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March 1, 2023

VIA ELECTRONIC FILING

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 West Chinden Blvd., Building 8
Suite 201-A
Boise, Idaho 83714

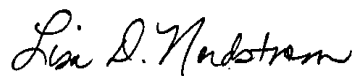
Re: Case No. IPC-E-22-27
In the Matter of Idaho Power Company's Application for Review of the
Company's Current Wildfire Mitigation Plan and Authorization to Defer
Newly Identified Incremental Wildfire Mitigation Costs

Dear Ms. Noriyuki:

Attached for electronic filing is Idaho Power Company's Reply Comments in the
above-entitled matter.

If you have any questions about the attached document, please do not hesitate to
contact me.

Very truly yours,



Lisa D. Nordstrom

LDN:sg
Attachment

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Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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|----------------------------------|---|-----------------------|
| IN THE MATTER OF IDAHO POWER |) | |
| COMPANY'S APPLICATION FOR REVIEW |) | CASE NO. IPC-E-22-27 |
| OF THE COMPANY'S CURRENT |) | |
| WILDFIRE MITIGATION PLAN AND |) | IDAHO POWER COMPANY'S |
| AUTHORIZATION TO DEFER NEWLY |) | REPLY COMMENTS |
| IDENTIFIED INCREMENTAL WILDFIRE |) | |
| MITIGATION COSTS |) | |

Idaho Power Company ("Idaho Power" or "Company") respectfully submits the following Reply Comments in response to Comments filed by Idaho Public Utilities Commission ("Commission") Staff ("Staff") regarding the Company's request to defer newly identified incremental wildfire mitigation costs.

Idaho Power appreciates Staff's thorough review and assessment of the Company's Wildfire Mitigation Plan ("WMP")¹ and newly identified incremental costs presented in this case. Staff's supportive Comments are based on rigorous review of the Company's current and planned wildfire mitigation efforts and associated forecasted incremental costs. Beyond a few nuanced differences of perspective, Idaho Power agrees with Staff and supports Staff's eight (8) recommendations to the Commission.

The Company is especially appreciative of Staff's efforts during this case to understand the creation and evolution of Idaho Power's WMP and learn how wildfire-related program and investment decisions are made. Idaho Power's information session with Staff on January 5, 2023, provided a meaningful venue to discuss a broad range of wildfire issues that are relevant but not addressed within the Company's Application. As a result, the information session revealed opportunities for improved and additional wildfire-related process and communications with the Commission—an outcome that is echoed in Staff's set of recommendations.

Although Idaho Power supports Staff Comments, the Company offers these Reply Comments to provide clarification on select topics and additional considerations on Staff's recommendations to the Commission.

I. STAFF COMMENTS

Staff organized its Comments in a manner consistent with Idaho Power's Application—grouped into seven expense categories: (A) Quantifying Wildland Fire Risk; (B) Situational Awareness; (C) Mitigation - Field Personnel Practices; (D)

¹ As noted by Staff, Idaho Power's Application in this case was based on Version 4 of the Company's Wildfire Mitigation Plan ("WMP"). Staff rightfully based its assessment and comments in this case on the Version 4 document, even though Idaho Power has since filed a Version 5 WMP, as required by the Public Utility Commission of Oregon.

Mitigation - Transmission and Distribution; (E) Enhanced Vegetation Management; (F) Communications; and (G) Information Technology. Staff's Comments provide comprehensive summaries of each category. For two categories—Communications and Information Technology (“IT”)—Staff included normative statements based on Staff's reasonable assumptions. Idaho Power offers responses on these two items below.

In the summary of Idaho Power's Communications expenditures, Staff makes the following statement about the Company's future spending on Public Safety Power Shutoff (“PSPS”) education and awareness: “Staff believes that costs associated with communications should decrease over time as awareness increases.”² While a decline in spending over time may seem logical, the Company anticipates relatively flat spending into the future. The forecasted \$71,000 of annual expenditures was developed considering a variety of factors, including the infrequency of PSPS events, expected residential and commercial growth, and/or relocation into and across PSPS zones. It is possible that annual PSPS communication spending could decline in some future years, but it is equally possible that the need to communicate with customers about PSPS could increase in select future years. Each fire season presents different conditions and challenges, and the Company will adapt its communication strategy to reflect the needs of a specific wildfire season. Recognizing the critical nature of customer communications and PSPS awareness, Idaho Power does not consider this a likely area for reduced spending.

In the IT summary, Staff notes the following about the EONS customer communications tool: “Staff encourages the Company to pursue using the EONS in

² Staff's Comments at 6.

conjunction [with] other emergency management platforms, something which the Company does not currently plan to do.”³ Idaho Power recognizes Staff’s encouragement aims to achieve more synergistic use, and therefore greater benefits, of the EONS tool. This is a logical and laudable objective, and Idaho Power always seeks to maximize efficiency in its spending. However, with respect to the EONS tool, Idaho Power notes that this is a vendor-provided platform. Additional functionality will come with extra cost, and, at this stage, Idaho Power has not considered the cost-benefit of leveraging EONS to connect with other emergency management networks.

II. STAFF RECOMMENDATIONS

Staff’s eight (8) recommendations to the Commission are reasonable requests to ensure the Company will continue to make sound wildfire risk mitigation decisions. As such, the Company largely supports Staff’s recommendations but offers additional commentary and context on each below.

A. Staff Recommendation 1

Idaho Power supports Staff’s Recommendation 1 authorizing the Company’s deferral of newly identified incremental wildfire costs, provided that the recommendation is not intended to limit the Company’s ability to request authority to establish a new deferral mechanism for similar costs, should circumstances warrant such treatment in a future general rate case or other proceeding.

B. Staff Recommendation 2

The Company supports Recommendation 2 related to including details of partnerships in future WMPs. The inclusion of partner arrangements in the WMP is a

³ *Id.* at 7.

sound request, and the Company sees the addition of such information as a natural expansion of Section 2 of the WMP on Government, Industry, and Peer Utility Engagement.

C. Staff Recommendation 3

Staff's third recommendation is to require semi-annual (pre- and post-fire season) wildfire updates with Staff and the Commission. Idaho Power supports this recommendation but seeks clarity on what constitutes an "update." For comparison's sake, in Oregon, Idaho Power provides a pre-fire season Commission briefing but not a post-fire season briefing. Instead, the Company submits an updated WMP at year-end that includes assessment of the prior fire season. Idaho Power is certainly willing to provide the Commission with two updates per year in the form of briefings but offers the Oregon example as an efficient alternative that seems in keeping with the spirit of Staff's recommendation.

D. Staff Recommendation 4

Idaho Power supports Recommendation 4 to detail the Company's efforts to seek funding alternatives for wildfire mitigation activities. Any pursued or realized funding alternatives would be documented within the Costs and Benefits section (Section 4) of the WMP.

E. Staff Recommendation 5

Idaho Power supports Staff's Recommendation 5. The Company appreciates Staff's perspective that any strategic undergrounding for wildfire risk reduction must be documented and justified. The Company would only note that, in the wildfire context, such determinations will not follow the traditional cost-benefit framework, as the dollar-

value benefit of wildfire risk reduction is difficult to quantify. Idaho Power is working with other utilities and industry leaders to determine methods and best practices for quantifying wildfire risk reduction benefits from targeted wildfire mitigation efforts.

F. Staff Recommendation 6

Idaho Power supports Staff's Recommendation 6 but seeks guidance on the Commission's preferred process for filing WMP updates with the Commission. The Company can file these updates in this docket but there may be an alternative approach envisioned by Staff or the Commission that allows for more public awareness of annual filings.

G. Staff Recommendation 7

Idaho Power supports Staff's Recommendation 7. Similar to the Company's comments on Recommendation 5, it is certainly reasonable to require Idaho Power to justify its pilot programs and those pilots it plans to operationalize more widely – but, as noted earlier, cost-benefit and least cost/least risk determinations are evolving in the wildfire mitigation space. The Company continues to refine its understanding of cost-benefit analysis with respect to wildfire mitigation activities. The Company reiterates that it will document and provide financial justification to support its programmatic decisions related to wildfire mitigation.

H. Staff Recommendation 8

Idaho Power supports Staff's Recommendation 8. The Company believes it already provides the requested analysis within Section 4 (Costs and Benefits) of the WMP, where the Company discusses what alternatives (if any) are available for a given mitigation activity and why such an alternative was not pursued or considered viable.

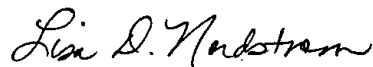
Should the Commission consider it necessary, Idaho Power is willing to bolster these sections of the WMP to further discuss available alternatives.

III. CONCLUSION

In conclusion, Idaho Power again thanks Staff for its thorough and comprehensive Comments. Staff's resulting set of recommendations are reasonable and largely supported by Idaho Power. The Company respectfully requests that the Commission consider the Company's additional commentary on each of Staff's recommendations and approve the Company's request to defer newly identified incremental wildfire mitigation costs.

Wildfire continues to be a driving force behind expenditures and associated programmatic activity within Idaho Power. The Company appreciates Staff and the Commission's attention and commitment to such a vital issue.

DATED at Boise, Idaho, this 1st day of March 2023.



LISA D. NORDSTROM
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 1st day of March 2023, I served a true and correct copy of IDAHO POWER COMPANY'S REPLY COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

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