

May 24, 2024

***VIA ELECTRONIC FILING***

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

Attention: Gary Widerburg  
Commission Administrator

**RE: Docket No. 23-035-44**  
**Rocky Mountain Power's Utah Wildland Fire Protection Plan**  
*Reply Comments*

On February 28, 2024, Rocky Mountain Power (“RMP” or “Company”) filed its Revised Wildland Fire Protection Plan (“WFPP” or “Plan”), consistent with provisions in the Wildland Fire Planning and Cost Recovery Act, UTAH CODE § 54-24-101 *et seq.* (2020). The Public Service Commission of Utah (“Commission”) has authority under § 54-24-201(3)(c) to approve the Plan. On April 15, 2024, the Division of Forestry, Fire, and State Lands (“FFSL”) submitted comments. On May 10, 2024, the Division of Public Utilities (“DPU”) and the Office of Consumer Services (“OCS”) submitted comments. In accordance with the Second Scheduling Order issued by the Commission on March 20, 2024, the Company hereby submits its reply comments.

**Response to the FFSL's Comments**

RMP appreciates the thorough review and insightful comments provided by FFSL on its WFPP. On April 12, 2024, the FFSL provided comments on RMP's revised 2024 WFPP. FFSL stated that:

RMP has met with and collaborated with the FFSL to address FFSL's input filed with the Commission on November 9, 2023. As a result, RMP has implemented substantial changes to its plan. Additionally, FFSL had the opportunity to review the revised plan in draft form and provided comments directly to RMP. Through this process and in ongoing discussions, RMP has improved its plan and has addressed FFSL's major concerns.<sup>1</sup>

The Company looks forward to continued conversations and meetings with FFSL, presently planned for June 2024, to address topics including wildfire risk map development. Additionally, collaborative discussions continue between the Company, foresters, and recommended stakeholders on vegetation management. RMP and FFSL also continue to discuss the placement of AI-monitored wildfire cameras. Through these discussions on the

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<sup>1</sup> Rocky Mountain Power's 2023 Wildland Fire Protection Plan, Docket No. 23-035-44, FFSL Input on Rocky Mountain Power's Revised 2023 Wildland Fire Protection Plan, at 1 (Apr. 12, 2024).

Plan, RMP receives valuable external feedback from community leaders, who perform similar work, and incorporates this feedback into its program evaluations, adding valuable experience in the refinement of the Plan.

### **Response to the DPU and OCS Comments**

Wildfires can have a large, devastating effect on communities, and RMP seeks to balance the mitigation of utility ignition risk with both costs and the provision of reliable power service. In comments, the DPU and the OCS note areas where costs in the updated Plan have increased. The DPU highlights that overall updated costs of the Plan are \$446 million—\$372 million for capital expenditures and \$74 million for operations and maintenance expense. The DPU also reports that the Plan contains a significant increase in the overhead distribution and transmission line rebuild miles. The DPU expresses concern over the Company’s ability to achieve these targets, when RMP’s 2020 Wildland Fire Protection Plan (“2020 Plan”) only included 80 miles of distribution line rebuilds over three years, without paying a premium for labor and materials.

RMP’s line rebuild program primarily addresses two key ignition risks—equipment risk and contact-by-object risk—through the targeted replacement of equipment with upgraded equipment that are more resilient to contact by object. This is one of the more costly mitigation programs available, but RMP applies it selectively. Recognizing the importance of timely implementation of this multi-year program, RMP shifted from using internal resources for this program to onboarding a fit-for-purpose expert in wildfire mitigation rebuild and construction management to complete these upgrades.

Comparing the projected capital investment for calendar year 2023 with the Company’s 2023 Wildland Fire Cost and Compliance report, and the increase in capital investment from the version of the Plan filed on September 25, 2023 (“September Plan”) to the Revised Plan, the DPU questions whether the variances between projected and actual spend are within the parameters of the Plan. The DPU also claims that the “lateness of its plan and RMP’s earlier use of incorrect data could be partly responsible for this condition, which could warrant some investment being considered imprudent if the facts warrant.”<sup>2</sup>

Wildfire mitigation technology and programs evolve rapidly. As potential changes in mitigation programs arise, the Company identifies changes in its annual cost and compliance reports, as directed by the Commission order approving RMP’s 2020 Plan.<sup>3</sup> Updating the FCHA drove a substantial portion of the cost variances noted by the DPU and the OCS but was contemplated in the September Plan. The DPU attempts to tie cost increases to the timing of the Company performing and incorporating the updated Fire High Consequence Area

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<sup>2</sup> Rocky Mountain Power’s 2023 Wildland Fire Protection Plan, Docket No. 23-035-44, Comments from the Division of Public Utilities, at 5 (May 10, 2024).

<sup>3</sup> Rocky Mountain Power’s Utah Wildland Fire Protection Plan, Docket No. 20-035-28, Order Approving Wildland Fire Protection Plan, at 5 (Oct. 13, 2020).

(“FHCA”) to the Plan. The framing of the information presented in the Company’s September Plan as “incorrect data” is not accurate as the Company clearly signaled in its September Plan that a refresh of its FHCA was planned in 2024. The timing of the Plan filings is dictated by Utah code, and the Company’s ability to incorporate emerging technologies in wildfire mitigation will not always correlate with the timing of the required filings. When RMP updated the Plan and re-filed the Plan in February, it included a detailed FHCA refresh.<sup>4</sup>

The planned FHCA update resulted in an expansion of programs, along with increased planned expenditures, both of which are necessary to implement mitigation efforts to combat an increasing risk of wildland fires in Utah. RMP’s February 2024 WFPP describes the Company’s programs to mitigate wildfire risk. The expenditures included in the Plan are separate, incremental, and focused on wildfire risk reduction. The Plan itself contemplates that costs will change as project needs, technology, implementation efforts, and programs evolve. For example, the Plan provides:

- “It is expected that the average costs will change over time and can vary significantly from project to project.” (Revised 2023 Utah WFPP at 31);
- “Costs are average and do not consider the complexity of an implementation, such as terrain, permitting, etc. The estimated RSE calculation may have a cost that is higher or lower than the actual cost of the mitigation.” (*Id.* at 33);
- “As Rocky Mountain Power is continuously improving and evolving its plan and programs, the process below is subject to change and is managed by internal company policies and procedures. Additionally, changes are noted in the filed RMP Annual Cost and Compliance Reports which will be distributed to the Utah Division of Forestry, Fire and State Lands in addition to the Utah Commission.” (*Id.* at 96);
- “[T]he capital costs included reflect spend occurring in a given year, which may differ from values included in GRC filings or cost recovery mechanism applications which include costs based on when assets are placed in service. (*Id.* at 137);
- “As this is the second WMP submitted in Utah, there is much to be learned and Rocky Mountain Power anticipates continuously improving its WMP in a way that aligns with customer, stakeholder, and commission expectations. Key takeaways from collaborations with other utilities, public safety partners, the commission, communities, and customers will be evaluated for incorporation into future WMPs and may require corresponding changes or updates to these forecasts.” (*Id.* at 139).

The DPU discusses the Company’s use of FireSight to evaluate risk, resulting in an expanded FHCA by 1,406 miles. The DPU and OCS cite the risk drivers, and question whether more

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<sup>4</sup> Rocky Mountain Power’s Utah Wildland Fire Protection Plan, Docket No. 23-035-44, Rocky Mountain Power’s 2023 Utah Wildland Fire Protection Plan, at 10 (Sept. 25, 2023).

focus should be given to targeting the specific drivers, as a more surgical approach to mitigation. The DPU states the Company has not provided sufficient information to determine if a significant increase in FHCA miles is optimal and cost-effective. The OCS also notes historic drivers of risk, recommending that the Company target its mitigation efforts in those areas.

The Company wishes to clarify how risk drivers are used in the context of wildfire mitigation planning. The measures in the Plan, such as system hardening, line rebuild and vegetation management, target these risk drivers mentioned by the DPU and OCS. The suggestion that the Company should focus on a more localized basis to address these risk drivers is not feasible because the Company cannot predict with certainty where the risk event will occur on the equipment. Therefore, the Company identifies the FHCA and performs mitigation efforts in those areas in order to address risk drivers. This is a surgical approach, as the Company is not rebuilding all of its distribution and transmission lines in Utah.

On page 6 of its comments, OCS provides “Table 3 – Utah Fire Incidents.” OCS states that it derived the data for this table from RMP’s discovery responses. The table lists several ignition risk drivers under a header stating, “Source of Fire” and provides a count by year from 2020-2023. The Company wishes to clarify that data and risk drivers provided in response to OCS Data Request 3.1 reflect potential and/or suspected initiating cause and are not necessarily the source of the fire.

Importantly, in the course of standard operating practice, if an outage associated with a contact by object occurs (the data that generates the Risk Driver Table 1 in the updated Plan), that situation is corrected and documented. Wildfire mitigation efforts go beyond standard operating practice in that they are more intensely focused on pro-active efforts to mitigate a wildfire risk. As noted, these efforts can be costly. For example, RMP strategically addresses fire risk drivers associated with equipment and contact by object *before* they cause an outage or potential spark through RMP’s conditions and corrections program. The Company uses risk driver information in the context of its wildfire mitigation planning to identify critical corrections within FHCA areas. Having these specific types of risk conditions identified within the FHCA allows for RMP to address wildfire concerns in an efficient and cost-effective manner.

The DPU also suggests that the Company use local and publicly available meteorological and weather information to temper the need to further expand its meteorology department. As described in the Utah Wildfire Mitigation Plan, while RMP does use publicly available data, there are several limitations associated with publicly available data and meteorological tools such as the availability of reliable and calibrated data, data that is refreshed less frequently, and incomplete data. For these reasons RMP is continuing to invest in a utility-owned and operated weather station network within the Company’s service territory. The utility-owned and operated weather stations offer superior data for use and interpretation by meteorological experts. While publicly available meteorological data can be used to inform certain situations, an internal meteorological team at RMP ensures consistently

appropriate review and interpretation of reports for more accurate and meaningful decision making in mitigation selection.

The DPU also suggests that the Commission consider using an independent evaluator to evaluate whether the scope of the Plan appropriately balances the costs and optimal program benefits. RMP is not opposed to the idea of the Commission using an independent evaluator for the Plan. The California Public Utilities Commission and Oregon Public Utility Commission use independent evaluators to review the Company's wildfire mitigation plans in those respective states.

The OCS notes the increase to both costs and FHCA miles and states that a better approach with more analysis is needed to justify expenditures and ensure risk is targeted efficiently. The OCS cites UTAH CODE § 54-24-201(3)(c) to contend that the Plan itself must appropriately balance the costs of implementing the plan with the risk of a potential wildland fire. The OCS argues that since the Company has not completed a Fire Incident Root Cause Evaluation or implemented Risk Spend Efficiency ("RSE") that it has not demonstrated the costs are balanced with the risks. The OCS asserts the Commission should require the Company to document, using an analytic basis, that the costs and risks are appropriately balanced. Specifically, the OCS recommends:

1. RMP providing an analysis using its ignition risk driver data to demonstrate that it is optimizing risk spend efficiency. The OCS requests that the PSC require RMP to provide this analysis in its 2025 Wildland Fire Cost and Compliance Report which is due on or before June 1, 2025. The OCS sees this analysis as just one component of how RMP must demonstrate that it is meeting the statutory requirement that it is balancing the costs of implementing the plan with the risk of a potential wildland fires.
2. RMP updating its Revised 2023 WFPP to include more cohesive information on meeting Utah Code 54-24-201(3)(c) or how its Wildland Fire Protection Plan balances costs and risks. Each update of RMP's Utah WFPP, since the original plan was filed in 2020, has shown dramatically escalating costs. Regulators need to see clearly organized decision supporting data and analysis in the plan justifying these rising costs. This additional cohesive and organized decision supporting information could also be provided as part of RMP's 2025 Wildland Fire Cost and Compliance Report.

The Company disagrees with the OCS that its Plan does not support a finding by the Commission that the Plan appropriately balances the costs with the risk of wildfire. The Company emphasizes that the totality of the Plan is relevant, in greater and lesser degrees, to the balancing of the costs of implementing the Plan against the harm of wildfire. Although Fire Incident Root Cause Evaluations and RSE tools, which are in development, will be useful for evaluating costs and benefits in the Plan, the Company is currently utilizing a blend of qualitative and quantitative assessments to evaluate the potential mitigation efforts to select mitigation strategies as described throughout the Plan. The specific Fire Incident Root Cause Evaluation program is planned to further develop formalized processes on incident

investigations. RMP currently has a real time engineering group that investigates outages which can be related to fire incidents.

While RSE is a quantitative tool that may be used for mitigation selection, there are more qualitative processes that RMP employs to select mitigation strategies. RMP evaluates strategies based on mitigation risk drivers, depending on the level of risk present, but this is a qualitative assessment. RMP applies a high-level decision-making process that aligns with those of other utilities to develop specific projects or programs (not including compliance driven system wide programs).<sup>5</sup> The OCS's assertion that the Company should be required to document using an "analytical basis" is not possible, nor does it align with the Commission's past interpretation of the requirements under Utah Code when it ruled on a similar argument made by the OCS in the 2020 Plan.

Utah's Wildland Fire Planning and Cost Recovery Act does not require that a utility's WFPP itself affirmatively prove an appropriate balancing of the costs of implementation with potential wildland fire risk. Rather, the Act requires that the Commission render such a finding in approving a plan submitted under the Act. The required contents for inclusion in a utility's WFPP are set forth in UTAH CODE § 54-24-201(2) and include "a description of the costs for the implementation of the plan, including system improvements and upgrades." UTAH CODE § 54-24-201(2)(g). UTAH CODE § 54-24-201(c)(3) describes the conditions under which the Commission will approve a utility's WFPP, including whether the plan "appropriately balances the costs of implementing the plan with the risk of a potential wildland fire." *Id.* § 54-24-201(c)(ii). Indeed, in its order approving the Company's 2020 Plan, the Commission stated that "[t]he Act does not require the Plan itself to expressly discuss and demonstrate that costs and risks are appropriately balanced," but rather requires "the PSC to make such a finding, based on its review, in order to approve a plan."<sup>6</sup> The Commission approved the Company's plan on the basis, among others, that the "[PSC] find[s] this Plan appropriately balances the costs of implementing it with the risk of potential wildland fires."<sup>7</sup>

Although it is not statutorily required for the Company's WFPP to demonstrate cost and risk balancing, in the manner suggested by the OCS, the Company nonetheless believes that the Plan both meets the requirements of the statute and that the Plan provides sufficient information for the Commission to find the costs of the Plan are justified in light of the present risk.

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<sup>5</sup> See Rocky Mountain Power's Utah Wildland Fire Protection Plan, Docket No. 23-035-44, Rocky Mountain Power's Revised 2023 Utah Wildland Fire Protection Plan, at 25, figure 15 (Feb. 28, 2024).

<sup>6</sup> Rocky Mountain Power's Utah Wildland Fire Protection Plan, Docket No. 20-035-28, Order Approving Wildland Fire Protection Plan, at 4-5 (Oct. 13, 2020).

<sup>7</sup> *Id.*

Public Service Commission of Utah

May 24, 2024

Page 7

**Conclusion**

The Company appreciates the input and continued collaboration of FFSL, the DPU and the OCS. The Company respectfully requests that the Commission approve RMP's Revised 2023 Utah Wildland Fire Protection Plan.

Sincerely,

A handwritten signature in black ink that reads "Joelle Steward". The signature is written in a cursive style with a large, stylized initial "J".

Joelle Steward

Senior Vice President, Regulation

CC: Service List - Docket No. 23-035-44

**CERTIFICATE OF SERVICE**

Docket No. 23-035-44

I hereby certify that on May 24, 2024, a true and correct copy of the foregoing was served by electronic mail to the following:

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