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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah
From: The Office of Consumer Services
Michele Beck, Director
Béla Vastag, Utility Analyst
Date: July 1, 2021
Subject: Docket 21-035-35
Rocky Mountain Power's 2021 Wildland Fire Cost and Compliance Report

INTRODUCTION

On June 1, 2021, Rocky Mountain Power (“RMP”) filed with the Utah Public Service Commission (“PSC”) its 2021 Wildland Fire Cost and Compliance Report (“Report”). The Report provides actual costs for 2020 and updated cost forecasts for 2021 through 2026. On June 3, 2021, the PSC issued a Notice of Filing and Comment Period that set a deadline of July 1, 2021 for parties to file initial comments and July 16, 2021 for reply comments on RMP’s 2021 Wildland Fire Report. Pursuant to the PSC’s Notice, the Utah Office of Consumer Services (“OCS”) submits these initial comments on RMP’s Report.

OFFICE OF CONSUMER SERVICES COMMENTS

The OCS has reviewed RMP’s 2021 Wildland Fire Cost and Compliance Report. The OCS found the report to be very informative and appreciates RMP’s explanations for the differences in actual costs from what was forecasted in its first Utah Wildland Fire Protection Plan (“Plan”) which was filed with the PSC on June 1, 2020 in Docket No. 20-035-28. The OCS also appreciates RMP’s informative reporting on what was accomplished in 2020 on system hardening, operational practices and other programs put in place to reduce the risk of wildfires from RMP equipment and operations.

The OCS requests that RMP explain in its reply comments two issues related to the costs in this Report:

1. Utah Code Section 54-24-202 allows RMP to “recover in rates all prudently incurred investments and expenditures, including the cost of capital” for its Wildland Fire Protection Plan. Rule R746-315-3 states that RMP’s Annual Cost and Compliance Report will request “the deferral and collection of the incremental revenue requirement for the capital investments and expenses to implement its approved wildland fire protection plan that is not included in base rates.” However, the OCS notes that the 2021 Report states that capital investments for the Plan were \$11.5 million under budget for 2020 and will be \$16.8 million under budget in 2021.

The OCS understands that RMP is tracking Wildland Fire Protection Plan costs and revenues in a deferred account. Since currently, actual capital costs are not incremental to what are included in base rates, but are actually significantly lower (over 30% lower), the OCS requests that RMP explain when and in which proceeding (docket) will the specific balances and transactions of this deferral account be reported on and available for regulatory review.

2. Pages 4 and 5 of the Report discuss the rebuilding of certain portions of 138 kV transmission lines in order to mitigate future wildfire risks. The OCS requests that RMP explain if the wildfire risk mitigation rebuild costs for the 138 kV lines from the Plan and discussed in this Report will be allocated to PacifiCorp’s Open Access Transmission Tariff (OATT) rates and to other state jurisdictions according to the multi-state protocol (MSP) or be situs assigned to Utah.

RECOMMENDATION

The OCS recommends that RMP clarify in its reply comments the two issues discussed above.

cc:

Jana Saba, Rocky Mountain Power
Chris Parker, Division of Public Utilities
Email Service List