

To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director

Béla Vastag, Utility Technical Consultant

Date: October 1, 2025

Subject: Docket No. 25-035-38 – OCS Comments

Rocky Mountain Power's 2025 Wildland Fire Cost and Compliance Report

INTRODUCTION

On May 30, 2025, Rocky Mountain Power (“RMP” or “the Company”) filed its 2025 Wildland Fire Cost and Compliance Report (“2025 Report” or “Compliance Report”) with the Public Service Commission of Utah (“PSC”). The PSC issued a Notice of Filing and Comment Period on June 3, 2025 setting a schedule for comments on the 2025 Report, with initial comments due July 3, 2025. On June 30, 2025, the Division of Public Utilities (“DPU”) filed a Request for Extension asking that the deadline for initial comments be extended to October 1, 2025. On July 23, 2025, the PSC issued an Order Granting Request for Extension setting new comment deadlines with initial comments due October 1, 2025 and reply comments due October 16, 2025. Accordingly, the Utah Office of Consumer Services (“OCS”) submits these initial comments on RMP’s 2025 Wildland Fire Cost and Compliance Report.

BACKGROUND ON WILDLAND FIRE PROTECTION PLAN REPORTING

In 2020, H.B. 66 was signed into law requiring RMP to prepare and submit for approval a wildland fire protection plan and requiring the PSC to review and approve the wildland fire protection plan.¹ When H.B. 66 was enacted, it became known as the Utah Wildland Fire Planning and Cost Recovery Act. RMP’s initial plan was filed in 2020 and the law requires a new, updated plan be filed every three years thereafter. The Act also requires RMP to report annually to the PSC the prior year’s actual capital investments and operations and maintenance (“O&M”) expenses incurred in the implementation of its wildland fire protection plan. The law also requires that this annual report (i.e. the Wildland Fire Cost

¹ See Utah Code Chapter 24 Wildland Fire Planning and Cost Recovery Act, § 54-24-101 to 203.



and Compliance Report) include a forecast of expenditures for the current year and an assessment showing that RMP is in compliance with its wildland fire protection plan.

PSC Rule R746-315 codifies the regulatory requirements for reviewing RMP's triennial plan and its annual Wildland Fire Cost and Compliance Report. R746-315 states:

R746-315-2. Filing and Approval

R746-315-2 (3) - *The Commission shall approve a qualified utility's wildland fire protection plan to the extent that the evidence in the record establishes that it:*

- (i) is reasonable and in the public interest; and*
- (ii) appropriately balances the costs of implementing the wildland fire protection plan with the risk of a potential wildland fire.*

and

R746-315-3. Annual Cost and Compliance Report

R746-315-3 (1) - *...each year after 2021, a qualified utility shall submit a cost and compliance report:*

- (i) detailing the qualified utility's compliance with the qualified utility's approved wildland fire protection plan;*
- (ii) identifying the actual capital investments and expenses made in the prior calendar year and a forecast of the capital investments and expenses for the present year to implement the wildland fire protection plan approved under Section R746-315-2; and...*

It is important to note that the Rule states that the annual Report shall detail RMP's "compliance with the qualified utility's **approved** wildland fire protection plan." [emphasis added] The PSC did not approve RMP's 2023 Wildland Fire Protection Plan² ("WFPP", also referred to as the Wildfire Mitigation Plan or "WMP"). Therefore, RMP's most recent approved WFPP is its 2020 Plan, which was approved by the PSC in Docket No. 20-035-28 on October 13, 2020. RMP's 2025 Compliance Report compares actual calendar year 2024 investments and expenses relative to the approved 2020 WMP. Since non-approval of the 2023 Plan was not formalized until the PSC's April 2025 Order, RMP's WMP-related work in 2024 reflects some activities based on the unapproved 2023 Plan.

REVIEW OF RMP'S 2025 COMPLIANCE REPORT

The table below compares at a high level RMP's actual 2024 WMP spending as compared to the forecast or budget for CY 2024 from the 2020 Plan.³ Dramatically, capital spending in 2024 is 543% over the 2020 Plan's budget while O&M spending is 282% over budget. In other words, capital spending is over 6 times the amount

² See Docket No. 23-035-44, April 25, 2025 [Order](#), pages 2 – 4 and 118 – 130.

³ Dollar amounts taken from the 2025 Compliance Report, Tables 77 and 88, pages 16 – 18.

contemplated in the 2020 Plan and O&M spending is almost 4 times the budget from RMP's original 2020 WMP.

Mitigation Program (\$ Millions)	2024			2025
	Actual	Plan (2020 WMP)	Variance	Forecast
Total Capital Costs	\$178.10	\$27.70	\$150.30	\$156.90
Total O&M Costs	\$18.70	\$4.90	\$13.80	\$28.40

Drilling down into the \$178 million of capital costs for 2024, Table 77 of the 2025 Report shows that \$153.6 million of these costs were for system hardening (\$128.9 million for distribution lines and \$24.7 million for transmission lines). The OCS asked RMP to provide additional detail on the system hardening costs and in response to OCS Data Request 1.2, RMP provided the table below.

Grid Hardening - Distribution	\$128,959,141
Underground (UG)	\$83,011,915
Covered Conductor (CC)	\$9,586,484
Both CC and UG	\$20,109,777
Relays	\$7,299,700
Reclosers	\$2,299,851
CFCI	\$2,519,182
Fuse Replacements	\$4,132,231
Grid Hardening - Transmission	\$24,731,618
Line Rebuild	\$23,525,614
Relays	\$1,206,004

The table above shows that RMP spent a total of \$136,233,790 on undergrounding, covered conductor and line rebuilds. These are the most expensive wildfire mitigation measures, especially when considered on a per mile basis. In contrast, RMP spent \$3.4 million on vegetation management in 2024 (\$3.1 million for distribution lines and \$0.3 million for transmission lines).⁴ Vegetation management is much less expensive per mile than the grid hardening measures discussed above. In RMP's 2024 general rate case, OCS witnesses testified that RMP had not performed the required cost/benefit analyses to determine when and where cheaper vegetation management measures (or other less costly measures) would be more cost effective than the more

⁴ Id., Table 88, pages 17 – 18.

expensive grid hardening measures.⁵ Both the Wildland Fire Planning and Cost Recovery Act and the PSC's Rules governing the WFPP require an approved plan to demonstrate that it "appropriately balances the costs of implementing the wildland fire protection plan with the risk of a potential wildland fire." (see R746-315-3 which is cited earlier in these comments)

The OCS strongly supports RMP's spending on activities and investments to reduce the likelihood that its equipment will start a catastrophic wildfire that causes enormous property damage and/or loss of life. However, the cost to completely eliminate wildfire risk, if even possible, would be very large (and probably would take decades) and would put significant upward pressure on customer rates. WMP spending needs to be targeted to achieve the biggest bang for the buck. That is why in our review of RMP's 2023 WMP, the OCS advocated that RMP should use risk-informed benefit cost analyses to quantify the value of the risk reduction that a specific measure in a certain situation could provide.⁶ It is important that the Company not just focus on the reduction of the risk of starting a wildfire but must go a step farther to evaluate and quantify the value of the consequences avoided from not starting a wildfire. By doing this analysis, the Company can target its WMP spending more effectively and provide the most benefits to ratepayers for the dollars we are providing for RMP's wildfire mitigation efforts.

For this 2025 Compliance Report, we cannot determine if spending in 2024 was targeted to maximize the risk reduction and the associated consequences. The OCS sees the best way moving forward for RMP to demonstrate a risk-informed benefit cost analysis (or similar analysis demonstrating costs and benefits in relation to risk reduction) is to do so when it files its 2026 update to the WMP, which is required to be filed by October 1, 2026.⁷ The OCS would welcome the opportunity to collaborate with RMP in its development of a cost/benefit approach.

SUMMARY AND RECOMMENDATION

On page 21 of RMP's 2025 Compliance Report, the Company states that it is not requesting cost recovery (via the wildfire mitigation balancing account) "at this time". As discussed above, RMP's wildfire mitigation activities in 2024 have greatly exceeded what was planned in the 2020 WMP. RMP's 2023 Plan did envision significantly more activity and spending than the 2020 Plan but the PSC did not approve the 2023 Plan. Therefore, instead of offering a recommendation to approve or not approve the 2025 Compliance Report, the OCS recommends that the PSC simply acknowledge the filing

⁵ See Docket No. 24-035-04, the [Direct Testimony of Paul Alvarez](#) and the [Direct Testimony of Dennis Stephens](#), February 14, 2025.

⁶ Id.

⁷ Utah Code § 54-24-201 (3)(a)(ii)

and give guidance to RMP to provide the required cost/benefit analyses as part of the upcoming 2026 WMP filing.

cc:

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