



UTAH

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To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director

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Date: September 1, 2026

Subject: Docket No. 26-035-36 – OCS Comments

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

INTRODUCTION

On June 1, 2026, Rocky Mountain Power ("RMP" or "the Company") filed its annual Wildland Fire Cost and Compliance Report for Calendar Year 2025 ("2026 Compliance Report") with the Public Service Commission of Utah ("PSC"). The PSC issued a Notice of Filing and Comment Period on June 2, 2026 setting a schedule for comments on the 2026 Compliance Report, with initial comments due July 1, 2026. On June 4, 2026, the Division of Public Utilities ("DPU") filed a Request for Extension asking that the PSC extend the deadline for initial comments to September 1, 2026. On June 10, 2026, the PSC granted the DPU's extension request issuing an Amended Notice of Filing and Comment Period setting new comment deadlines with initial comments due September 1, 2026 and reply comments due September 16, 2026. Accordingly, the Utah Office of Consumer Services ("OCS") submits these initial comments on RMP's 2026 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 actual capital investments and operations and maintenance ("O&M") expenses incurred in the implementation of its wildland fire

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

protection plan for the previous calendar year. This annual report (i.e. the Wildland Fire Cost and Compliance Report) must also include a forecast of expenditures for the current year and an assessment showing that RMP is in compliance with its approved 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 this 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 (also referred to as the Wildfire Mitigation Plan or "WMP"). Therefore, RMP's most recent approved WMP is its 2020 plan, which was approved by the PSC in Docket No. 20-035-28 on October 13, 2020. RMP's 2026 Compliance Report compares actual calendar year 2025 investments and expenses relative to the approved 2025 budgets from the 2020 WMP. The 2020 WMP had spending forecasts for 2020 through 2026; therefore, next year's 2027 Cost and Compliance Report will also be based on RMP's 2020 WMP. RMP recently filed its 2026 WMP, and if approved by the PSC, it would be the basis for the 2028 Cost and Compliance Report covering WMP expenditures made in CY 2027.

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

REVIEW OF 2026 COST AND COMPLIANCE REPORT

Comparison of CY 2025 Spending with CY 2025 Budget from the 2020 WMP

The table below compares RMP's actual 2025 WMP spending as compared to the forecast or budget for CY 2025 from the 2020 WMP.³ Capital spending is over 11 times the amount contemplated in the 2020 WMP and O&M spending is 3 times the budget from RMP's original WMP.

Mitigation Program (\$ millions)	2025			2026
	Actual	Budget from Plan (2020 WMP)	Variance	Forecast
Total Capital Costs	\$249.6	\$22.0	\$227.6	\$75.6
Total O&M Costs	\$14.60	\$4.80	\$9.8	\$14.00

When examining the details of the \$249.6 million of capital costs for 2025, Table 3-2 of the 2026 Compliance Report shows that \$198.9 million of these costs were for system hardening (undergrounding, covered conductor and other line upgrades). The high level details of the 2025 capital costs are shown in the table below.

2025 Actual Capital Spend - \$ millions

Distribution	
Undergrounding	98.7
Covered Conductor	26.4
Situational Awareness	23.3
Other System Hardening	20.2
Risk Modeling	14.7
Inspections/Corrections	8.3
Other	1.1
Total Dist	192.7
Transmission	
Trans System Hardening	53.6
Trans Inspections/Corrections	3.3
Total Trans	56.9
Total 2025 Dist + Trans	249.6

Note that Table 3-2 of the 2026 Compliance Report, on page 24, states that the 2020 WMP had a \$0.0 million budget for undergrounding but for CY 2025, RMP spent \$98.7 million on projects that included the undergrounding of lines.

³ 2025 budget amounts taken from Table 1 and Table 2, page 7 of RMP 2020 WMP, Docket No. 20-035-28.

Under certain conditions, Utah statute and rule allow RMP to request recovery of WMP costs that are incremental to costs in base rates. The statute and rule state: “...a utility shall submit a cost and compliance report requesting the deferral and collection of the incremental revenue requirement for the capital investments and expenses to implement its approved wildland fire protection plan that is not included in base rates”.⁴

This deferral mechanism is referred to as the WMP Balancing Account (or WBA). Page 28 of RMP’s 2026 Compliance Report states:

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.

Page 8.11 of the Results of Operations (in Docket No. 26-035-09) shows a \$38.236 million balance in the WBA as of December 2025. This balance would indicate that RMP may seek recovery of some additional WMP costs in future Cost and Compliance Report filings through the WBA adder on customer’s electric bills. If RMP seeks to do so, its filing must clearly demonstrate that these costs are incremental to costs in customer’s base rates and that the costs are for implementing an approved WMP.

Cost Effectiveness of the Calendar Year 2025 WMP Expenditures

The 2026 Compliance Report does not contain sufficient information to determine if WMP spending in 2025 “appropriately balances the costs of implementing the wildland fire protection plan with the risk of a potential wildland fire”.⁵ The 2026 Compliance Report actually raises concerns of a potential severe cost-to-risk imbalance as evidenced by the massive 1,035% increase in capital spending from what was contemplated in the 2020 WMP, driven primarily by system hardening – undergrounding and covered conductor.

The sheer scale of the budget overruns in 2025 should mandate in-depth cost-effectiveness analyses, to prioritize the implementation of projects to stay within a reasonable range of the WMP forecasts or budgets. The OCS notes that RMP is presenting a new cost-benefit framework in its 2026 WMP filing, but is concerned about how and when these past expenditures will undergo similar analysis. RMP needs to demonstrate that it has been focusing on effectively balancing costs against risk reduction as prescribed by the Utah Wildland Fire Planning and Cost Recovery Act, rather than simply pursuing rapid risk reduction.

⁴ Utah Code § 54-24-202(3) and R746-315-3 (1)(iii).

⁵ Utah Code § 54-24-201 (3)(c)(ii) and R746-315-2 (3)ii.

In response to OCS Data Request 2.1, RMP provided the data in the table below.

Number of Utility-Caused Ignitions in RMP Utah Service Territory						
	2025	2024	2023	2022	2021	2020
In FHCAs	2	2	1	0	1	0
In non-FHCAs	35	16	28	33	10	22

Note: RMP does not track all utility-caused and non-utility caused ignitions. RMP has recorded the following number of ignitions, which is not a comprehensive or complete list of ignitions in the Company's Utah service area. While this includes those ignitions recorded by the Company, it does not include all ignitions in these areas because it is not Company practice to record every ignition in its service territory.

Note that the number of utility-caused ignitions reported in RMP's Utah Fire High Consequence Area (FHCA) is very low. RMP does indicate that not all utility-caused ignitions are tracked; however, one can observe that the number of ignitions in the FHCA is consistently small over the 6 years of data.

RMP's Utah FHCA is 912 square miles for the 2020 WMP and 1,429 square miles for the 2023 Revised WMP.⁶ For comparison, the entire state of Utah encompasses about 84,900 square miles.⁷ Therefore, the FHCA is between 1.1% and 1.7% of the area of Utah. Utah averages over 1,100 wildfires per year.⁸ In the table above, the highest number of annual utility-caused ignitions in RMP's FHCAs is two (2), which potentially represents about 0.2% of the average number of wildfires in Utah per year.

The OCS questions whether annual capital spending at the 2025 level of \$249.6 million on WMP projects in RMP's FHCAs is a cost-effective approach to mitigating 0.2% of Utah's potential annual wildfires. If the state of Utah were to match this level of spending to mitigate the annual expected 1,100 wildfires in Utah, the state would need to spend \$124.8 billion.

Risk Scores

In Appendix B of the 2026 Compliance Report, starting on page 31, RMP lists the largest projects completed in 2025. The listing includes the Max, Mean and Median fuel/terrain risk scores for each project. The Report states:

For each project, fuel/terrain risk scores are included, consistent with the criteria considered during the project selection process. The 2020 WMP did not identify specific planned projects or associated risk scores. Accordingly, the scores presented here are provided for informational purposes only and reflect the risk scoring methodology used for project selection and described in the 2023–2025 WMP.

⁶ RMP response to OCS Data Request 4.1 in Docket No. 23-035-44, April 23, 2024. As discussed earlier in these comments, the 2023 Revised WMP which included the 2023 revised FHCA was not approved by the PSC.

⁷ See: <https://www.utah.gov/about/quick-facts.html>.

⁸ See: <https://www.blm.gov/programs/fire/regional-info/utah>

These scores do not represent the company's updated risk calculation methodology. The revised methodology will be applied to new wildfire mitigation projects beginning in 2027, in alignment with the forthcoming 2027–2029 WMP.

Though RMP is transitioning to a new risk calculation methodology for projects beginning in 2027, the risk scores listed in Appendix B, Table B-1 of the 2026 Compliance Report provide some context as to why each project was implemented. However, it appears that for many of the projects listed, the scores were calculated after the project was selected to be implemented and construction began because as RMP explained above, the 2020 WMP did not calculate risk scores by individual circuit segments.

As an example, take the first project listed in Table B-1, the New Harmony 11 Line Rebuild, which was completed on 4/8/2025 for a total cost of \$8,828,446.⁹ See screenshot below taken from that table of this project.

Table B-1: Projects Completed in 2025 with Costs Greater Than \$1M and Associated Risk Scores

Project Name	Purpose and Necessity – Risk Analysis	Fuel/Terrain Risk Score
FHCA - Rbld New Harmony 11 Line Rebuild	A wildfire in this area has the potential for greater consequences to RMP customers due to extended restoration times and the impact it may have on customer homes and the surrounding vegetation. - Risk 1: A fault on New Harmony 11 poses a significant wildfire risk as identified in the FHCA. - Risk 2: A wildfire caused by equipment in this area would result in significant cost, legal risk, and exposure to the company.	Max: 0.65
		Mean: 0.31
		Median: 0.32

The Original APR (Appropriation Request) Approval Date for this project was 6/11/2020¹⁰, while the Investment Appraisal Report Date is 1/12/2022.¹¹ Therefore, this circuit's risk scores would not have been available when this project was contemplated and could not have been a factor in selecting this project. Table B-1 shows the Fuel/Terrain Risk Scores for the New Harmony 11 Line as:

Max: .65, Mean: .31, Median: .32

However, the Terrain Risk Scores for this project from RMP's discovery response OCS 1.2-2 1st Revised were reported as:

Max: .48, Mean: .25, Median: .23

When reviewing other projects found in Table B-1, the OCS discovered the same reduction in scores in the response OCS 1.2-2 1st Revised. The OCS requests that RMP explain in its reply comments why the risk scores have changed and as RMP

⁹ Response to DPU 1.11, Attach DPU 1.11.xlsx

¹⁰ Response to DPU 2.1, Attach DPU 2.1 1st Revised.xlsx

¹¹ Response to OCS 1.2, Attach OCS 1.2-1.zip, Project Investment Appraisal Reports

transitions to the new risk assessment methodology and benefit-cost analysis, how will the legacy risk scoring information be maintained to ensure project auditing and regulatory accountability.

Transition to Benefit Cost Analysis for WMP Projects

As indicated above, the 2026 Compliance Report states that RMP is updating its long-term risk modeling and developing a new benefit-cost approach. On page 4 of the 2026 Compliance Report RMP states:

A detailed explanation of these changes will be available in RMP's 2027-2029 WMP.... This updated risk assessment methodology and benefit-cost analysis will help the company prioritize future projects by evaluating mitigation benefits relative to customer costs.

Page 16 of the Report explains further:

The company anticipates reducing its covered conductor and undergrounding projects until a cost-benefit analysis can help guide system strengthening efforts. The company is also re-evaluating the appropriate role of increased vegetation management efforts going forward.

The OCS and DPU attended several meetings with RMP's wildfire analytics team in May, June and July 2026 to preview the new benefit-cost approach and provide feedback. We look forward to reviewing the new approach and how it is applied in RMP's 2026 WMP which was recently filed with the PSC on August 6, 2026 in Docket No. 26-035-35. As stated in the quote from page 16 of the 2026 Compliance Report, the Company's anticipated reduction in covered conductor and undergrounding projects can be seen in the table above, on page 3 of these comments, where it is shown that the forecasted spending for CY 2026 capital projects is reduced to \$75.6 million; however, vegetation management and other O&M spending remains about the same at \$14.0 million.

More Extensive and Detailed Reporting Requirements Are Needed for the Initial Filing of RMP's Annual WMP Cost & Compliance Report and a Longer Timeframe is Needed for Regulators to Perform a Thorough Review

Utah Administrative Code R746-345-3 requires that the initial deadline for comments be set within 30 days following the PSC's public notice of the Company's filing of the Compliance Report. Based on OCS's experience of reviewing several years of annual Compliance Reports, 30 days is not a sufficient timeframe to collect information and perform a review of RMP's annual WMP expenditures. This is especially true if RMP asks in its annual filing that the PSC also approve incremental WMP costs to be collected from ratepayers via the Wildfire Mitigation Balancing Account. In this situation, 30 days is a significantly insufficient time to conduct a review to determine if the incremental costs are reasonable and prudent and indeed, if they are actually

incremental to WMP costs already in base rates and consistent with RMP's approved Wildfire Mitigation Plan.

The OCS understands that the Rule allows for more time if warranted stating in R746-315-3(6) "...unless the Commission determines that another process or additional time is warranted and is in the public interest." For this 2026 Compliance Report and for last year's 2025 Compliance Report, the DPU requested and was granted extensions to the deadlines for submitting comments. The OCS has appreciated the DPU's efforts to afford parties more time to do a review by requesting these extensions. However, the OCS believes that history has shown that 30 days is not enough time to request data from RMP and do analyses before filing comments on the Report. The OCS would prefer to see an automatic extension of the comments deadline, either by updating the Rule or by RMP formally requesting in its initial filing each time that parties be given at least 90 days.

In addition to the current short comment deadline, RMP's initial annual filings have not contained sufficient detail and background information for regulators to do an adequate review. For example, the 2026 Compliance Report is the first annual report to list projects that were completed in the previous year. However, the list in the 2026 Compliance Report provides just a high level description of the project – no cost details or even the total cost of the project, miles of lines addressed, number of customers impacted, what was done (undergrounding, covered conductor, relays, etc), exactly where the project is located (no detailed maps¹² showing the line segments and what mitigation was done to each segment), analysis showing why a particular project was completed versus doing other projects, explanations of why a project's budget increased, what projects are planned for the current calendar year and the next calendar year, etc.

The OCS requests that for future Compliance Reports, the Company provide this level of information with its initial filing of the annual report. The OCS would welcome the opportunity to collaborate with parties to develop a list of information items to include with the initial filing each year. Consistent with the Company's list of projects in the 2026 Compliance Report, detailed information would only be needed for the larger projects potentially utilizing a certain threshold of cost.

SUMMARY AND RECOMMENDATION

As quoted above, RMP states that: "*The company is not requesting cost recovery at this time*" as part of this filing. In addition, RMP's wildfire mitigation activities in 2025 have greatly exceeded what was planned in the 2020 WMP, making the Company over-compliant with the 2020 Plan. From the information in the 2026 Compliance Report, the

¹² The OCS notes that in response to OCS and DPU's request for detailed project maps, the Company provided electronic maps in geodatabase or GIS format requiring analysts to install software (QGIS) on their computers. This involved a significant learning curve and time to understand the software and how to manipulate the maps which further exacerbated the difficulties with having a short timeline to file initial comments.

OCS cannot determine if WMP activities in 2025 appropriately balanced costs with risks. Therefore, instead of offering a recommendation to approve or not approve the 2026 Compliance Report, the OCS recommends that the PSC simply acknowledge the filing.

The OCS also makes the following recommendations:

- RMP should explain in its reply comments why the risk scores have changed and as RMP transitions to the new risk assessment methodology and benefit-cost analysis, how will the legacy risk scoring information be maintained to ensure project auditing and regulatory accountability.
- The PSC should urge the Company to commit to the additional reporting requirements and an extended timeline for review that the OCS recommended above. Alternatively, the OCS would appreciate feedback from the PSC on whether it would be reasonable to request a review of R746-315-3 to update its reporting requirements to better assist parties in their review of this annual report in the future.

cc:

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