

September 22, 2023

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

RE: Docket No. 23-035-27
Rocky Mountain Power's 2023 Wildland Fire Cost and Compliance Report
RMP's Phase II Reply Comments

On June 1, 2023, Rocky Mountain Power (“Company”) filed its annual Utah Wildland Fire Protection Plan Cost and Compliance Report (the “Report”), consistent with provisions Utah Code § 54-24-201(4) and 54-24-202(2) and Administrative Code R746-315-3. The Public Service Commission of Utah (“Commission”) issued a Scheduling Order and Notice of Hearing (“Scheduling Order”). On August 28, 2023, the Division of Public Utilities (“DPU”) and the Office of Consumer Services (“OCS”) submitted comments addressing the rate request contained in Section 5 of the Report. The OCS filed supplemental comments along with a Motion for Leave to File Supplemental Initial Comments on September 1, 2023, (“Supplemental Comments Motion”). Pursuant to the Scheduling Order, the Company submits its Phase II reply comments.

Background

Cost recovery associated with wildland fire protection plan implementation is addressed in Utah Code §54-24-202. In the Company’s most recent general rate case, Docket No. 20-035-04 (“2020 Rate Case”), the Commission approved the following items pertaining to wildfire mitigation¹:

- Approved setting the amount of annual revenue requirement for capital investment and expense associated with the Company’s Wildland Fire Protection Plan in Docket No. 20-035-28 (“Plan”) in base rates at \$9,586,112 as identified in Exhibit RMP__ (SRM-7R) (“Base Amount”);
- Established the Wildland Fire Mitigation Balancing Account (“WBA”) as a recovery mechanism to track and defer costs that are incremental to the Base Amount;
- Approved the Company’s proposal to monitor the WBA and present the balance for recovery in the next general rate case or sooner if it reaches a material level;
- Approved Electric Service Schedule No. 97 (“Schedule 97”), set at 0%; and

¹ *In the Matter of the Application of Rocky Mountain Power for Authority to Increase its Retail Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations, Docket No. 20-035-04, Order at 52-53 (Dec. 30, 2020).*

- Approved the Company's commitment to report the WBA balance annually in the December results of operations report filed April 30 of each year.

Since that time, the Company has submitted annual Cost and Compliance Reports pursuant to Administrative Code R746-315-3 on June 1 of 2021, 2022 and 2023. The Company has also presented the WBA balance in the results of operations reports as required. The December 2021 and December 2022 reported balances were \$(997,769)² and \$4,830,807³, respectively. In early 2023, Company determined that the balance was continuing to grow and decided to request recovery of the balance. The Report submitted on June 1, 2023, for the first time contained a rate request.

Summary of RMP's Rate Request

The Company is requesting the Commission approve recovery of \$6,789,479⁴ through Schedule 97 over twelve months beginning November 15, 2023⁵. The requested recovery represents the incremental revenue requirement for the costs not included in base rates associated with the investments and expenditures made to implement the Company's Plan. The amount requested is the deferred incremental revenue requirement that has accumulated in the WBA over the period of January 1, 2021, through April 30, 2023 ("Recovery Period"). As discussed in these reply comments, the costs were prudently incurred, and the Company requests recovery pursuant to Utah Code § 54-24-202(3).

Wildfire has long been an issue of notable public concern. Despite effective fire suppression efforts by agencies and increased suppression budgets, wildfires have grown in number, size, intensity, and impact. The Company has been increasing its wildfire mitigation efforts in response to the growing risk of wildfire. Increased human development in the wildland-urban interface, the area where people (and their structures) are intermixed with, or located near, substantial wildland vegetation has increased the probability and exacerbated the costs of wildfire damage in terms of both harm to people and property damage. A wildfire engulfing a developed area can have significant consequences on people and property. For these reasons, Rocky Mountain Power will continue to evaluate and increase when necessary, its mitigation efforts to make long-term investments to reduce the risk of wildfire.

The increased mitigation efforts have resulted in increased costs. To illustrate, Table 1 provides a comparison of the Base Amount to actual expenditures for distribution and transmission operations and maintenance expense ("O&M") for the Recovery Period.

² Docket No. 22-035-10, December 2021 Results of Operations, p. 8.12.

³ Docket No. 23-035-12, December 2022 Results of Operations, p. 8.12.

⁴ Amount has been reduced by \$45,000 to account for double entry identified by the OCS.

⁵ The Company originally requested an effective date of October 1, 2023.

Expenses	Forecast	Actual Spend		
	Base Amount	CY 2021	CY 2022	Jan - Apr 2023
Distribution - Utah Situs				
Vegetation Inspections, Mitigation, Pole Clearing - Distribution	1,320,000	2,785,836	2,653,273	818,249
FHCA Inspections detail sound and bore; IR/Corona - Distribution	765,000	549,427	420,236	291,564
Condition Corrections - Distribution	1,100,000	793,777	3,382,461	319,396
Wood pole wrap - Distribution	65,975	62,121	-	-
Weather Station maint	163,676	242,372	74,748	24,095
Tool development, Community mtgs, Advertising - Other			502,370	563,053
EMS / Meteorologist Departments (includes weather modeling software)			2,835,833	740,727
Feeder Relays			135,164	-
Environmental - Wildlife protection program - Distribution	433,476	255,150	296,100	134,179
Fault Anticipator - Other	105,000	-	-	-
Patrolling costs, field response (PSPS) - Other	200,000	113,809	1,124,832	11,549
Alert Wildfire Cameras - other	250,000	125,918	257,626	63,750
Total Distribution O&M	4,403,127	4,928,410	11,682,643	2,966,562
Transmission - total company				
Vegetation Inspections, mitigation, Pole Clearing - Transmission	280,000	148,153	102,936	16,226
FHCA Inspections - Transmission	135,000	727,743	421,520	122,077
Environmental - Wildlife protection program - Transmission	76,496	-	-	-
Condition Corrections - Transmission	67,000	19,155	-	-
Wood pole wrap - Transmission	-	147,368	49,933	-
Weather Station maint	-	8,745	12,978	-
Patrolling costs, field response (PSPS) - Other				-
Total Transmission O&M	558,496	1,051,164	587,368	138,303

The costs included in the Base Amount were estimates and have varied from the forecasted levels, both higher and lower. Many of the mitigation activities in the Plan are inspections to determine what actions are necessary to mitigate fire risk, so the costs have fluctuated among the cost categories as the Company addresses the areas that have been identified for mitigation work. Although the WBA includes the full revenue requirement associated with the Plan, the Company focuses on the O&M in these reply comments in response to the OCS concerns.

Summary of the DPU Comments

The DPU concluded that the Company is addressing wildfire concerns through its approved Plan and states that the Company’s requested recovery of \$6.8 million in deferred expenses associated with the activities under the Plan appear to be supported by actual expenses. The DPU highlighted key areas where the Company has incurred overages for capital investment, including system hardening for line rebuilds and inspections and corrections projects. The DPU concludes by recommending the Commission approve the requested recovery through Schedule 97 as reasonable and in the public interest.

Summary of OCS’s Initial and Supplemental Comments

The OCS submitted initial comments on August 28, 2023 (“Initial Comments”), in accordance with the Scheduling Order as well as supplemental comments on September 1, 2023, to update its recommendation for information received through discovery after the initial comments were filed (“Supplemental Comments”). Through its Initial and Supplemental Comments, The OCS raised the following concerns, which the Company addresses in detail:

1. Discovery process and supporting information
2. Internal labor and materials charges for patrolling, conditions corrections, fire high consequence area inspections
3. Inspections of transmission lines and weather stations
4. Contributions to nonprofits for the Environmental/Forest Habitat Resiliency Program
5. Meteorology department
6. Wildfire ALERT cameras

The OCS concludes with its support for the Company making prudent investment to mitigate the risks of wildfire. However the OCS asserts that the Company should not be given a “blank check” with respect to mitigating wildfire risk and bears the burden of proof to demonstrate that the costs spent were prudent.

1. Discovery Process and Supporting Information

In Initial Comments, the OCS noted it was waiting on discovery and characterized the discovery process as “slow” claiming that they did not have sufficient detail to support the prudence of the incurred costs. The OCS also criticized the Company for not “proactively providing the necessary information and analysis in its initial application,” stating “it is RMP’s burden to provide sufficient detail, explanation and analyses up front demonstrating that these expenses have been prudently incurred.”⁶

The Report is the third annual cost and compliance report that has been filed by the Company since the Plan was approved; however, it was the first cost and compliance report to include a request to recover the WBA balance. Because of this, the Company included additional information with its June 1, 2023, filing to support the amount requested and the Schedule 97 proposed rates. Included with the supporting documentation was RMP Attachment A - Wildland Fire Balance Calculation, which provided the monthly calculation for all of the costs included in the WBA with five tabs containing detailed information on the capital, O&M expense and assumptions. The Company believes this level of detail was adequate for the initial application to provide parties with enough information to commence reviews and identify areas for which it would like more information through the discovery process.

On June 22, 2023, the OCS filed a motion requesting additional time to review the information and rate request.⁷ In support of its request, the OCS characterized the level of detail included with the initial filings as “extensive,” stating it needed sufficient time to “grapple with the more extensive supporting data than those presented in previous years.”⁸ Recognizing the importance of allowing sufficient time to review the information, the Company did not oppose the OCS request⁹ and worked with the OCS and other parties to

⁶ OCS Initial Comments at 5.

⁷ Office of Consumer Services’ Motion to: Deviate from R746-315-3(3)(6) Pursuant to R746-1-109, Vacate the Existing Notice of Filing and Comment Period, Request for a Scheduling Conference, and for Expedited Treatment of this Motion (June 22, 2023).

⁸ *Id.* at 2.

⁹ RMP’s Response to the Office of Consumer Services’ Motion (June 28, 2023).

develop a more extended schedule and moved its requested effective date for Schedule 97 from October 1, 2023, to November 15, 2023. Furthermore, the Company also proposed a relatively short ten calendar day turnaround time for discovery to facilitate the prudence review.

The Company provided sufficient detail through the initial filing and discovery to support its requested recovery of costs associated with implementation of its Plan. The Company has also demonstrated its commitment to facilitating the parties review through its actions with respect to the regulatory process in this docket.

2. Internal labor and materials charges for patrolling, conditions corrections, fire high consequence area inspections

Through discovery the Company provided detail to the OCS regarding O&M costs for patrolling, conditions corrections, and fire high consequence area (“FHCA”) inspections included in the WBA. The OCS noted that the costs included expenses for labor, materials and travel expenses for the Company’s employees and questioned whether these costs are already in customer rates and therefore would be double recovered if also included in the WBA.¹⁰ In particular, the OCS speculated if the Company hired new employees for these activities in addition to the employee levels from the last general rate case.¹¹

The Company confirms these costs are incremental to the level of costs included in base rates in the 2020 Rate Case. As shown in Table 1, the Commission approved annual O&M costs in the Base Amount, which included \$200,000 for patrolling costs, \$1,129,478 for conditions corrections, and \$824,397 for FHCA inspections.¹² All costs associated with activities to implement the Plan are tracked and each month are compared to the Base Amount and the incremental difference is deferred to the WBA. The requested \$6.8 million recovery includes the deferred costs for the entire Recovery Period. Therefore, the incremental costs related to patrolling, conditions corrections, and FHCA inspections that were deferred and included in the requested recovery are as follows:

Table 2: Incremental Costs for Patrolling, Conditions Corrections and FHCA Inspections

	Base Amount		Actual Spend(3)			Actual Total	Total Deferred
	Annual(1)	Jan 2021 - Apr 2023(2)	CY 2021	CY 2022	Jan-Apr 2023		
Patrolling Costs	200,000	466,666	113,809	1,124,832	11,549	1,250,190	783,524
Conditions Corrections	1,129,478	2,635,445	802,204	3,382,461	319,396	4,504,061	1,868,616
FHCA Inspections	824,397	1,923,590	869,613	605,693	345,274	1,820,579	(103,011)

Footnotes:

1. Docket No. 20-035-04, Exhibit__(SRM-7), amounts reflect Utah allocated portions
2. Annual amount x 2.33 years
3. Docket No. 23-035-27, RMP Attachment A - Wildland Fire Balance Calculation, Tab 4. OMAG

¹⁰ OCS Supplemental Comments at 2.

¹¹ *Id.*

¹² Docket No. 20-035-04, Exhibit RMP__(SRM-7R).

As noted by the OCS, the activities tracked under patrolling, conditions corrections and FHCA inspections are conducted by Company personnel and the costs charged to the WBA include labor, materials and travel expenses. However, these costs are not being double recovered as suggested by the OCS. The Plan increased the frequency of inspections in FHCA areas and allocated funds for patrolling the line during elevated fire risk conditions. The Company estimated the cost associated with inspection, patrolling, and condition correction, and the estimated amount is included in the Base Amount that was approved in the 2020 Rate Case. Since then, the Company has created a new meteorology department, installed hundreds of weather stations, and implemented the use of weather and fire risk models per the requirements and commitments established in the Plan. These improvements led the Company to identify more areas of concern requiring additional patrolling efforts, resulting in more conditions found. The amount deferred under the WBA is the incremental difference between the actual cost from the Base Amount. The employees and contractors who conduct the work are paid on an hourly basis and the activities are above and beyond the work that is conducted during normal course of business in providing electric service to customers.¹³ These incremental efforts are a critical component to mitigate wildfire risk and the Company respectfully recommends the Commission approve recovery of the costs as prudently incurred.

3. Inspections of Transmission Lines and Weather Stations

Similarly, through discovery, the OCS learned that the Company conducts inspection activities of transmission lines and weather stations in accordance with its internal policies 358 - Overhead Transmission Line IR (Infrared) Inspections and 001 - RMP – Maintenance Intervals for Apparatus, Relays, Line Patrol Inspections, and Communications Equipment. Because these internal policies existed prior to the implementation of the Plan, OCS again questions if the costs are already included in the Company’s base rates and asks the Company to clarify.¹⁴

The Company confirms that these costs are incremental to the level of costs included in base rates from the last general rate case. The Commission approved a Base Amount of \$182,588 for transmission inspections, mitigation and pole clearing and \$163,676 for weather station maintenance. Table 3 shows the incremental costs that were deferred over the Recovery Period and included in the requested recovery:

¹³ Plan p. 31-32.

¹⁴ OCS Supplemental Comments at 2.

Table 3: Incremental Costs for Transmission Inspections and Weather Station Maintenance

	Base Amount		Actual Spend(3)			Actual Total	Total Deferred
	Annual(1)	Jan 2021 - Apr 2023(2)	CY 2021	CY 2022	Jan-Apr 2023		
Transmission/FHCA inspections	182,590	426,043	385,368	230,745	60,849	676,963	250,920
Weather Stations	163,676	381,910	246,220	80,458	24,095	350,773	(31,137)

Footnotes:

1. Docket No. 20-035-04, Exhibit__(SRM-7), amounts reflect Utah allocated portions
2. Annual amount x 2.33 years
3. Docket No. 23-035-27, RMP Attachment A - Wildland Fire Balance Calculation, Tab 4. OMAG

The transmission inspections activities were contemplated in the Plan¹⁵ and included the costs to perform enhanced inspections on a specific subset of transmission lines using infrared technology and helicopters to identify potential hot spots, substandard connections, or equipment degradation not easily detectable through a visual inspection. The estimated annual cost of these inspections was \$415,000 per year, and Utah’s allocated share of \$182,590 per year is included in rates. Over the Recovery Period, \$426,043 was included in rates while Company incurred \$676,963 to perform this work. The difference of \$250,920 was deferred to the WBA and is included in the \$6.8 million recovery requested in this matter.

The costs incurred for weather stations were also addressed in the Plan.¹⁶ The maintenance performed on the weather stations included calibration of station sensors, updates to the datalogger programming, reporting and replacing parts as needed. As shown in Table 3, the actual costs for the Recovery Period were slightly lower than the costs projected and included in base rates. The requested recovery includes a \$31,137 credit for the amount underspent.

Although earlier versions of Company’s policies 358 and 001 existed prior to the Plan, they were augmented for the incremental activities for the wildfire mitigation efforts. The costs shown in Table 3 are the incremental costs to deliver the wildfire mitigation efforts under the Plan. The total deferred costs were prudently incurred to deliver Plan activities, are incremental to the Base Amounts, and are properly included in the recovery requested by the Company.

4. Environmental/Forest Habitat Resiliency Programs

In its Initial Comments, the OCS recommended \$340,000 in contributions to HawkWatch International (“HWI”) and Pheasants Forever (“PF”) be removed from the WBA.¹⁷ In Supplemental Comments, the OCS persisted in its recommendation to disallow these costs, specifically questioning how they relate to activities in the Plan.¹⁸

The Plan includes a detailed discussion of the new wildlife protection plan (“WPP”) that was implemented as a wildfire mitigation strategy. The Plan also describes how the WPP is

¹⁵ Plan p. 15-16.

¹⁶ Plan p. 65.

¹⁷ OCS Initial Comments at 5-6.

¹⁸ OCS Supplemental Comments at 2-3.

separate from and incremental to the Company's existing Avian Protection Plan ("APP").¹⁹ In response to the OCS concerns, the Company will describe how the donations made to the non-profit organizations HWI and PF supports the activities under the WPP. The Company notes that a total of \$467,132 per year is included as the Base Amount for the activities under the distribution and transmission environmental wildlife protection programs. From this budget, the Company provided \$45,000 in funding to HWI in CY 2022 and \$250,000 in funding to PF during the Recovery Period.²⁰ It is worth noting that Table 1 shows the Company has spent less for environmental wildlife protections programs than the Base Amounts and a credit for the underspend is included in the recovery requested.

HawkWatch International

Under the Plan, the Company committed to implement additional proactive measures regarding management of nests that can potentially impact RMP infrastructure, including nests that are on or adjacent to RMP structures. These proactive measures could include nest removal, nest relocation, or installation of new nest platforms or boxes. Likewise, the Plan identified working with partner organizations to install nest boxes for cavity nesting birds in order to offset RMP's impact to nesting habitat for these species, caused by the Plan's increased vegetation management, and provide and maintain alternate nesting sites that do not pose a fire risk.²¹

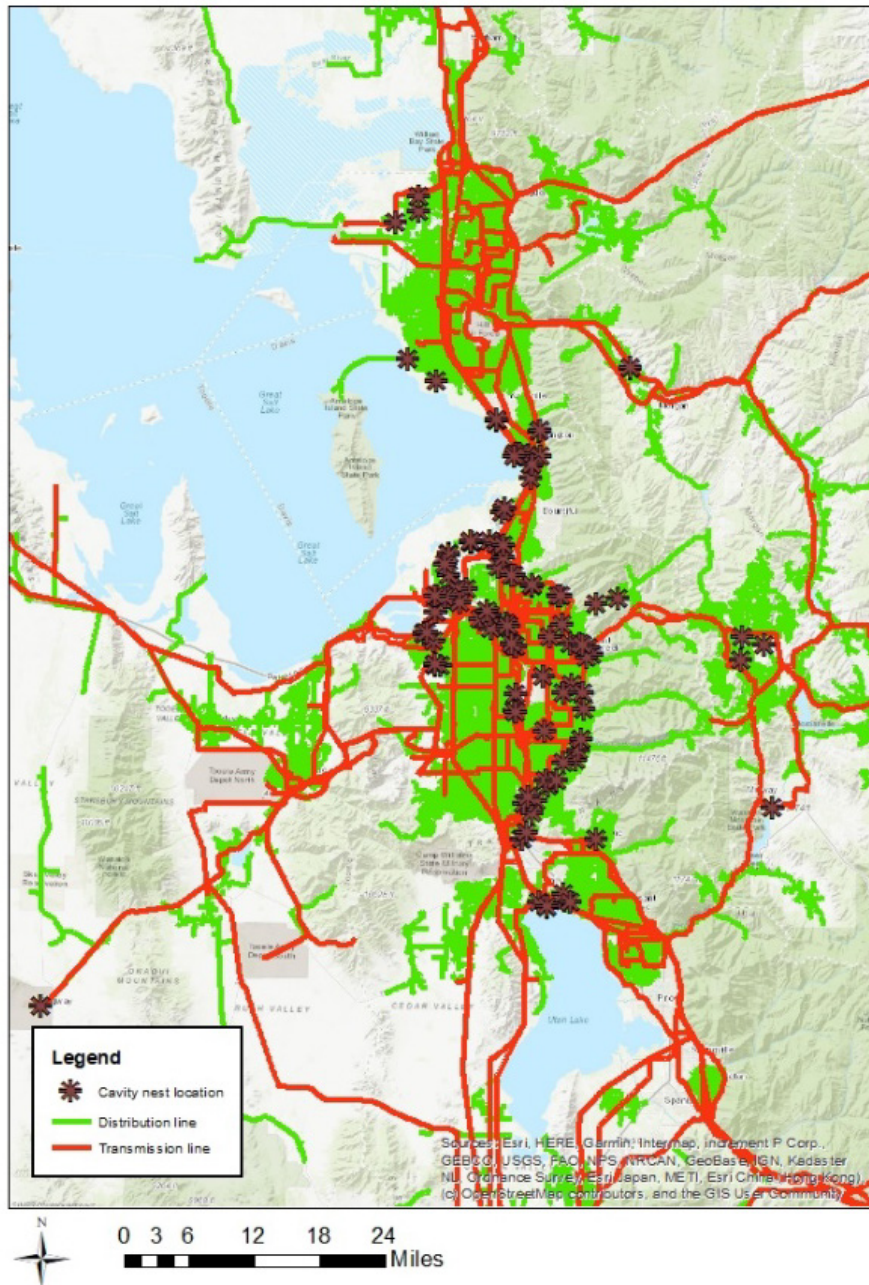
RMP has partnered with HWI on its cavity nesting bird program in order to achieve the above goals. As noted by the OCS, some of the activities occur outside the Company's rights-of-way ("ROW") in order to locate them safely outside the risk of ignition. In many cases, RMP does not have the authorization to install cavity nest boxes outside of its ROW. Through its collaboration with HWI, RMP can support the relocation of nests that were in utility ROWs to areas outside of ROWs where the fire risk can be minimized. HWI data has documented 109 American kestrel or western screech owl nest sites on RMP infrastructure or within RMP ROWs in RMP's American Fork, Jordan Valley, Layton, Ogden, Park City, Salt Lake Metro, and Tooele districts. Figure 1 identifies these nest locations in proximity to RMP distribution and transmission lines. Nests on utility structures can increase fire risk, either through nest material contacting energized lines or equipment, or by increased bird use at structures, resulting in potential avian electrocutions, which can spark pole fires or fires in vegetation below the pole if a singed bird falls to the ground. RMP funding of HWI's cavity nesting bird program enables these nests to be managed to prevent them from sparking wildfires and provides alternate nesting sites for nests in dead or dying trees that require removal as part of RMP's vegetation management efforts. In 2022, HWI's cavity nesting bird program conducted a total of 4,737 nest site visits and documented 411 American kestrel and 32 western screech owl fledglings from cavity nest locations. Funding of these projects was included in RMP's annual budget for the Plan. This project had not been previously supported by RMP, and the partnership was newly created as a result of the Plan.

¹⁹ Plan p. 43-48.

²⁰ The Company's initial recovery request included a duplicate entry for HWI, and the Company's request has been revised to remove the duplicate entry.

²¹ Plan p. 47.

Figure 1. Cavity nest locations on RMP distribution and transmission poles, and ROWs.



Pheasants Forever/Forest Habitat Resiliency Projects

The Plan identified RMP's increased span of vegetation management along its ROWs, however, it also acknowledged that RMP does not have the authority to manage vegetation beyond its ROWs and would require partnerships with other stakeholders to address fuels at a larger scale.²² If a fire was triggered by RMP infrastructure, it could easily spread past the ROW and onto adjacent lands, particularly in foothill areas where large forested tracks occur in the mountains and would be difficult to access and contain a fire. Likewise, if a fire was started in these adjacent forest lands, it could bridge ROW clearances and contact RMP infrastructure, potentially exacerbating the scope of the fire and impacting local communities served by RMP. Unless ROW corridors were substantially enlarged, it would not be feasible to remove all trees that have the potential to implicate clearance issues or become high-risk trees. It is impractical in terms of property rights, environmental and culture resource considerations, and timing, and unfeasible in terms of cost for RMP and its customers to expand ROW corridors; a more cost-effective and efficient means to address vegetation hazards outside of ROWs is to work in partnership with agencies and organizations. It is in the collective best interest of RMP, public land management agencies, private landowners, and communities to work collaboratively within landscapes to address fuel loads and restore fire resilient habitats. Catastrophic wildfires throughout the United States and Canada in recent years have demonstrated that fires can span extensive areas and span jurisdictional and habitat boundaries. RMP is seeking to avoid such catastrophic events by partnering with others on the landscape towards a common goal of fire resiliency in forested habitats. The Plan committed RMP to seek and develop partnerships with entities conducting habitat treatments in order to accomplish these goals. The collaboration between RMP, PF, and the partners that it has engaged (Intermountain West Joint Venture, Utah Division of Forestry, Fire and State Lands, U.S. Forest Service, U.S. Fish and Wildlife Service, Utah Watershed Restoration Initiative, Bear River Land Conservancy, and private landowners) is working towards this goal as set forth in the Plan. RMP's support of these projects is going directly towards on-the-ground habitat work, including tree thinning, removal, and planting, and is not being used for general organizational support. The projects supported with the funds were not previously supported by RMP, and these partnerships were newly created as a result of the Plan.

The forest health projects in which RMP is partnering are occurring at large landscape levels, which is required to effectively prevent wildfires and promote healthy forests that are resilient to wildfires (see Figure 2). Consequently project footprints will not all overlap with RMP ROWs, however, the overall projects fall within RMP service territory boundaries and individual habitat treatments are occurring within or directly adjacent to RMP transmission and distribution ROWs. These treatments are located in strategic areas where ROWs cross foothill areas in the wildland-urban interface that are particularly vulnerable to wildfires. In particular, vegetation treatments are occurring near RMP's EAH11 circuit in Smithfield (see Figure 3). This circuit has also been prioritized for wildfire mitigation work at the poles due to the habitat and frequency of animal contacts on this circuit. Risk assessment surveys were performed on the circuit in 2022, and wildfire retrofitting is being conducted on identified poles in 2023. Figures 4 and 5 provide example photos of RMP distribution ROWs in EAH11

²² Plan p. 50.

and NTN11 where habitat treatments are being conducted in the forest areas outside of the ROW.

Figure 2. Utah wildfire habitat resiliency projects within RMP service territory.

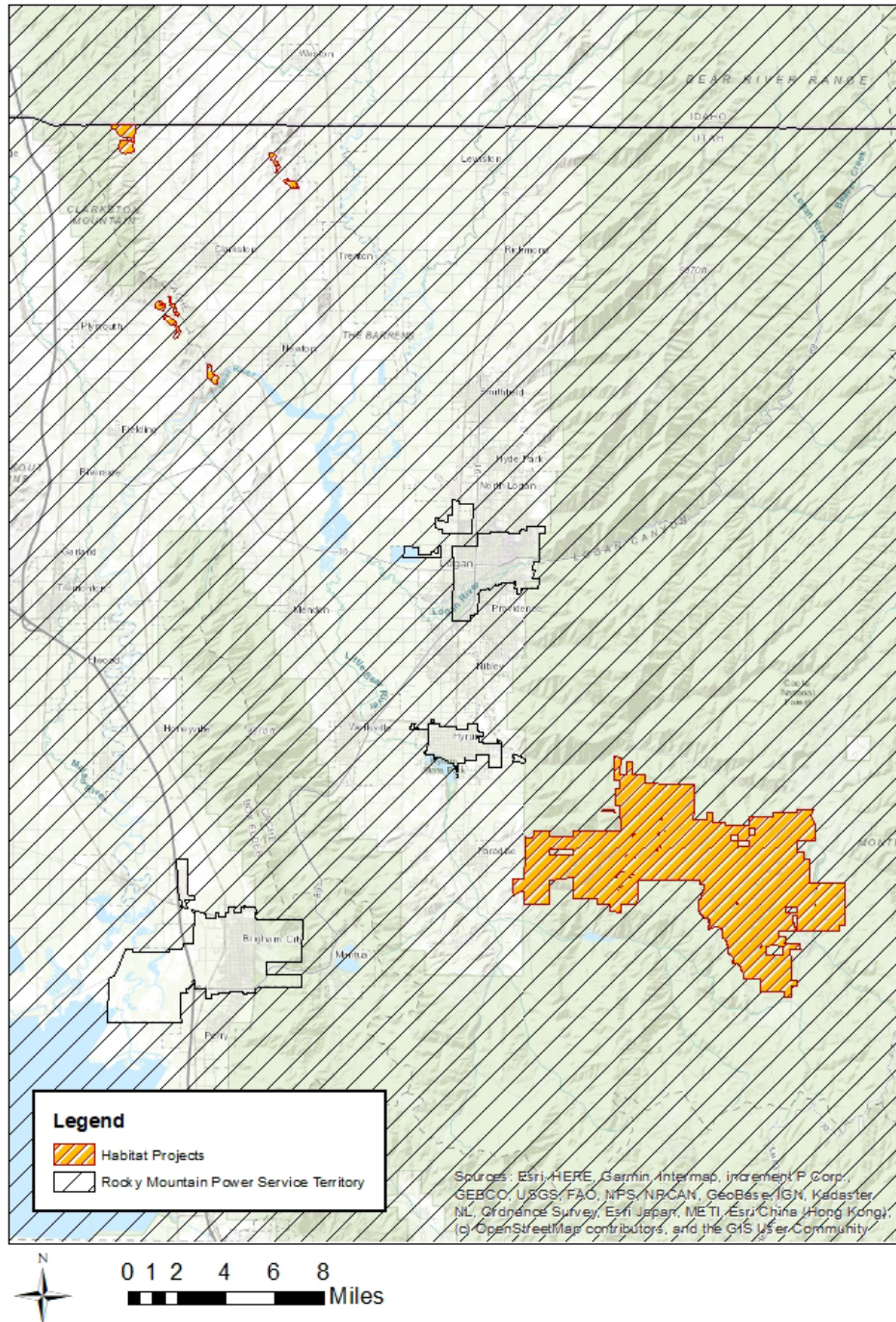


Figure 3. Detailed view of Utah wildfire habitat resiliency projects and RMP ROWs.

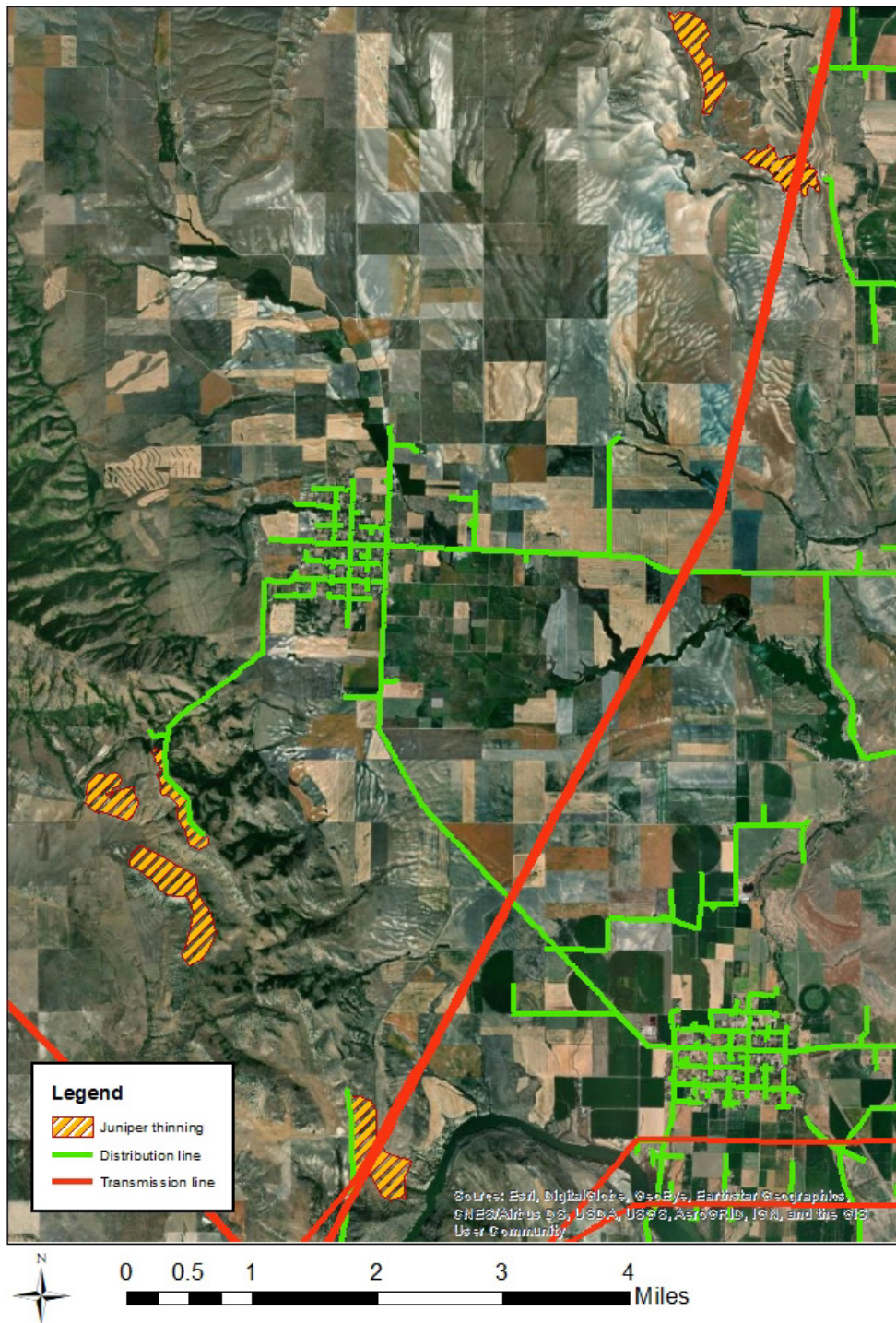


Figure 4. Example photo showing RMP ROW and surrounding habitat on EAH11 near habitat treatment sites.



Figure 5. Example photo showing RMP ROW and surrounding habitat on NTN11 near habitat treatment sites.



As discussed, the donations to the HWI and PF are not charitable giving. These are funding for activities necessary to implement the Plan, and the Commission should reject the OCS recommendation to remove them from the recovery requested in this matter.

5. Meteorology Department

The OCS identified \$81,567 in costs that were charged to the WBA for the Company's meteorology department.²³ Through discovery the Company stated that the meteorology

²³ OCS Supplemental Comments at 3.

department was not set up specifically for Utah's wildland fire mitigation efforts, leading the OCS to again question whether the costs were already being recovered in base rates.

The Company confirms these costs are incremental to the level of costs included in base rates from the last general rate case. The Company's meteorology department was not set up specifically for the Plan, however activities under the Plan are the primary component of its purpose. The ability to gather, interpret and translate data into an assessment of utility specific risk to inform decision making is a key component of situational awareness under the Plan. Since the 2020 Rate Case, the Company hired an experienced meteorology department team consisting of four full-time meteorologists, a data scientist, and a meteorology operations manager who support PacifiCorp's entire service territory. The meteorology department's experience includes decades of fire weather forecasting for various government agencies such as the National Weather Service and Geographic Area Coordination Center. Their objectives are to supplement the Company's longer term risk analysis capabilities, managing day-to-day threats and risks, implementing real-time risk assessment, and forecasting tools and providing information to operations to inform operational protocols during periods of elevated fire risk. The meteorologists track their time and charge the WBA for activities to support the Plan.²⁴ In CY 2022, the meteorology department charged a total of \$330,513 to the Company's wildfire mitigation efforts across its six states. Of this, \$81,567 was charged directly to the WBM as noted by the OCS for time spent on activities to support the Plan. This cost was not included in base rates, relates directly to activities under the Plan and should be approved as part of the requested recovery.

6. Wildfire Alert Cameras

The Plan included discussion of the Company's plans to explore the effectiveness of using high-definition cameras to identify wildfires for early suppression. As described in the Plan, the Company installed 14 cameras with plans to evaluate the effectiveness of the cameras after three years.²⁵ In Supplemental Comments, the OCS expressed concerns over the functionality of the cameras, noting that when it accessed the cameras through the public facing platform on August 31, 2023, 5 of the 14 cameras were not functioning while others were poorly positioned.²⁶ The OCS questioned the prudence of the Company's expenditure of \$257,626 related to the cameras, which include costs associated with camera operation, network operation services, data acquisition and management, website development and maintenance and other support services.²⁷

The 14 cameras installed for the Plan were high-definition ALERT wildfire cameras. The OCS claims the cameras were not working after attempting to access the public facing platform. The Company confirms that all 14 of the cameras were in operation on August 31, 2023, but may have appeared to be offline on the public facing website because the wildfire camera supplier has migrated the cameras to their new online platform to address an

²⁴ Plan p. 75-76.

²⁵ Plan p. 65.

²⁶ OCS Supplemental Comments at 3-4.

²⁷ *Id.*

intellectual property dispute with another entity. Unfortunately, the camera feeds are unlikely to be restored to the public-facing website absent resolution of their dispute. Due to these issues, the Company has begun implementing a plan to replace the cameras in 2024 with a new vendor. However these cameras have been working and accessible to the Company for monitoring wildfire conditions.

Regarding the camera placement concerns highlighted by the OCS, the Company notes that the cameras rotate 360 degrees and the pictures presented by OCS only show a moment in time. The rotating function allows the Company to monitor conditions from multiple camera angles and facilitates a full view of the conditions. The Commission should reject the OCS claim that the expenditures for these cameras was not prudent.

Conclusion and Recommendations

The Company recommends the Commission approve the requested recovery of \$6,789,479 through Schedule 97 over twelve months beginning November 15, 2023. The requested recovery represents the incremental revenue requirement for the costs not included in base rates associated with the investments and expenditures made to implement the Company's Plan. As supported in these reply comments, the costs were prudently incurred, and the Company requests recovery pursuant to Utah Code § 54-24-202(3).

Sincerely,

A handwritten signature in black ink that reads "Joelle Steward". The signature is written in a cursive, flowing style.

Joelle Steward

Senior Vice President, Regulation & Customer/Community Solutions

CC: Service List - Docket No. 23-035-27

CERTIFICATE OF SERVICE

Docket No. 23-035-27

I hereby certify that on September 22, 2023, a true and correct copy of the foregoing was served by electronic mail to the following:

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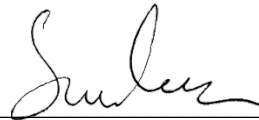
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