>ROBERT JENKS (C) OREGON CITIZENS' UTILITY BOARD 610 SW BROADWAY, STE 400 PORTLAND, OR 97205 <a href="mailto:bob@oregoncub.org">bob@oregoncub.org</a></p>
<p>SARAH E LINK (C) PACIFIC POWER 825 NE MULTNOMAH ST STE 1800 PORTLAND, OR 97232 <a href="mailto:sarah.link@pacificcorp.com">sarah.link@pacificcorp.com</a></p>	<p>JODY KYLER COHN BOEHM, KURTZ &amp; LOWRY 36 E SEVENTH ST STE 1510 CINCINNATI, OH 45202 <a href="mailto:jkylar@bkllawfirm.com">jkylar@bkllawfirm.com</a></p>
<p>KATHERINE A MCDOWELL (C) MCDOWELL RACKNER &amp; GIBSON PC 419 SW 11TH AVE., SUITE 400 PORTLAND, OR 97205 <a href="mailto:katherine@mcd-law.com">katherine@mcd-law.com</a></p>	<p>SAMUEL L ROBERTS (C) HUTCHINSON COX COONS ORR &amp; SHERLOCK 777 HIGH ST STE 200 PO BOX 10886 EUGENE, OR 97440 <a href="mailto:sroberts@eugenelaw.com">sroberts@eugenelaw.com</a></p>



<p>TRACY RUTTEN  LEAGUE OF OREGON CITIES  1201 COURT STREET NE  SUITE 200  SALEM, OR 97301  <a href="mailto:trutten@orcities.org">trutten@orcities.org</a></p>	<p>IRION A SANGER (C)  SANGER LAW PC  1117 SE 53RD AVE  PORTLAND, OR 97215  <a href="mailto:irion@sanger-law.com">irion@sanger-law.com</a></p>
<p>DONALD W SCHOENBECK (C)  REGULATORY &amp; COGENERATION  SERVICES INC  900 WASHINGTON ST STE 780  VANCOUVER, WA 98660-3455  <a href="mailto:dws@r-c-s-inc.com">dws@r-c-s-inc.com</a></p>	<p>NONA SOLTERO  FRED MEYER STORES/KROGER  3800 SE 22ND AVE  PORTLAND, OR 97202  <a href="mailto:nona.soltero@fredmeyer.com">nona.soltero@fredmeyer.com</a></p>
<p>DOUGLAS C TINGEY  PORTLAND GENERAL ELECTRIC  121 SW SALMON 1WTC1301  PORTLAND, OR 97204  <a href="mailto:doug.tingey@pgn.com">doug.tingey@pgn.com</a></p>	<p>JAY TINKER  PORTLAND GENERAL ELECTRIC  121 SW SALMON ST 1WTC-0306  PORTLAND, OR 97204  <a href="mailto:pge.opuc.filings@pgn.com">pge.opuc.filings@pgn.com</a></p>
<p>MICHAEL T WEIRICH (C)  PUC STAFF--DEPARTMENT OF  JUSTICE  BUSINESS ACTIVITIES SECTION  1162 COURT ST NE  SALEM OR 97301-4096  <a href="mailto:michael.weirich@state.or.us">michael.weirich@state.or.us</a></p>	<p>PACIFICORP, DBA PACIFIC POWER  825 NE MULTNOMAH ST, STE 2000  PORTLAND OR 97232  <a href="mailto:oregondockets@pacificorp.com">oregondockets@pacificorp.com</a></p>

Dated May 14, 2019.



Katie Savarin  
Coordinator, Regulatory Operations