

Redacted

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Doug Wheelwright, Utility Technical Consultant Supervisor
Jeremy Hirschi, Utility Technical Consultant
Savannah Torman, Utility Analyst

Date: August 31, 2026

Re: **Docket No. 26-035-26**, Rocky Mountain Power's 2025 Wildland Fire Cost and Compliance Report.

Recommendation (Acknowledge with Recommendation)

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) acknowledge Rocky Mountain Power's (Company or RMP) 2025 Utah Wildland Fire Cost and Compliance Report (Report) as compliant with Utah Code §54-24-201(4) and §54-24-202(2), with recommendations for future report submissions. The Division recommends that the Company include the following supplemental information in its future filings:

1. GIS map files showing the report year's completed work for line rebuilds.
2. A comprehensive list of all Investment Appraisal documents (IADs), including relevant Project Change Notices (PCNs), for all line rebuild projects completed in the report year.
3. The mean, median, and max risk score for each line rebuild completed in the report year, as well as the risk score for outstanding projects.
4. Data metrics in a spreadsheet format similar to DPU Exhibit 1.3.



Redacted

Issue

Pursuant to Utah Code §54-24-201(4) and §54-24-202(2), on June 1, 2026, RMP filed its Report. On the same date, the Division received an Action Request to review this Report for compliance and make recommendations. On June 2, 2026, the Commission issued a Notice of Filing and Comment Period in which any interested person may submit comments on RMP's Report on or before Thursday July 1, 2026.

On June 4, 2026, the Division filed a Request for Extension ("Request"), explaining its review requires additional time and asking the PSC to extend the deadline for filing comments until September 1, 2026. On June 10, 2026, the Commission granted the extension request and set the deadline to accept comments on September 1, 2026, with reply comments due by September 16, 2026. This memorandum is the Division's comments on RMP's Report.

Background

RMP originally filed a 2023 Wildfire Mitigation Plan (WMP) on September 25, 2023, under Docket No. 23-035-44. On February 28, 2024, RMP revised the 2023 WMP. Through the course of the docket, the parties requested additional information as well as a review of the plan by an independent evaluator. The case was subsequently consolidated into the 2024 Rocky Mountain Power General Rate Case (GRC) on October 10, 2024.¹ After considering the evidence and testimony presented, the Commission issued an Order in Docket No. 24-035-04, on April 25, 2025, denying the proposed 2023 plan together with the projected levels of expenditures. The Commission stated: "We find the record does not contain substantial evidence that the 2023 Plan appropriately balances the costs of implementing the plan with the risk of potential wildland fires."²

The Commission additionally stated: "Notwithstanding the absence of an approved plan, the PSC recognizes the strong public interest in wildfire risk mitigation. Therefore, we approve

¹ *Rocky Mountain Power's 2023 Wildland Fire Protection Plan*, Docket No. 23-035-44, Notice of Consolidation, Retention of Independent Evaluator, Deadline for Independent Evaluator's Report, and Scheduling Conference (Oct. 10, 2024).

² *Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah*, Docket No. 24-035-04, Order at 129 (April 25, 2025).

Redacted

DPU's recommended Test Year capital additions in the amount of \$51.2 million.”³

Regarding the Company's proposed Operation and Maintenance (O&M) Expense the Commission stated, “we approve RMP's original requested O&M expenditures of \$28.4 million for the Test Year.”⁴ The test year referred to in RMP's general rate case is calendar year 2025, therefore 2025's capital budget increased from the 2020 Plan amount of \$27.7 million to \$51.2 million, while the 2025 O&M budget increased from \$4.9 million to \$28.4 million.

Discussion

Utah Code §54-24-201 requires that a qualified utility “shall submit to the commission a report detailing the qualified utility's compliance with the qualified utility's wildland fire protection plan.” In addition, section 202(2) states that “a qualified utility shall file an annual report to the commission 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 a wildland fire protection plan approved by the commission under Section 54-24-201.”

Pursuant to Utah Code §54-24-201(4), RMP filed its current Report. The Report outlines the actual capital investments and expenses incurred in calendar year 2025 and an updated forecast of capital investments and OMAG (operations, maintenance, administrative, and general expenses – also referred to as “Expenses”) for 2026. The Report also describes RMP's mitigation efforts and changes, if any, and the reason for the changes made to the 2020 plan in accordance with Commission Docket Numbers 20-035-28, 23-035-44, and 24-035-04.

Capital Expenditure

Actual capital expenditure reported for 2025 was \$249.6 million.⁵ This amount far exceeds the \$22 million approved in the 2020 WMP⁶ and the \$51.2 million approved in the 2024

³ See *id.* at *iv.*

⁴ *id.*

⁵ Report at 24, Table 3-2.

⁶ *id.*

Redacted

GRC. The largest variance between actual and budget was due to costs for system hardening of both the distribution and transmission program areas, followed by inspections and corrections. See Table 1 - Distribution and Transmission Capital Cost Significant Overspends below:

Table 1 - 2025 Distribution and Transmission Capital Cost Significant Overspends					
Program Mitigation*	Actuals*	Plan (2020 WMP)*	Variance*	% Var	Variance Description (Actual vs Plan)*
Distribution					
System Hardening	145.3	14.6	130.7	895%	Cost to implement system hardening initiatives within the expanded FHCA including line rebuild, relay replacements, fuse installation, and idle line removal
Inspection and Corrections	8.3	1.5	6.8	453%	Cost incurred for correcting conditions and deficiencies found in the expanded FHCA
Transmission					
System Hardening	53.6	5.6	48	857%	Cost to implement system hardening initiatives including transmission line rebuild and relay replacements.
*Select data obtained from Table 3-2 of report					

For 2026, the Company forecasts capital expenditures of \$75.6 million. Most of the capital costs projected in the 2026 plan year are in System Hardening with \$50.0 million projected for distribution and \$17.7 million in transmission. System Hardening projects total \$67.7 million of the \$75.6 million capital expenditure plan. The other sections making up the rest of the planned capital costs for 2026 are Risk Modeling and Drivers (\$3 million), Environmental (\$0.3 million), and Situational Awareness (\$4.2 million). The Company states that the “spending in 2025 was higher than the levels outlined in the 2020 WMP due to projects and contracts already in effect in April 2025 prior to the Commission order.”⁷

The Division notes that the Commission Order finalizing the CAPEX and OMAG budgets for 2025 was not filed until April 21, 2025, thus complicating the Company’s actual spending for the year. The Company reports that:

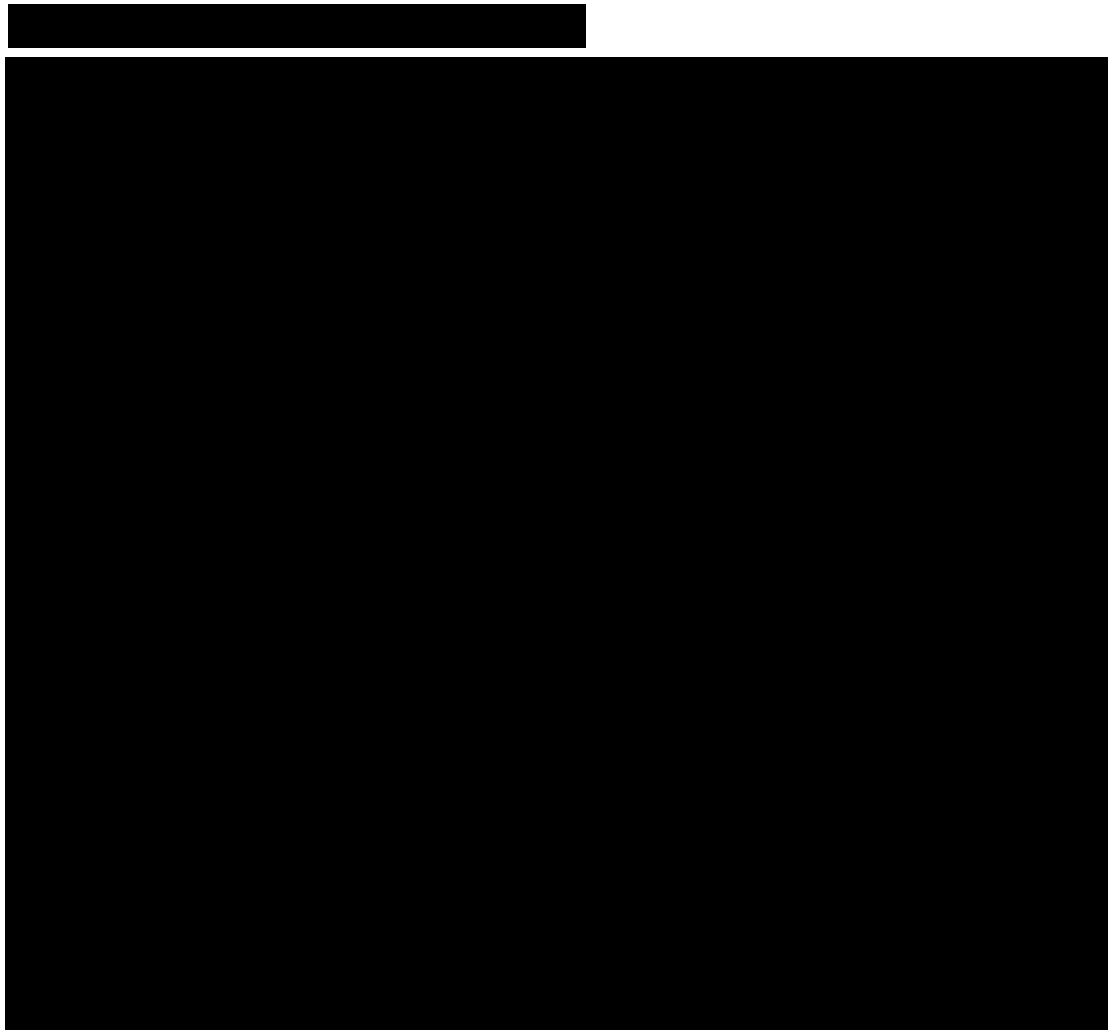
“At the time of the Commission’s order...many projects were in more advanced stages of development or nearing completion. The company completed a substantial number of these projects, while discontinuing certain early-stage projects in accordance with

⁷ Report at 8.

Redacted

sound business practices...Many projects required changes to appropriated funding to cover increased labor, material, and service costs over planned costs. The higher costs recorded for 2025...are primarily attributed to these major factors.”⁸

The Division received updated GIS data for line rebuild projects. Upon comparing the GIS files, the Division noted that the Columbia 11 circuit rebuild did not match the 2024 Investment Appraisal document (IAD) provided by the Company. The IAD shows that the Sunnyside section should have been rebuilt with covered conductor. Confidential Image 1 below shows the projected work provided in the Columbia 11 IAD.



⁸ Report at 21.

Redacted

However, the GIS files provided by the Company in RMP Response to DPU DR 1.9 show that approximately five miles of the Sunnyside section was undergrounded. Confidential Image 2 demonstrates the map file provided by the Company, rendered by the Division.



The Division inquired about this discrepancy. The IAD and the Company's response to this inquiry are provided in Confidential DPU Exhibit 1.1. Based on this information, it appears that additional undergrounding work was completed outside of the IAD. It is unclear to the Division whether the additional undergrounding cost was included in the original estimate. However, the change necessitates additional reporting in the annual cost and compliance report, which allows the Division to track whether projects are following their original plan and staying within budget. Per the Commission Order, RMP is directed to "identify any updates or changes it has incorporated into its wildland fire protection practices during the previous year and the reason for those changes."⁹ The Division interprets this to mean that

⁹ *Rocky Mountain Power's Utah Wildland Fire Protection Plan*, Docket No. 20-035-28, Order at 4 (Oct. 13, 2020).

Redacted

changes such as the Columbia 11 project should be reported in annual cost and compliance reports. The Division will continue to review this data and provide additional feedback where applicable in future filings.

O&M Expenditure

Regarding the O&M expenditure, RMP spent approximately \$14.6 million in 2025.¹⁰ This exceeds its planned costs in the approved 2020 WMP of \$4.8 million by \$9.8 million. However, this falls short of the Commission-approved O&M budget of \$28.4 million. See Table 2 - 2025 Distribution and Transmission O&M Significant Overspends:

Table 2 - 2025 Distribution and Transmission O&M Significant Overspend					
Program Mitigation*	Actuals*	Plan (2020 WMP)*	Variance*	% Var	Variance Description (Actual vs Plan)*
Distribution					
System Hardening	0.8	0.1	0.7	700%	Cost incurred for CFCI data and firmware and relay/recloser settings updates not included in the 2020 WMP.
Situational Awareness	2.5	0.5	2	400%	Cost incurred for internal labor, HPCC data center fees, software licenses, camera network, and weather station maintenance and data plans.
Transmission					
Inspection and Corrections	0.7	0.1	0.6	600%	Cost incurred for correcting conditions and deficiencies found in the expanded FHCA.
*Select data obtained from Table 3-3 of report					

For 2026, the Company forecasts operating and maintenance costs of \$14 million. The primary cost drivers in 2026 are forecasted to be: Inspection and Correction (\$2.8 million), Vegetation Management (\$2.3 million), and Situational Awareness programs for distribution lines (\$3.2 million). The Division notes that total O&M expenditures for 2025 were below the Commission-approved amount by \$13.8 million. The Order approving \$28.4 million budget stated that: "Recognizing...the strong public interest in wildfire risk mitigation...and regarding the efficacy and value of O&M devoted to fire mitigation, the PSC approves RMP's original requested O&M expenditures of \$28.4 million for the Test Year."¹¹ The Division asked a Data Request about lower-than-anticipated O&M spending specifically for

¹⁰ Report at 26.

¹¹ Docket No. 24-035-04, Order at 145 (April 25, 2025).

Redacted

vegetation management for both 2025 and 2026, to which the Company responded that there were reduced volumes of vegetation management required in both 2025 and 2026. However, the Company reported that it “is also re-evaluating the appropriate role of increased vegetation management efforts going forward.”¹²

Public Safety Power Shutoffs (PSPS) and Coordination with Safety Partners

RMP reported that it experienced PSPS conditions in June 2025. A potential PSPS event was identified on June 16, 2025. Between June 17 and June 21, 2025, RMP coordinated through its Department Operations Center and Emergency Coordination Center (ECC), including daily (or twice daily) calls, an open conference line, and three formal ECC briefings. RMP reports: “Communications to customers, communities, public safety partners, and key accounts were executed in accordance with the 2025 PSPS Execution Playbook.”¹³ De-energization occurred at 5:47 AM MT on June 21, 2025, impacting 3,114 customers; PSPS conditions were canceled by 5:40 PM MT, and full restoration was completed by 9:50 PM MT. RMP reports that 85 transmission and distribution personnel, 15 ECC staff, and a Community Resource Center were dispatched for the event.

The Company reported forming a wildfire and emergency response group in 2025, comprised of fire and emergency response managers (FERMs), who are tasked with providing support to transmission and distribution operations during wildfire events. RMP did not conduct Public Safety Partner events, but “instead focused outreach efforts on all-hazards response and preparedness.”¹⁴ RMP hosted five public outreach events to increase community awareness and highlighted its membership in the International Wildfire Risk Mitigation Consortium (IWRMC), which is a collaborative that facilitates sharing wildfire risk mitigation techniques.

¹² Report at 16.

¹³ See *id.* at 13.

¹⁴ See *id.* at 14.

Redacted

The Division also requested information about the Company's threat matrix used by the Wildfire Intelligence Center (WIC) to assess an incident. As demonstrated in DPU Exhibit 1.2 – RMP Response to DPU DR 1.4, the Company explains its de-energization thresholds.

Plan Terms

The Company updated its nomenclature from the 2020 terms to new terms applicable for 2025. The most notable changes include terms applicable to the O&M Mitigation Program, Table 3:¹⁵

Table 3 – Change in Categorization of Mitigation Programs

Capital Mitigation Program – 2020	Capital Mitigation Program – 2025
Advanced Protection and Control	System Hardening
Environmental	Environmental
Inspect and Correct	Inspection and Correction
Operational Practices	Field Operations and Work Practices
Situational Awareness	Situational Awareness
System Hardening	System Hardening
(none)	Risk Modeling and Drivers
O&M Mitigation Program – 2020	O&M Mitigation Program – 2025
Vegetation Inspections, Mitigation, Pole Clearing – Distribution	Vegetation Management (Distribution)
Vegetation Inspections, Mitigation, Pole Clearing – Transmission	Vegetation Management (Transmission)
FHCA Inspections	Inspection and Correction
Condition Corrections – Distribution	Inspection and Correction (Distribution)
Condition Corrections – Transmission	Inspection and Correction (Transmission)
Weather Station Maintenance, Tool Development, Community Meetings, Advertising – Other	Situational Awareness/Field Operations and Work Practices/WMP Engagement Strategy
Fault Anticipator – Other	System Hardening
Environmental – Wildlife Protection Program, Habitat Enhancements, Other – Distribution	Environmental (Distribution)
Environmental – Wildlife Protection Program, Habitat Enhancements, Other – Transmission	Environmental (Transmission)
Patrolling Costs, Field Response (PSPS) – Other	Field Operations and Work Practices/PSPS Program
Alert Wildfire Cameras – Other	Situational Awareness
Wood Pole Wrap	System Hardening
(none)	Public Safety Partner Coordination
(none)	Industry Collaboration
(none)	Plan Monitoring and Implementation
(none)	Risk Modeling and Drivers

¹⁵ See *id.* at 22, Table 3-3.

Redacted

Plan Compliance

The Report provides a detailed description of the modifications to facilities and preventative programs. These include system hardening, operational practices, inspection and correction, situational awareness, vegetation management, and environmental programs. The Division reviewed the information RMP provided regarding the performance of these programs. The Division notes that these programs are, generally, progressing as demonstrated by the metrics provided in the Company's filing. In the 2025 Report,¹⁶ the Division requested data metrics for individual mitigation measures to track year-over-year progress. The Division updated that data table with information provided in the 2026 Report, and the updated data table is provided in Confidential DPU Exhibit 1.3 – Costs & Data Tables.

Plan Effectiveness

Regarding the effectiveness of the WMP, the Division has identified a key metric of project risk scores. The Division requested information regarding the mean, median, and max composite risk scores of recently completed or in-progress line rebuild projects, rated on a scale of 0.0-1.0. The Data Request is provided in DPU Exhibit 1.4.1, and the Company's spreadsheet is provided in DPU Exhibit 1.4.2. Based on the information provided, it appears that the average and median risk scores for projects completed in 2025 are slightly higher than projects currently identified to be completed in future years, which could signify that RMP has completed line rebuilds on some riskier projects. However, of the projects slated to be completed in the future, 36% have a maximum risk score of 0.5 or above.

Tracking this information year-over-year provides valuable information about the assumed reduced risk and project prioritization in the system; however, the Division expects that RMP will revise its circuit risk score modeling in its 2027-2029 WMP. The Division will continue to monitor this metric, although it may be impossible to track circuit risk scores between WMP iterations.

¹⁶ *Rocky Mountain Power's 2025 Wildland Fire Cost and Compliance Report*, Docket No. 25-035-38, DPU Attachment 3 (Oct. 1, 2025).

Redacted

The Division has also identified a second metric of Enhanced Safety Settings (ESS) deployments and outages. These two metrics provide information about the anticipated resilience, safety, and reliability of the system, in addition to geolocational data about areas that may have a higher risk.

Updates or Changes

In its Order in Docket No. 20-035-28, the Commission directed RMP “to identify any updates or changes it has incorporated into its wildland fire protection practices during the previous year and the reason for those changes.” In this filing, RMP reported that it began conducting annual overhead visual inspections throughout its entire service territory, rather than solely in the Fire High Consequence Area (FHCA). RMP also reported forming a wildfire and emergency response group comprised of FERMs who provide support and work with the Wildfire Intelligence Center during wildfire events.

Wildfire Mitigation Balancing Account

For cost recovery, RMP notes that the Commission established a wildfire mitigation balancing account in Docket No. 20-035-04, to track and defer the incremental revenue requirement for the capital investments and expenses to implement the approved WMP. The 2024 GRC included a base level of cost in Utah rates as of June 24, 2025, and variances from the amount have been calculated and deferred monthly. The report states that “The Company presents the balance of the wildfire mitigation balancing account in the results of operations reports, most recently filed in Docket No. 26-035-09 on April 28, 2026 (page 8.11). The Company is not requesting cost recovery at this time.”¹⁷

Internal Approval Process

The Division requested details on the Company's internal approval process for project spending. The Company explained that it uses its standard controls for these expenditures, which require an approved Appropriation Request (APR) for all capital projects. If a project

¹⁷ Report at 28.

Redacted

exceeds its authorized budget, a Project Change Notice (PCN) must be submitted to justify the additional costs.¹⁸ In a subsequent inquiry, the Company further explained that APRs and PCNs are used for all RMP capital projects and applied at a project level.

While this process provides a formal avenue for project oversight, it remains unclear whether approval processes are considered in the context of the wildfire budget. Furthermore, the Company did not provide the Division with sufficient evidence—such as a risk-spend analysis or cost-benefit analysis—to demonstrate that it balanced risk mitigation with cost control when approving projects during the year. While the existence of a statutory balancing program for expenditures exceeding amounts in base rates, there must be some relationship between the budget and the Company's administration of its plan. It is not clear that the Company agrees with this view or has processes adequate to contain spending.

2026 Planned Costs

As the 2023 Plan was rejected by the Commission, the 2020 Plan would dictate the allowable costs for 2026. The 2020 Plan sets the limit for 2026 costs at \$12.1 million for capital costs and \$4.7 million for O&M. Comparatively, the allowed costs for 2025 are \$51.2 million for capital and \$28.4 million for O&M.

Recommendations for Commission

In order to expedite the discovery process in forthcoming proceedings, the Division recommends that the Commission direct the Company to provide the following information as supplemental attachments with each of its annual Cost and Compliance reports:

1. GIS map files showing the report year's completed work for line rebuilds. This allows the Division to verify that the work completed aligns with the initial project investment appraisal.
2. A comprehensive list of all IADs, including relevant PCNs, for all line rebuild projects completed in the report year. This allows the Division to track whether projects have changed over time.

¹⁸ DPU Exhibit 1.5 – RMP Response to DPU DR 1.5

Redacted

3. The mean, median, and max risk score for each line rebuild completed in the report year, as well as the risk scores for outstanding projects. This allows the Division to verify whether the completed work aligns with the goal of reducing the overall system risk.
4. Data metrics in a spreadsheet format similar to DPU Exhibit 1.3. This provides a clear visualization of specific metrics that have been completed in a given year and allows for year-over-year metric tracking.

Conclusion

The Division recommends that the Commission acknowledge RMP's Compliance Report as it was filed in compliance with legal requirement Utah Code Annotated §54-24-201(4) and §54-24-202(2), with recommendations for future report submissions.

cc: Jana Saba, Rocky Mountain Power
Max Backlund, Rocky Mountain Power
Michele Beck, Office of Consumer Services