



State of Utah

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October 24, 2025

Mr. Max Backlund
Rocky Mountain Power
1407 W North Temple, Suite 330
Salt Lake City, UT 84116

Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Re: *Rocky Mountain Power's 2025 Wildland Fire Cost and Compliance Report*
Docket No. 25-035-38

Dear Mr. Backlund:

On May 30, 2025, Rocky Mountain Power (RMP) filed its Utah Wildfire Mitigation Plan Cost and Compliance Report ("Report") as required by Utah Code Ann. §§ 54-24-201(4) and 54-24-202(2) and Utah Admin. Code R746-315-3. The Report details RMP's progress and expenditures related to the Wildland Fire Protection Plan approved in Docket No. 20-035-28 ("Plan"). Additionally, the Report includes data that delineates completed projects as compared to RMP's stated goals in its 2023 unapproved plan.¹ The Division of Public Utilities (DPU) and the Office of Consumer Services (OCS) submitted comments on October 1, 2025, following a granted extension request, (individually referred to as the "OCS Comments" and "DPU Comments," respectively). RMP filed reply comments on October 16, 2025 ("RMP Reply Comments").

OCS Comments

OCS recommended the PSC "simply acknowledge the filing"² of the Report. OCS highlighted RMP's substantial increase in expenditures compared to the 2020 Wildfire Mitigation Plan (WMP) budget:

¹ *Rocky Mountain Power's 2023 Wildland Fire Protection Plan*, Docket No. 23-035-44, Order issued April 25, 2025.

² OCS Comments at 4.

- Capital Spending: Increased by 543%.
- Operations & Maintenance (O&M): Increased by 282%.

OCS cited RMP's specific spending, including \$3.4 million on vegetation management and \$136.2 million on system hardening (undergrounding, covered conductors, and line rebuilds). While 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,"³ it cautioned that fully eliminating risk would be cost-prohibitive and place "significant upward pressure on customer rates."⁴

Crucially, OCS recommended RMP implement a risk-informed benefit-cost analysis (RSE), stating the company must "evaluate and quantify the value of the consequences avoided"⁵ to target spending more effectively and maximize ratepayer benefits. Additionally, OCS stated its willingness to participate in developing a cost/benefit analysis with RMP.

DPU Comments

The DPU also recommended acknowledging the Report. The DPU emphasized the considerable budgetary overruns, noting:

- Actual 2024 Capital Expenditure: \$178.1 million, which "far exceeds the \$27.7 million approved in the 2020 WMP."⁶
 - Largest Variance: \$127.5 million (489%) was attributed to system hardening (distribution and transmission), followed by a \$18.1 million (1,207%) variance in inspections and corrections.⁷
- Actual 2024 O&M Expenditure: \$18.7 million which exceeds the \$4.9 million approved in the 2020 WMP.
 - Largest Variance: The largest O&M overspend was \$3.4 million for Situational Awareness (680%).

The DPU reported that RMP is forecasting \$156.9 million in capital expenditures and \$28.4 million in O&M costs for the current year. The DPU provided five specific recommendations:⁸

³ *Id.*

⁴ *Id.*

⁵ *Id.*

⁶ DPU Comments at 3.

⁷ *See id.* at 3-4.

⁸ *See id.* at 9-10.

No.	Recommendation	Summary
1	Consistent Reporting	Follow consistent requirements for annual reports and new plan submissions to ensure year-over-year comparability.
2	Budget Alignment	Use the most recent approved budgets (including the 2025 Test Year General Rate Case (GRC) (Docket No. 24-035-04) [hereafter, "2025 Test Year GRC"] amounts) for mitigation costs in all reporting.
3	Disaggregated Costs	Disaggregate and report costs for undergrounding versus covered conductors in all reports due to their dramatic cost variance.
4	Risk Spend Efficiency (RSE)	Provide an analysis of the balance of costs and risks (RSE report) to help the PSC evaluate plan efficacy.
5	FHCA Revisions	Only make significant changes to Fire High Consequence Area (FHCA) boundaries in updated plan submissions.

RMP Reply Comments

RMP agreed with OCS's and DPU's shared recommendation that the PSC should acknowledge the Report.

Regarding the RSE analysis, RMP agreed that the "best path forward is for the Company to demonstrate cost and benefits relative to risk reduction"⁹ and stated its intent to file a WMP in 2026 that will include a proposed RSE methodology for stakeholder refinement.

RMP's responses to the DPU's recommendations included:

- Consistent Reporting: Acknowledged the value of consistent categories but noted that "strict adherence to specific categories may not be feasible at all times"¹⁰ due to the evolving nature of WMPs.
- Budget Alignment: Stated that it did not update the budget to reflect the 2025 Test Year GRC changes because the GRC amounts "are test period levels for the calendar year 2025 and are not the basis for reporting in the cost and compliance report."¹¹
- RSE Analysis: Contended that the Report is "not the proper forum to establish or evaluate an RSE,"¹² as the analysis is most meaningful during project scoping and not during project completion reporting.

⁹ RMP Reply Comments at 4.

¹⁰ *Id.*, at 2.

¹¹ *Id.*

¹² *Id.*, at 3.

- FHCA Revisions: Agreed that the Report is not the appropriate mechanism for significant changes to the FHCA boundaries.

Based on the review of the Report and the comments filed by the DPU and OCS, the PSC finds that RMP's filing of the Report satisfies the reporting requirements set forth in Utah Code §§ 54-24-201(4) and 54-24-202(2), and Utah Admin. Code R746-315-3. The PSC's acknowledgment of the Report does not constitute, nor imply, approval of RMP's current or forecasted WMP budgets, reported overspends, or any submitted but unapproved WMP components. In addition, the PSC reminds RMP that any capital spending amounts that were considered and rejected in the 2025 Test Year GRC are not recoverable heretofore and should not be carried over for possible recovery going forward.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#342428