

October 16, 2025

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 Administration

RE: **Docket No. 25-035-38 – PacifiCorp’s Wildland Fire Cost and Compliance Report**
Rocky Mountain Power’s Reply Comments

Per the July 23, 2025, Order Granting Request for Extension in Docket No. 25-035-38, PacifiCorp, d.b.a. Rocky Mountain Power (“Company”) submits these reply comments. On October 1, 2025, the Division of Public Utilities (“Division”) and Office of Consumer Services (“Office”) filed comments on the Company’s Wildland Fire Cost and Compliance Report (“Report”).^{1 2} Both the Division’s comments and the Office’s comments recommend that the Public Service Commission of Utah (“Commission”) acknowledge the report, with recommendations.

Summary of the Division’s Comments

The Division’s comments note that the wildfire mitigation programs are “generally progressing as demonstrated by the metrics provided” and recommend that the Commission acknowledge the Report,³ with the following recommendations related to future Cost and Compliance Reports:

1. Consistent reporting categories to encourage comparability across years. The Division included a proposed “core list of data elements” as Division’s Attachment 3;⁴
2. use only approved budgets from the Company’s 2024 General Rate Case (“GRC”);
3. potentially include a Risk Spend Efficiency (“RSE”); and
4. the boundaries of Fire High Consequence Areas (“FHCAs”) should only be significantly changed in updated plan submissions.⁵

¹ PacifiCorp’s Wildland Fire Cost and Compliance Report, Docket No. 25-035-38, Utah Division of Public Utilities, DPU Action Request, October 1, 2025.

² PacifiCorp’s Wildland Fire Cost and Compliance Report, Docket No. 25-035-38, Utah Office of Consumer Services, OCS Comments, October 1, 2025.

³ DPU Action Request, at 1.

⁴ *Id.*, at 7.

⁵ *Id.*, at 9-10.

Response to the Division's Recommendations

1. Reporting Categories

The Division presented Table 3, which was created from Table 99 of the Report, and summarizes the differences in categorization of mitigation programs between the 2020 and 2025 wildfire mitigation activities. The Division discusses the importance of consistent data categories to track the progress of the wildfire mitigation efforts. The Division prepared a “core list of data elements” which it states can be expanded and used for future reports. If the Company expands the list of data elements, the Division requests the Company provide an additional five years of data points, if available, prior to initial reporting.

The Company recognizes the value of using consistent reporting categories and would like to be aligned with the Division's expectations, but there may be instances where certain elements or categories need to be introduced or redefined. Due to the nature of developing wildfire mitigation plans, strict adherence to specific categories may not be feasible at all times. The Company's intent in providing the information that the Division used to create Table 3 was to re-categorize various costs from the 2020 WMP to match current mitigation program cost categories. The category information was not intended to be a definition of terms. The Company understands the feedback about new data elements and providing contextual history with five years of data. As the Company understands the requirements of the cost and compliance report, it requires the prior year's actual data and the current year's forecast data. The Company believes the contextual history is better addressed in discovery or within the context of the approved wildland fire protection plan or update narratives.

The Company agrees with the Division's recommendation to disaggregate costs for certain types of work, including undergrounding and installing covered conductors.

2. Recently Approved Budgets

As noted by the Division, the budgets presented in the Company's Report were not updated to reflect the Commission's order in the 2024 GRC. The annual cost and compliance reports are required to “identify the actual capital investment and expenses made in the prior calendar year and forecast of the capital investment and expenses for the present year to implement an approved wildland fire protection plan.”⁶ It is unclear to the Company what the Division means by “budget” in their comments, but it appears they are referring to the amount set in base rates by the Commission in the 2024 GRC. Rocky Mountain Power did not update the Report for the 2024 GRC order because the amounts set by the Commission in the 2024 GRC are test period levels for the calendar year 2025 and are not the basis for reporting in the cost and compliance report.

3. Risk Spend Efficiency in Cost and Compliance Reports

As part of its review of the cost and compliance report, the Division requested information from the Company on its internal approval process, particularly in connection with the levels of spending in the Report compared to the approved 2020 WMP. The Division concludes that it is

⁶ Utah Code Annotated §54-24-202(2).

unclear how the Commission's decision establishing base levels of capital operations and maintenance expense influences the Company's budgets for wildfire mitigation activities. It also claims the Company did not provide sufficient evidence in the cost and compliance report or related discovery to determine that the costs and risks were balanced. Therefore, the Division suggests the Company be required to include a cost-risk analysis or Risk Spend Efficiency ("RSE") in future cost and compliance reports.

The Company strongly believes that the annual cost and compliance reports proceedings are not the proper forum to establish or evaluate an RSE. Cost-risk analysis, particularly RSE, is most meaningful during project scoping and alternatives analysis, rather than in project completion reporting. While it may be possible to rerun RSE after project completion to compare actual versus assumed costs, this would be after the fact and may have limited value for compliance tracking. The Report in this proceeding presents data for calendar year 2024 and did not contain a request for recovery of deferred wildfire costs as allowed, but not required, under 54-24-202(3). Therefore, the prudence review of the costs included in the Report will occur when the Company files a request for ratemaking treatment of those costs.

The Company intends to incorporate cost-risk analysis, and is actively developing an RSE methodology, for its next Wildfire Mitigation Plan (WMP) submission. The statutory deadlines for WMPs requires the Company to file its next WMP "on or before October 1, 2026."⁷ The Company intends to file the next WMP earlier to allow for sufficient time for its WMP along with proposed RSE to be reviewed and approved.

4. Fire High Consequence Areas Updates

Due to the complexity of wildfire mitigation planning, the Division requests that the Company only make significant changes to the Fire High Consequence Area (FHCA) boundaries in a formal Wildfire Mitigation Plan filing. The Company agrees with the Division that the cost and compliance reports are not the appropriate mechanism to make these changes.

Finally, the Division also states that the Company did not comment on significant changes to the FHCA or its associated transmission or distribution lines. In response, the Company noted in the cost and compliance report significant changes to the FireSight model outputs in section 2, which directly affects the FHCA mapping. As noted in the WMPs, the FHCA reflects areas with FireSight model risk scores within the 85-100th percentile. The Company also notes in the Report that the FHCA was expanded and mitigative costs increased as a direct result of those changes. This is identified in the variance descriptions of costs incurred relative to the 2020 WMP in Table 7 and Table 8.

⁷ U.C.A. §54-24-201(3)(a)(ii).

Summary of the Office's Comments

Similar to the Division, the Office discusses the findings of their review of the Report and the implications of the Commission's decision in the 2024 GRC. The Office states it "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."⁸ The Office points to previous discussions on how to evaluate the proper level of expenditures to balance reduction of risk with the impact on customer rates and concludes it cannot determine if the spending presented in the Report for 2024 was properly targeted. The OCS suggests that the best path forward is for the Company to develop a risk-informed benefit cost analysis and states it welcomes the opportunity to collaborate with RMP in its development of a cost/benefit approach.

The Office observes the fact that the Company has not included a request in the Report for recovery of deferred costs and recommends the Commission acknowledge the Report as meeting the requirements and provide guidance to the Company for the cost/benefit analysis in its upcoming WMP filing.

Response to the Office's Comments

The Company agrees with the Office that the best path forward is for the Company to demonstrate cost and benefits relative to risk reduction and appreciates the Office's willingness to collaborate on a risk/benefit methodology. As previously stated, the Company plans to file its next WMP in early 2026, which will include a proposed RSE, and anticipates robust stakeholder discussions to discuss and potentially refine the methodology to achieve the proper balance of risks and costs for future WMPs. The Company also agrees with the Office's assessment that the Commission should acknowledge the filing as meeting the relevant reporting requirements.

Conclusion

The Company appreciates this opportunity to provide reply comments to the initial comments provided on October 1, 2025, and respectfully requests the Commission acknowledge the Report as meeting the relevant reporting requirements.

Sincerely,



Jana Saba

Director, Regulation and Regulatory Operations

⁸ PacifiCorp's Wildland Fire Cost and Compliance Report, Docket No. 25-035-38, Utah Office of Consumer Services, OCS Comments, October 1, 2025, at 4.

CERTIFICATE OF SERVICE

Docket No. 25-035-38

I hereby certify that on October 16, 2025, a true and correct copy of the foregoing was served by electronic mail to the following:

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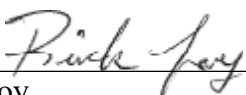
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