

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-21-02
COMPANY’S APPLICATION FOR AN)	
ACCOUNTING ORDER AUTHORIZING)	NOTICE OF APPLICATION
THE DEFERRAL OF INCREMENTAL)	
WILDFIRE MITIGATION AND INSURANCE)	NOTICE OF
COSTS)	MODIFIED PROCEDURE
)	
)	ORDER NO. 34926

On January 22, 2021, Idaho Power Company (“Company”) filed an Application for an accounting order authorizing it to defer Idaho’s jurisdictional share of incremental costs associated with its wildfire mitigation and insurance costs. The Application includes a comprehensive overview of the Company’s efforts to assess wildfire risk, discussion of necessary actions and measures to mitigate wildfire risk, and identification and examination of incremental operations and maintenance costs associated with implementing and completing wildfire mitigation efforts (“Wildfire Plan”).¹ The Company requests its Application be processed by Modified Procedure.

The Commission now sets deadlines for interested persons to comment on the Application, and for the Company to reply.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company is proposing a shift in its approach to vegetation management in recognition that climate, weather, urban-wildland encroachment, and vegetation growth are expected to continue to change in the coming years.

YOU ARE FURTHER NOTIFIED that the Wildfire Plan uses the Fire Potential Index (“FPI”) to support operational decision making to reduce wildfire threats and risks.² During fire season, the FPI will be calculated and issued each weekday to help Company personnel in advanced planning and preparation.

YOU ARE FURTHER NOTIFIED that the Company’s wildfire mitigation strategy includes internal procedural measures to prevent accidental ignition and spread of wildfires.

¹ The Company’s Application includes a copy of the 2021 Wildfire Mitigation Plan.

² The FPI produces a score from 1-16. Scores of 1-11 are green “lower fire potential;” scores of 12-14 are yellow “elevated fire potential;” and scores of 15 or 16 are red “highest fire potential.”

YOU ARE FURTHER NOTIFIED that the Wildfire Plan includes operational mitigation practices for deploying temporary operating procedures for transmission lines during fire season; developing operational strategies for management of distribution lines during periods of elevated fire risks and during fire season; and evaluating a Company-specific approach to Public Safety Power Shutoffs (“PSPS”) to determine the appropriateness and operation of PSPS as a tool.³

YOU ARE FURTHER NOTIFIED that the Company’s Wildfire Plan also includes management of certain conditions related to its transmission and distribution (“T&D”) facilities. This will be accomplished through asset management programs and vegetation management. The asset management programs include visual inspections, line protection, asset replacement, and system hardening. Under the Wildfire Plan, the Company will continue to visually inspect its transmission lines using helicopter (aerial), on-the-ground, wood pole inspection treatment, cathodic protection and inspection, and thermal imaging inspection methods. The Company will use unmanned aerial vehicles (drones) with high-definition cameras in certain situations. For distribution lines, the Company will use visual inspections, distribution wood pole inspection and treatment, and line equipment inspection. The Company will also work to “harden” its infrastructure by replacing small conductor and associated hardware. For transmission lines of 138 kilovolt and above, the Company may convert wood poles to steel.

YOU ARE FURTHER NOTIFIED that the Company proposes to implement and achieve a consistent three-year vegetation management cycle across its entire service area. For FPI yellow or red zones (*see* fn n.2) the Company will employ enhanced vegetation management practices including annual patrols to identify immediate pruning needs; mid-cycle pruning during year two for fast growing species; increased incentives for customers who own trees that regrow ahead of the three-year trimming cycle; clearing and sterilizing the soil around certain distribution poles; performance of post-trimming audits on all pruned trees in yellow and red zones.

YOU ARE FURTHER NOTIFIED that the Company has identified incremental operations and maintenance (“O&M”) expenses related to mitigating wildfire risk as set forth in the Wildfire Plan. The expenses are grouped into these categories: (A) quantifying Wildland Fire Risk; (B) Situational Awareness; (C) Mitigation—Field personnel Practices; (D) Mitigation T&D;

³ PSPS is generally defined as the proactive and planned de-energization of lines when extreme risk conditions are forecasted.

(E) Enhanced Vegetation Management; and (F) Communication. In the next five years, the Company estimates it will incur approximately \$46.6 million in incremental O&M expenses to implement these measures. The Company seeks to defer Idaho’s jurisdictional share of incremental expenses.⁴

YOU ARE FURTHER NOTIFIED that the costs associated with enhanced vegetation management are the largest incremental wildfire mitigation expense. The Company estimates spending approximately \$42.7 million on incremental vegetation management expenses over five years. The Company noted that its actual expenses for vegetation management have been increasing faster than authorized amounts in recent years. The Company notes several factors are pushing vegetation management costs upward including additional growth (vegetation and population), shortages of qualified labor,⁵ and increased resource costs. The Company seeks to defer Idaho’s jurisdictional share of incremental vegetation management costs above a base level of 2019 actual costs.

YOU ARE FURTHER NOTIFIED that the Company proposes testing the three-year enhanced vegetation management cycle for four or five years to verify that a shorter cycle can be maintained, and expected benefits are realized.

YOU ARE FURTHER NOTIFIED that the Company will review and update its wildfire risk assessment biennially.

YOU ARE FURTHER NOTIFIED that the Application and attachments are available for public inspection during regular business hours at the Commission’s office. These documents are also available on the Commission’s web site at www.puc.idaho.gov. Click on the “ELECTRIC” icon, select “Open Cases,” and click on the case number as shown on the front of this document.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code, specifically *Idaho Code* § 61-501.

⁴ The Company proposes to continue to pay for baseline levels of O&M escalated annually for inflation out of its existing budget and does not seek deferral of those costs.

⁵ The Company’s Application cites two factors contributing to the shortages in labor: (1) special requirements to trim trees near power lines and equipment that require special certifications and training; and (2) increased demand for vegetation management services in the western US—including California where labor rates are higher.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that persons desiring to state a position on this Application may file a written comment explaining why the person supports or opposes the Application. Persons who would like a hearing must specifically request a hearing in their written comments. **Persons shall have until April 8, 2021 to file written comments.** Comments must be filed through the Commission website or by e-mail unless computer access is unavailable. To comment electronically, please access the Commission's home page at www.puc.idaho.gov. Click the "Case Comment Form" and complete the form using the case number as it appears on the front of this document. To file by e-mail, the customer must e-mail the comments to the e-mail addresses listed below. In addition to submitting the comments to the Commission Secretary, the customer must also e-mail the Company at the e-mail addresses listed below. If computer access is unavailable, then comments may be mailed to the Commission and Company at these addresses:

**For the Idaho Public Utilities
Commission:**

Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074
secretary@puc.idaho.gov

Street Address for Express Mail:

11331 W. Chinden Blvd.
Building 8, Suite 201-A
Boise, Idaho 83714

For Idaho Power:

Lisa Nordstrom
Alison Williams
1221 West Idaho Street 83702
P.O. Box 70
Boise, ID 83707-0070
lnordstrom@idahopower.com
awilliams@idahopower.com
dockets@idahopower.com

YOU ARE FURTHER NOTIFIED that Idaho Power must file any reply comments **by April 22, 2021.**

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

ORDER

IT IS HEREBY ORDERED that the Company's Application be processed by Modified Procedure, Rule 201-204 (IDAPA 31.01.01.201-.204). Persons interested in submitting written comments must do so by April 8, 2021. the Company must file any reply comments by April 22, 2021.

IT IS FURTHER ORDERED that parties should continue to comply with Order No. 34781, issued September 17, 2020. All pleadings should be filed with the Commission electronically and shall be deemed timely filed when received by the Commission Secretary. *See* Rule 14.02. Service between parties should also be accomplished electronically. Voluminous discovery-related documents may be filed and served on CD-ROM or a USB flash drive.

///

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd
day of February 2021.



PAUL KJELLANDER, PRESIDENT

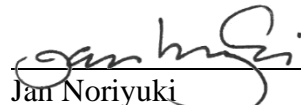


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

I:\Legal\ELECTRIC\IPC-E-21-02\Orders\IPCE2102_Ntc App Mod_dh.docx