



SPENCER J. COX  
*Governor*

DEIDRE M. HENDERSON  
*Lieutenant Governor*

# UTAH DEPARTMENT OF COMMERCE

## Division of Public Utilities

MARGARET W. BUSSE  
*Executive Director*

CHRIS PARKER  
*Division Director*

## Phase II Comments

**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 28, 2023

**Re:** **Docket No. 23-035-27**, RMP's Utah Wildland Protection Plan Cost and Compliance Report Section 5

## Recommendation (Acknowledge)

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) acknowledge Section 5 of Rocky Mountain Power's (RMP or Company) 2023 Utah Wildland Fire Cost and Compliance Report (Report) as complying with Utah Code §54-24-202 for the schedule 97 Wildfire Mitigation Balancing Account (WMBA).

## Issue

Pursuant to Utah Code §54-24-202 for cost recovery, 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 conference

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741  
[www.dpu.utah.gov](http://www.dpu.utah.gov) • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

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 Section 5 of RMP's Wildland Fire Report.

## **Discussion**

Utah Code 54-24-202 outlines the cost recovery for wildland fire protection plan implementation and allows for a balancing account to collect or refund the incremental revenue requirement. In RMP's general rate case, Docket No. 20-035-04, the Company established the collection of the estimated amounts in base rates as of January 1, 2021. The balance reported in December 2022 results of operation reflected a balance of \$4,830,807. As of April 2023, that balance has since grown to \$6,834,479. For schedule 97, which is the Wildfire Mitigation Balancing Account (WMBA), the company has proposed to amortize the balance of \$6,834,479 over one year with rates effective October 1, 2023.

As part of its review and analysis of this application, the Division reviewed the actual expenses for 2022 and asked for additional support for the \$7 million increase in capital investment. In response to DPU DR 1.1, the Company provided a more detailed breakdown of the actual expenses for 2022 compared to the budgeted amounts. Overages were noted in Inspections and Corrections as well as Situational Awareness categories related to the distribution system. Expenses for System Hardening were under budget due to supply chain constraints on distribution line rebuilding projects. For the calendar year 2022, the total cost of the mitigation program was over budget by \$6.1 million on the distribution system and \$0.9 million on the transmission system for a total of \$7.0 million.

For 2023, the Company is forecast to spend \$95 million on the Wildland Fire program which is \$30 million more than the budgeted amount. In response to DPU DR 1.2, the Company provided additional details for 2023 expenses. The significant increase in 2023 is primarily due to increased spending for System Hardening of both the distribution and transmission systems. System Hardening (line rebuilds) have been delayed in previous years due to

supply chain issues. "Delays in 2020-2021 resulted in significant under-spending and 2023 became a "catch-up" year."<sup>1</sup>

The proposed change in schedule 97 represents an increase of \$6.8 million, or 0.3 percent. For a typical residential customer using 775 kWh per month, the proposed price change will result in an increase of approximately \$0.38 in their monthly bill.

The Division has reviewed the application along with the additional information and finds that the Company is addressing potential wildfire concerns and has an active mitigation program. The proposed rate increase appears to be supported by actual expenses, and the Division believes that an increase in the rate is justified.

## **Conclusion**

Based on its review of RMP's filing, the Division supports the filing and recommends the Commission approve the requested increase in customer rates. If approved, a typical residential customer will see an increase of \$0.38 per month. The requested increase is reasonable and in the public interest.

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

---

<sup>1</sup> Response to DPU Data Request 1.2