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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

**ASSIGNED COMMISSIONER'S AMENDED SCOPING
MEMO AND RULING**

This scoping memo and ruling adopts amendments to the scope to align with the administrative law judge's rulings establishing a second track (Track 2) of this proceeding in which the Commission intends to better evaluate PacifiCorp's deferred wildfire mitigation related accounting. This scoping memo and ruling amendment also adopts a new procedural schedule to allow adequate time to evaluate the information submitted by parties as directed herein, pursuant to Public Utilities (Pub. Util.) Code § 1701.5 and Article 7 of the Commission's Rules of Practice and Procedure (Rules).

1. Procedural Background

PacifiCorp d/b/a Pacific Power (PacifiCorp) is a multi-jurisdictional utility providing retail electric service to customers in California, Idaho, Oregon, Utah, Washington, and Wyoming. PacifiCorp serves approximately 47,800 customers in California, across more than 11,000 square miles in portions of Del Norte, Modoc, Shasta, and Siskiyou counties.¹

¹ PacifiCorp Amended Application at 2.

On May 5, 2022, PacifiCorp filed its general rate case (GRC) Application (A.) 22-05-006 requesting authority to increase its rates for electric service effective January 1, 2023. PacifiCorp filed an amended application on May 13, 2022, with a revised list of testimony and appendices. PacifiCorp requests a Test Year 2023 base revenue requirement of \$110.25 million. This represents a 34 percent increase over its 2022 present base revenue requirement of \$82.3 million. Approximately three quarters of this proposed increase can be attributed to wildfire mitigation and vegetation management costs.

On May 19, 2022, PacifiCorp filed a motion requesting the Commission authorize a January 1, 2023, effective date for its 2023 test year GRC revenue requirement as well as a General Rate Case Revenue Requirement Memorandum Account (GRC RRMA). No party filed a response in opposition to PacifiCorp's request.

On June 10, 2022, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) and the California Farm Bureau Federation (Farm Bureau) filed timely protests to PacifiCorp's application.

A prehearing conference was held on June 30, 2022, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary.

On August 9, 2022, the assigned Commissioner issued a Scoping Memo and Ruling.

On November 3, 2022, Decision 22-11-001 granted PacifiCorp's request to make its 2023 test year GRC revenue requirement effective as of January 1, 2023, and to establish a GRC RRMA.

On March 13, 2023, an Administrative Law Judge (ALJ) ruling ordered an independent third-party audit of costs recorded in certain wildfire mitigation memorandum accounts that were included as part of PacifiCorp's application

and establishing a separate track and schedule for consideration of the wildfire mitigation memorandum accounts. A.22-05-006 is the first time PacifiCorp has sought recovery of wildfire mitigation-related costs. Because the sum of the Wildfire Mitigation Memorandum Accounts represents a large potential rate increase to customers, it is in the public interest to ensure that each memorandum account has recorded appropriate costs, that those costs are not duplicative and are incremental. PacifiCorp was directed to hire an independent auditor to review the Wildfire Mitigation Memorandum Accounts that are included as part of its application, to ensure PacifiCorp's wildfire mitigation costs are properly recorded and reported in PacifiCorp's application, supported by appropriate documents, incremental to costs previously authorized or requested for recovery, and are consistent with PacifiCorp's approved Wildfire Mitigation Plans.²

An ALJ ruling issued on March 24, 2023, adopted modeling procedures for the results of operations and rates to ensure a confidential decision-making process is applied to both Tracks of this proceeding.

On May 2, 2023, PacifiCorp filed a motion seeking to include and recover costs associated with the audit directed in the March 13, 2023, ruling in its General Rate Case RRMA. This request was denied by an ALJ ruling issued July 6, 2023.

On June 5, 2023, PacifiCorp filed a motion seeking adjustments to this proceeding's Track 2 schedule, stating time constraints related to hiring an independent third-party auditor had impeded its ability to file the audit as directed in the March 13, 2023, ruling. On June 13, 2023, an ALJ ruling adjusted

² The Wildfire Mitigation Memorandum Accounts are PacifiCorp's Fire Risk Mitigation Memorandum Account (FRMMA), the Wildfire Mitigation Plan Memorandum Account (WMPMA), and the Fire Hazard Prevention Memorandum Account (FHPMA).

the proceeding's Track 2 schedule, setting the due date for the audit as October 6, 2023.

On July 17, 2023, opening briefs in Track 1 of this proceeding were filed by PacifiCorp, Cal Advocates, and the Farm Bureau. Reply briefs were filed by PacifiCorp and the Farm Bureau on August 11, 2023.

On September 29, 2023, PacifiCorp filed a motion seeking a three-month delay on the second track of this proceeding. PacifiCorp noted that it had discussed the issues it has faced conducting its audit with the other active parties in this proceeding, and that neither Cal Advocates nor the Farm Bureau disputed its proposed adjustment to the Track 2 schedule.

On October 2, 2023, the assigned ALJ issued a ruling granting PacifiCorp's motion seeking a three-month furtherance of this proceeding, and requiring the audit that was due on October 6, 2023, to be filed on January 5, 2024.

2. Issues

The issues to be determined or otherwise considered in Track 2 of this proceeding are:

1. Whether the results of PacifiCorp's audit submitted on January 5, 2024, fully address the issues raised in Appendix A of the initial August 2022 Scoping Memo and Ruling, including:
 - a. How PacifiCorp assesses the risks of and consequences of wildfire spread in its service territory.
 - b. Description of the risk-based approach used to determine the mitigation measures that were selected, or a discussion of why a risk-based methodology was not used to determine the selected mitigation measures.
 - c. Whether the proposed mitigation measures prioritize areas that are at high risk for wildfires, and
 - d. How high-risk wildfire areas were identified.

2. Whether PacifiCorp's proposed costs for wildfire risk and mitigation align with PacifiCorp's 2022 Wildlife Mitigation Plan.
3. Whether there are proposed measures that can safely and cost-effectively reduce the scale and scope of future Public Safety Power Shutoffs.
4. Whether covered conductors have reduced the number of faults on those lines with cover installation when compared to those lines' operation prior to conductor cover installation.
5. Whether the costs recorded in PacifiCorp's Fire Risk Mitigation Memorandum Account (FRMMA), the Wildfire Mitigation Plan Memorandum Account (WMPMA), and the Fire Hazard Prevention Memorandum Account (FHPMA) are reasonable.
6. Whether the costs recorded in PacifiCorp's FRMMA, WMPMA, and FHPMA align with PacifiCorp's 2022 Wildlife Mitigation Plan.
7. Whether PacifiCorp's wildfire memorandum account recovery proposals have adverse impacts on environmental and social justice communities or otherwise impede the achievement of any of the nine goals of the Commission's Environmental and Social Justice Action Plan.

3. Need for Evidentiary Hearing

Issue numbers 1-7 could raise contested, material issues of fact, given the testimony filed thus far in this proceeding. Accordingly, we will allow parties to present evidence on these issues and evidentiary hearings may be needed. The need for evidentiary hearing will be determined by the assigned ALJ and further instructions provided at the status conference.

4. Schedule

The following schedule, as proposed by PacifiCorp in its September 29, 2023, motion, is adopted here but may be modified by the ALJ, as required, to promote the efficient and fair resolution of Track 2 of this application:

Event	Date (if Hearings)	Date (no Hearings)
Independent Audit Served	January 5, 2024	January 5, 2024
Intervenor testimony due	February 8, 2024	February 8, 2024
Status conference	February 15, 2024	February 15, 2024
PacifiCorp rebuttal testimony due	March 8, 2024	March 8, 2024
Evidentiary hearing	April 9-10, 2024	N/A
Opening briefs	May 20, 2024	April 26, 2024
Reply briefs	June 20, 2024	May 31, 2024
Proposed decision	Q3 2024	Q3 2024
Commission decision	Q4 2024	Q4 2024

The purpose of the February 15, 2024, status conference is to ascertain whether, pursuant to Rule 13.8(c), the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, the parties' resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

The proceeding will stand submitted upon the filing of reply briefs, unless the ALJ requires further evidence or argument. This schedule, which extends the resolution date of Track 2 of this proceeding to December 31, 2024, is necessary

for the efficient and fair resolution of Track 2 as required by Pub. Util. Code section 1701.5.

**5. Category of Proceeding and
Ex Parte Restrictions**

This ruling confirms the Commission's preliminary determination that this is a ratesetting proceeding.³ Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Rules.

6. Public Outreach

Pursuant to Pub. Util. Code section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission's website.

7. Intervenor Compensation

Pursuant to Pub. Util. Code section 1804(a)(1), a customer who intends to seek an award of compensation must have filed and served a notice of intent to claim compensation within 30 days after the prehearing conference, which was held on June 30, 2022.

8. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the

³ Resolution ALJ 176-3508 at 3.

electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Filing, Service, and Service List

The official Service List has been created and is on the Commission's website. Parties should confirm that their information on the Service List is correct and serve notice of any errors on the Commission's Process office, the Service List, and the ALJ. Persons may become a party pursuant to Rule 1.4⁴.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Although Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, parties in this proceeding shall only provide electronic copies of documents to the assigned ALJ.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official Service List, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at

⁴ The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

process_office@cpuc.ca.gov to request addition to the “Information Only” category of the official Service List pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the Service List to consider the Commission’s subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

11. Receiving Electronic Service from the Commission

Parties and other persons on the Service List are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your email screening practices, settings and filters to ensure receipt of emails from the Commission.

12. Assignment of Proceeding

President Alice Reynolds is the assigned commissioner and Carolyn Sisto is the assigned ALJ and presiding officer for the proceeding.

IT IS RULED that:

1. The scope of Track 2 of this proceeding is described above and is adopted.
2. The schedule of Track 2 of this proceeding is set forth above and is adopted.
3. Evidentiary hearing in Track 2 of this proceeding may be necessary.
4. The presiding officer is Administrative Law Judge Carolyn Sisto.
5. The category of the proceeding is ratesetting.

6. PacifiCorp shall file the audit related to the costs of its wildfire risk and mitigation accounting processes no later than January 5, 2024.

Dated October 5, 2023, at San Francisco, California.

/S/ ALICE REYNOLDS
Alice Reynolds
Assigned Commissioner