



State of Utah

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Commissioner

October 1, 2026

Mr. Max Backlund
Rocky Mountain Power
1407 W North Temple, Suite 330
Salt Lake City, UT 84116
max.backlund@pacificorp.com

Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
datareq@pacificorp.com

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

Dear Mr. Backlund:

On June 1, 2026, Rocky Mountain Power (RMP) filed its Utah Wildland Fire Mitigation Plan Cost and Compliance Report ("Report") as required by Utah Code §§ 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" or "2020 WMP"). 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 August 31, 2026 and September 1, 2026, respectively (individually referred to as the "OCS Comments" and "DPU Comments"). RMP filed reply comments on September 16, 2026 ("RMP Reply Comments").

The OCS Comments

The OCS recommended the PSC "simply acknowledge the filing"² of the Report, noting that while RMP was "over-compliant" relative to its Plan, it is impossible to determine from the Report whether the spending appropriately balanced cost with wildfire risk reduction. The OCS states that RMP must explain in its reply comments

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

² OCS Comments at 9.

why project risk scores decreased between reporting datasets and clarify how it will maintain legacy risk scores as the utility transitions to its new benefit-cost methodology. Additionally, the OCS recommends establishing a longer standard review period (at least 90 days instead of the default 30 days) and expanding mandatory initial filing details (e.g., project-level cost breakdowns, miles addressed, and accessible mapping) for future compliance reports.

The OCS identified the following financial overview & budget variances.

Capital Expenditures (CAPEX):

- 2025 Actual: \$249.6 million.
- 2025 Budget (from 2020 WMP): \$22.0 million.
- Variance: Overspent by \$227.6 million (more than 11 times the 2020 WMP budget).

The OCS states that \$198.9 million went toward distribution and transmission system hardening. Notably, RMP spent \$98.7 million on undergrounding projects, despite having a \$0.0 budget for undergrounding in its approved 2020 WMP.

- Operations & Maintenance (O&M):
 - 2025 Actual: \$14.60 million.
 - 2025 Budget (from 2020 WMP): \$4.80 million.
 - Variance: Overspent by \$9.80 million (3 times the 2020 WMP).
 - 2026 Forecasts: Projected capital spending drops to \$75.6 million as RMP pauses heavy system hardening pending new cost-benefit analyses, while O&M is projected at \$14.0 million.

The OCS states that RMP carried a \$38.236 million balance in its deferred Wildfire Mitigation Balancing Account (“WBA”) as of December 2025 and is not seeking rate recovery in this filing, with any future recovery requiring evidence that these costs were incremental to base rates and executed under an approved plan. Additionally, the OCS states that the low ignition rate does not justify the extreme spending on wildfire mitigation. Specifically, the OCS states that the data provided by RMP revealed that utility-caused ignitions in Utah Fire High Consequence Areas (FHCAs) ranged between 0 and 2 per year from 2020 through 2025 (representing ~0.2% of Utah’s ~1,100 annual wildfires) and questioned whether spending \$249.6 million in capital in a single year to mitigate such a small percentage of overall wildfire risk represents a cost-effective approach.

The OCS expressed concern about discrepancies in project risk scores. Specifically, a review of the New Harmony 11 Line Rebuild (an \$8.8M project completed in April 2025) showed that initial project authorization (2020) occurred well before circuit-level risk scores were calculated (2022). Furthermore, updated data

submissions showed unexplained reductions in terrain risk scores for several projects compared to what was reported in Table B-1 of the compliance filing (e.g., New Harmony 11's reported Max/Mean/Median risk scores dropped from 0.65/0.31/0.32 down to 0.48/0.25/0.23).

The OCS noted that the 30-day initial comment window specified in administrative rules is severely inadequate for reviewing complex filings, especially when technical mapping data is provided in raw GIS geodatabase formats requiring specialized software.

The DPU Comments

The DPU recommends that the PSC acknowledge RMP's report as compliant with Utah Code §§ 54-24-201(4) and 54-24-202(2). Additionally, the DPU recommends directing RMP to include specific supplemental files (GIS map files, Investment Appraisal Documents/Project Change Notices, risk scores, and standardized spreadsheet metrics) in all future annual report submissions to improve project tracking and cost control.

The DPU noted the following financial overview & budget variances.

- Capital Expenditures (CAPEX):
 - 2025 Actual Spending: \$249.6 million.
 - 2025 Approved Budgets: \$22 million (2020 WMP) or \$51.2 million (2024 General Rate Case³).
 - 2026 Forecast: Projected at \$75.6 million (with \$67.7 million allocated to System Hardening).

The DPU states that RMP attributed over-expenditures to projects/contracts already underway before the PSC's April 2025 budget order,⁴ as well as cost increases in labor, materials, and services. Major overspending occurred in System Hardening (\$145.3M actual vs. \$14.6M plan for distribution; \$53.6M actual vs. \$5.6M plan for transmission).

- Operations & Maintenance Expenses (O&M / OMAG):
 - 2025 Actual Spending: \$14.6 million.
 - 2025 Approved Budget: \$28.4 million approved in the 2024 General Rate Case (\$4.8 million in the 2020 WMP).

³ *Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for Approval of its Proposed Electric Service Schedules and Electric Service Regulations*, Docket No. 24-035-04, Order issued April 25, 2025 at 129.

⁴ *Id.*

- Variance: Spent \$13.8 million *below* the approved 2024 General Rate Case budget, primarily due to reduced vegetation management volume needs.
- 2026 Forecast: Projected at \$14.0 million.

The DPU states GIS data review revealed that ~5 miles of the Columbia 11 circuit rebuild was undergrounded instead of using covered conductor as originally specified in its Investment Appraisal Document (IAD). The DPU emphasized that such changes must be explicitly reported in future compliance filings. Additionally, the DPU noted that on June 21, 2025, RMP executed a PSPS event, impacting 3,114 customers. The de-energization lasted from 5:47 AM MT to 5:40 PM MT, with full restoration completed by 9:50 PM MT. The DPU notes that RMP updated the program nomenclature for 2025, initiated annual overhead visual inspections across its entire service territory (expanding beyond FHCAs), and established a team of Fire and Emergency Response Managers (FERMs). Further, the DPU states a lack of clear evidence (such as risk-spend analyses) did not demonstrate that RMP adequately balanced cost containment with risk mitigation during 2025.

RMP Reply Comments

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

Response to the DPU

In response to the DPU, RMP agrees to provide confidential GIS mapping files showing completed line rebuilds in future annual cost and compliance report (CCR) filings, though incorporating these into engineering requirements will add minor incremental costs. For active or completed line rebuild projects over \$1 million, RMP agrees to attach confidential IADs and recent Project Change Notices (PCNs) to future reports. RMP will provide legacy risk scores in the 2026 CCR for informational context, but plans to phase them out. RMP is transitioning to Benefit-Cost Ratios (BCRs) under its updated risk model, arguing legacy scores have no ongoing analytical value. RMP agrees to adopt a standardized spreadsheet format for data metrics in future filings to improve transparency and streamline stakeholder analysis. Addressing concerns over budget controls during 2025 (before the new monetized BCR model was available), RMP states that projects were subject to rigorous internal governance, management review, and cost scrutiny.

Response to the OCS

In response to the OCS, RMP declines to maintain or audit legacy risk scores alongside the new risk methodology in the 2027–2029 Wildfire Mitigation Plan ("2027

WMP”), arguing that continuing to track replaced metrics would cause confusion. Responding to the OCS’s claims that spending doesn’t align with historical ignition rates (0.2%), RMP notes that its recorded ignition data is not a complete record of all area ignitions. RMP emphasizes that line rebuild investments aim to prevent high-consequence, catastrophic wildfires in FHCAs, not just reduce overall ignition counts. Regarding the OCS’s request for a 90-day extension to review filings, RMP argues that administrative rules (Utah Admin. Code R746-315-3) do not need to be changed because the PSC already has the authority to grant extra time on a case-by-case basis.

Based on the review of the Report and the comments filed by the DPU, the OCS, and RMP, 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. Regarding the OCS’s and the DPU’s recommendations, the PSC agrees with RMP that it does not need to maintain or compare its legacy risk scoring, and a mandated review time does not change since a mechanism exists for extension of the comment period. Both the DPU and the OCS had concerns regarding the approval of mitigation expenditures, proposed mitigation effectiveness and budget. While the concerns are valid, these issues will be addressed in future dockets including the WBA and the 2027 WMP.⁵ RMP has agreed to and the PSC orders RMP to provide confidential GIS mapping files, IADs, PCNs, and standardized spreadsheets in future CCRs. However, the PSC recognizes “[RMP’s] objective is not simply to reduce the number of ignitions, but to reduce overall wildfire risk by lowering both the likelihood of an ignition and the potential consequences should one occur.”⁶ Utah Code § 54-24-201(2)(d) does not make that distinction. Therefore, the PSC orders RMP to provide yearly ignition data for its Utah service area in future CCRs. The PSC’s acknowledgment of the Report does not imply approval of RMP’s current or forecasted WMP budgets, reported overspends, or any submitted but unapproved WMP components.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#347244

⁵ *Rocky Mountain Power’s 2027-2029 Utah Wildland Fire Protection Plan*, Docket No. 26-035-35.

⁶ RMP Reply Comments at 5.