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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director

Brenda Salter, Assistant Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Tyler McIntosh, Utility Analyst

Date: August 11, 2023

Re: **Docket No. 23-035-27**, RMP's Utah Wildland Protection Plan Cost and Compliance Report Sections 1-4

Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) acknowledge Sections 1 – 4 of Rocky Mountain Power's (RMP or Company) 2023 Utah Wildland Fire Cost and Compliance Report (Report) as complying with Utah Code §54-24-201(4) and §54-24-202(2).

Issue

Pursuant to Utah Code §54-24-201(4) and §54-24-202(2), on June 1, 2023, Rocky Mountain Power (RMP) filed its 2023 Wildland Fire Cost and Compliance Report (Report). On June 2, 2023, the Commission issued an Action Request directing the Division to review the Report for compliance and make recommendations with a due date of June 30, 2023. On June 5, 2023, the Commission issued a Notice of Filing and Comment Period in which any interested person may submit comments on or before Wednesday, July 5, 2023. On June 22, 2023, the Office of Consumer Services filed a motion to vacate the existing comment period and requested a scheduling conference. On July 10, 2023, a scheduling

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conference was held, and all parties stipulated to a bifurcated schedule. Phase I would address Sections 1 – 4 of the Report with comments due on August 11, 2023. Phase II would address section 5 of the Report with comments due on August 28, 2023, and a hearing on October 11, 2023. This memorandum represents the Division’s comments on Sections 1 – 4 of RMP’s Wildland Fire Report. The Division’s comments on Section 5 of the report will be provided in a separate memo.

Discussion

Utah Code §54-24-201(4) establishes the process for electric utilities to prepare a wildland fire protection plan. In compliance, RMP filed its 2023 Wildland Fire Cost and Compliance Report. The Report outlines the actual expenses for 2022 and the forecast capital investments and expenses for 2023. The Report also contains RMP’s mitigation efforts and changes made to the 2022 plan.

The capital expenditures during 2022 were \$7.0 million more than planned for a total of \$78.3 million. For 2023, RMP is forecasted to spend \$95.0 million, which is approximately \$30.0 million above the original budget. As stated in its filing, “this increase in both years is due to a combination of rephrasing of projects delayed in 2020-2021, updated project scopes, expanded mitigation efforts, additional condition corrections, and general cost increases associated with inflation.”¹ Project delays that occurred in 2020 and 2021 were primarily related to the Covid 19 pandemic.

Since the Report stated that projects were delayed due to the pandemic, the Division asked the Company about the specific projects that were delayed and the reasons why they were delayed. The Company responded that “Grid hardening projects (line rebuilds) were delayed for a variety of reasons, but most significantly due to supply chain issues. Delivery of materials was significantly impacted during the COVID-19 pandemic with lead times doubling and tripling in some instances. For example, large rebuild projects in Big Cottonwood Canyon, Little Cottonwood Canyon, Millcreek Canyon, and Emigration Canyon

¹ UT 23-035-27 DPU Set 1 (1-8) 7-21-23.pdf Response to DPU Data Request 1.1

experienced significant material delays. Transmission line rebuilds in the Salt Lake Avenues also experience longer than usual permitting approval due to public interest and concern.”²

The Division also asked if any of the mitigation projects remain delayed or are behind schedule due to pandemic-related issues. In response, the Company indicated that projects will be on schedule by the end of 2023, and it does not anticipate there will be any large variances in 2024 and beyond.

Because of the project delays and lower spending in the early years, RMP has increased its capital spending. From 2020 to 2022, RMP spent \$127.6 million, for an average of \$42.5 million per year in capital programs designed to mitigate wildfire risks in Utah. This compares to the \$138.2 million, or \$46.1 million per year, originally estimated for the first three years as outlined in the 2020 Utah Wildland Plan. Currently, RMP has budgeted \$65.0 million for the 2023 and 2024 years in efforts to mitigate wildfire risks. The net impact of the plan represents an increase of \$51.4 million over the original 5-year budget period from 2020 through 2024.³

Regarding the O&M expenditure, RMP spent approximately \$12 million in 2022, which is about \$7.0 million above the plan. The increase is due to additional inspections, patrolling, and vegetation management areas of high fire risk. Current approved plans have allocated \$5.0 million in O&M expenditure for 2023 and 2024 for continued efforts to mitigate wildfire risks. It is anticipated that actual expenses for future years will be similar to the 2022 actuals. It is important to note that the company is planning to file a new Wildland Fire Protection plan in October 2023, which will include an updated forecast for future years.

The compliance report provides a detailed description of the modifications or upgrades to facilities and preventative programs including the operational practices, inspection and correction program, vegetation inspection and management, environmental program, system hardening, situational awareness program, public safety power shutoffs (PSPS), emergency management and response, and performance metrics and monitoring. The Division reviewed the information RMP provided regarding the performance of these

² [UT 23-035-27 DPU Set 1 \(1-8\) 7-21-23.pdf](#) Response to DPU Data Request 1.3

³ Wildland Fire Project Implementation Summary – Capital Budget 2020 – 2024, Page 4, Table 2:

programs and feels that these programs are progressing according to the plan. RMP indicates it is continuously learning and improving programs to better support wildfire mitigation.

Another key to wildfire mitigation is the process of tree trimming. The tree trimming maintenance was not altered during the Covid-19 pandemic. Scheduled maintenance remained on schedule throughout the duration of the Covid-19 pandemic. The company does tree trimming on a three-year cycle in Utah. Trees that get within a specified clearance distance are pruned to allow sufficient space so that they do not come in contact with the power lines or equipment.

In its Order in Docket No. 20-035-28, the Commission directed RMP “to identify any updates or changes it has incorporated into its wildland fire protection practices during the previous year and the reason for those changes.” In this filing, RMP noted a program of Advanced Weather Forecasting has been implemented. Another key change to the plan was the update to the Line Rebuild Program. These updates are expected to better support wildfire mitigation. As new technologies and processes are developed, Rocky Mountain Power is striving to learn and improve programs to better support wildfire mitigation.

Conclusion

Based on its review of RMP’s filing, the Division concludes that RMP has made progress in implementing its wildland fire protection plan and recommends the Commission acknowledge Sections 1 – 4 of RMP’s filing as complying with the Utah Code §54-24-201(4) and §54-24-202(2). Section 5 of the report will be addressed in a separate memo.

cc: Jana Saba, Rocky Mountain Power
Michele Beck, Office of Consumer Services