

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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In the Matter of the Application of PACIFICORP
(U901E), for an Order Authorizing a General
Rate Increase Effective January 1, 2023.

Application 22-05-006
(Filed May 5, 2022)

PACIFICORP'S 2023 RISK SPEND ACCOUNTABILITY REPORT

PACIFICORP
Carla Scarsella
Ajay Kumar
825 NE Multnomah Street, Suite 2000
Portland, Oregon 97232
Telephone: 503.813.6338
Email: carla.scarsella@pacificorp.com
ajay.kumar@pacificorp.com

May 1, 2024

For PacifiCorp

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In compliance with Decision (“D.”) 19-04-020, Safety Model Assessment Proceeding Phase Two Decision Adopting Risk Spending Accountability Report Requirements and Safety Performance Metrics for Investor-Owned Utilities (“S-MAP Phase Two Decision”), and D.22-10-002, Safety Model Assessment Proceeding Decision Addressing Phase 1 Tracks 3 and 4 Issues, PacifiCorp submits this Risk Spending Accountability Report (“2023 RSAR”). This 2023 RSAR provided as Attachment A compares the Company’s authorized versus recorded spend for calendar year 2023.

Respectfully submitted May 1, 2024, at Portland, Oregon.

By: 
Carla Scarsella

Carla Scarsella
Deputy General Counsel
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
Telephone: 503-813-6338
Email: carla.scarsella@pacificorp.com

PacifiCorp

2023 Risk Spending Accountability Report

Attachment A

I. Introduction and Background

Decision (D.) 19-04-020 in the Safety Model Assessment Proceeding (S-MAP) proceeding required the Small and Multijurisdictional Utilities (SMJUs) to submit annual risk-spend reports using the Voluntary Agreement for a Risk Based Decision-Making Framework between the Safety and Enforcement Division and the Small and Multi-Jurisdictional Utilities as contained in Attachment 3 of the Decision, including the adoption of an annual Risk Spend Accountability Report (RSAR). Following the issuance of the Decision, PacifiCorp worked with Energy Division Staff on a mutually agreed upon interim reporting structure to satisfy the requirements of the Decision, though the Company did not have any risk-based incremental spend or programs identified in its 2019 General Rate Case Application (A.18-04-002).

Ordering Paragraph 5 of D.22-10-002 in the S-MAP proceeding directed PacifiCorp to file its Risk Spend Accountability Report by May 1 of each year following the Company's General Rate Case (GRC) Application. On May 5, 2022, PacifiCorp filed Test Year 2023 GRC Application (A.) 22-05-006 (2023 GRC). While the Company still awaits a decision in Track 2 of its 2023 GRC, this report contains the Company's authorized versus recorded spend related to activities, in accordance with the requirements of Commission D.22-10-002, as relevant to the SMJUs.

II. PacifiCorp's 2023 General Rate Case Application (A.) 22-05-006 and 2023 Risk Spend Accountability Report

On May 5, 2022, PacifiCorp filed Test Year 2023 GRC Application requesting an increase to the Company's base rate revenue requirement, a significant portion of which is attributed to wildfire mitigation and vegetation management. On May 5, 2022, PacifiCorp filed Test Year 2023 GRC Application (A.) 22-05-006 (2023 GRC). While the Company still awaits a decision in Track 2 of its 2023 GRC, this report contains the Company's authorized versus recorded spend related to in accordance with D.22-10-002, as relevant to the SMJUs.

This General Rate Case application marked the first request the Company has made to recover any incremental expenses or capital costs related wildfire mitigation initiatives, including the implementation of any historic wildfire mitigation plans. The 2023 GRC risk-based decision-making framework identified capital expenditures for only one non-wildfire program (a physical security distribution program), which was approved in the 2023 GRC and thus reported in this RSAR. The remainder of the Company's incremental spend identified in this RSAR are wildfire-related programs and is the basis for this report, as approved in GRC Decision 23-12-016.

III. Capital Expenditures

PacifiCorp's 2023 wildfire and non-wildfire authorized incremental capital expenditures were approximately \$37 million and the Company's actual spend was approximately \$92 million. In

large part this variance is attributed to the fact that the Company's authorized amounts are based on a forecast of planned capital spend and the recorded amounts are representative of costs for projects placed in service once they are completed and operational. In addition to variances in timing for when projects are placed in service, the Company is continually responding to new regulatory requirements and Wildfire Mitigation projects in alignment with the Company's approved Wildfire Mitigation Plans which require increased capital investments.

Wildfire and Non-Wildfire Capital		2023 Authorized	2023 Recorded	2023 Variance (\$)
Distribution		\$ 36,149,930	\$ 91,388,600	\$ 55,238,670
System Hardening: Line Rebuild				
System Hardening: Advanced Protection & Control				
System Hardening: Pole Mounted Overcurrent				
Weather Stations				
Physical Security		\$ 105,000	\$ 22,000	\$ (83,000)
Transmission		\$ 486,019	\$ 129,428	\$ (356,591)
System Hardening: Line Rebuild				
California Allocated			\$ 137,845	\$ 137,845
Situational Awareness				
California Situs				
Situational Awareness		\$ 556,000	\$ 1,042,605	\$ 486,605
	TOTAL	\$ 37,296,949	\$ 92,720,479	\$ 55,423,530

IV. Wildfire Mitigation O&M Expenses

PacifiCorp's 2023 wildfire mitigation O&M expenses authorized in D.23-12-016 were approximately \$1.23 million and the Company's actual recorded expenses were \$1.17 million, which represents an overall variance of less than four percent.

Wildfire Mitigation O&M Expenses	2023 Authorized	2023 Actual	2023 Variance (\$)
Grid Design and System Hardening	\$ 150,000	\$ 6,542	\$ (143,458)
Vegetation Analytics & Mapping	\$ 44,000	\$ -	\$ (44,000)
Resource Allocation	\$ 440,000	\$ 567,735	\$ 127,735
Risk Assessment & Mapping	\$ 181,698	\$ 157,477	\$ (24,221)
Situational Awareness & Forecasting	\$ 255,120	\$ 323,294	\$ 68,174
Emergency Planning & Preparedness	\$ 35,432	\$ 8,903	\$ (26,529)
Stakeholder & Comm. Engagement	\$ 123,205	\$ 109,664	\$ (13,541)
Transmission WMP (CA allocation)	\$ 862	\$ 3,543	\$ 2,681
TOTAL	\$ 1,230,317	\$ 1,177,158	\$ (53,159)