ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

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September 4, 2026

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 Administrator

Re: **Docket No. 25-R318-01**—Proposed Rulemaking Concerning Utah Code §§ 54-26-101 to -901, Large-Scale Electric Service Requirements
Docket No. 24-035-43—Division of Public Utilities Request for an Investigatory Docket Regarding Rocky Mountain Power's Line Extension Policy for Large Loads
Rocky Mountain Power Reply Comments

Pursuant to the Public Service Commission of Utah's ("Commission") Notice of Additional Comment Period ("Notice") issued on July 22, 2026, Rocky Mountain Power ("Company") hereby submits for filing its Reply Comments addressing comments from the Division of Public Utilities ("Division") and the Office of Consumer Services ("Office").[1] These Reply Comments are supplemental to the Company's initial comments from August 20, 2026 ("Initial Comments"), which addressed the Commission's questions on specific issues related to proposed amendments to Utah Admin. Code R746-318 (the "Rule").[2] The Company appreciates the thoughtful analysis from the parties in this proceeding, and as detailed below, the Company finds substantial common ground with the Division and the Office while offering clarification on a small number of points.

<u>ROCKY MOUNTAIN POWER'S RESPONSE TO COMMENTS FROM THE PARTIES</u>:

I. DECLARATIONS UNDER R746-318-501(2)(F) AND R746-318-601(2)(D)

A. Response to the Division

The Division's comments reaffirm its June 16, 2026 recommendation that an applicant should obtain the R746-318-601(2)(d) declaration before filing its initial application, so that the declaration accompanies, rather than follows, the application.[3] The Division recognized that its proposal requires the Company and the applicant to work together on the declaration before the

[1] Comments from the Division of Public Utilities, Docket Nos. 24-035-43 and 25-R318-01 (Aug. 20, 2026) ("DPU Comments"); Office of Consumer Services Responsive Comments, Docket No. 25-R318-01 (Aug. 20, 2026) ("OCS Comments").
[2] Rocky Mountain Power Responsive Comments, Docket Nos. 25-R318-01, 24-035-43 (Aug. 20, 2026) ("RMP's Initial Comments").
[3] DPU Comments at 2–3.

application is submitted—possibly even before an executed contract exists—and it expressly invited the Company's input on this point.[4] The Company agrees with the Division's approach and confirms, as stated in its Initial Comments, that it is willing to work with prospective applicants on the declaration prior to contract execution.[5] Requiring the declaration to accompany the initial application avoids the risk the Division identified: that an incomplete application filed without the declaration could jeopardize the 15-day deadline in R746-318-201(1) and create confusion and delay.

On timing, the Division noted that "one week could be enough time for the Company to either issue the Declaration or refuse to do so" and asked that the Company weigh in on what information should be required and how long review should take.[6] The Company's proposal, i.e., that it would issue a declaration within seven business days, aligns with the Division's suggestion; however, the Company clarifies an important distinction: the seven-business-day period should run from the date that the *Company* confirms that it has received complete, necessary documentation and information and that it has completed any necessary site verification.[7]

The Company reiterates that it is neither appropriate nor fair to start the one-week clock from the date of the applicant's initial request. Verifying electrical isolation is not a paper exercise; it depends on stamped engineering drawings, site plans, and, in some cases, a physical site visit. A deadline tied to the initial, unverified request could force the Company to choose between missing a Rule-mandated deadline and rendering a declaration before it has adequate information to confirm isolation. The Company's proposed Exhibit A information form is designed to front-load the information-gathering process so that the seven-business-day clock begins within a reasonable time.

B. Response to the Office

The Company appreciates the Office's agreement that the Commission must retain the ability to require a declaration and that closed private generation systems must be verified as physically disconnected from the grid to prevent reliability and cost-shifting risk.[8] This position is consistent with the Company's opposition to Calpine's and the Utah Association of Energy Users' ("UAE") recommendations to eliminate or outsource that verification.[9]

The Office separately "disagrees" with the Division's proposed time limit, cautioning that a fixed deadline "introduces risk, should it expedite the verification in a way that prevents the utility from ensuring system isolation."[10] The Company shares this concern and believes its proposal directly resolves it: because the Company's seven-business-day period begins only once the Company has confirmed the applicant's submission is complete and any necessary site verification has occurred, the Company's proposed rule can give applicants the process certainty

[4] DPU Comments at 3.
[5] RMP's Initial Comments at 1.
[6] DPU Comments at 3.
[7] *See* RMP's Initial Comments at 2.
[8] OCS Comments at 2.
[9] RMP's Initial Comments at 2.
[10] OCS Comments at 2–3, 5.

the Division is seeking without pressuring the Company into a premature or unreliable isolation determination. The Company respectfully requests that any rule amendment on this topic make clear that the review period is measured from completeness and verification, not from the date of the initial request. This approach ensures that the Office's reliability concern and the Division's interest in timeliness are both satisfied.

II. OATT COMPATIBILITY AND JURISDICTIONAL ISSUES

A. Response to the Division

The Division does not resolve the ultimate jurisdictional question posed by the Office and discussed below. Instead, it favors reserving many of the OATT-related issues for a FERC docket and is "not convinced that Commission Rules need to, or even can, dictate how and when the Company's OATT needs to be updated."[11] The Division specifically opposes adopting Calpine's proposed buy-through language, noting uncertainty about how FERC Order No. 888 applies and declining to recommend that the Commission put buy-through language in the Rule.[12] The Division also observed that Calpine's proposed R746-XX3-2 reads more like a broadly applicable tariff provision than language suited to the Senate Bill 132, Utah Code Ann. 54-26-101, et seq., or the "Act's contract-by-contract framework, and that language addressing "non-discriminatory access to the transmission system" is unnecessary given the existing OATT.[13] The Company agrees with the Division's caution on all of these points and supports the Division's recommendation against adopting Calpine's proposed buy-through and R746-XX3-2 language, for the reasons the Division identifies: these issues are better suited to a FERC docket (or are premised on speculative delays), and the contract-based structure of the Act does not lend itself to broadly applicable tariff-style rule language.[14]

The Division separately noted that Calpine's comments also raise a distribution-access question, i.e., whether Large Load Customers have nondiscriminatory access to the Company's state-jurisdictional distribution system in the same way they do to the transmission system under the OATT.[15] The Division "seeks input from the Company on the issue before such language is proposed."[16] The Company does not believe the statute was intended to provide access to the Company's distribution system besides through a large load service agreement with the Company. The Company notes that open access is available to "connected generation system[s]," which are defined by three criteria, two of which specifically limit the connectivity to the transmission system of a qualified electric utility. The first criterion "is connected to and operates in conjunction with the transmission system of a qualified electric utility";[17] the second is "serves one or more large load customers through connection to the transmission system of a qualified electric utility."[18] The statute allows for a connected generation systems to receive services from the qualified electric utility beyond open access transmission service, which states

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[11] DPU Comments at 5.
[12] *Id.* at 7–8.
[13] *Id.* at 5–6.
[14] *Id.* at 5–8.
[15] *Id.* at 6–7.
[16] *Id.*
[17] Utah Code Ann. § 54-26-101(2)(a).
[18] Utah Code Ann. § 54-26-101(2)(b).

in part that such systems "may receive services from a qualified electric utility only if . . . the system or provider has an agreement with the qualified electric utility as approved by the commission."[19] Section 54-26-505(6) further clarifies that a qualified electric utility, such as the Company acting in its retail service function including the provision of distribution services, "is not required to purchase or accept any power from a connected generation system" and "shall accept power from a connected generation system only as explicitly provided in an agreement that has been approved by the commission." As a result, the Company sees no further need for rulemaking with regards to non-discriminatory access to the Company's state jurisdictional distribution system.

B. Response to the Office

The Office's comments align fully with the Company's position that the Commission lacks jurisdiction to compel changes to the Company's federally regulated OATT.[20] The Office recommends that the Commission reject Calpine's proposal that the Rule require the Company to revise its OATT to align with the Act.[21] The Company agrees and appreciates the Office's independent legal analysis reinforcing the same conclusion reached in the Company's Initial Comments.[22]

The Company clarifies, however, that its position is not simply that the Commission cannot amend the Company's OATT but that it also does not need to. As explained in the Company's Initial Comments, PacifiCorp's OATT already defines "Eligible Customer" to include any retail customer taking unbundled transmission service pursuant to either (i) a state-law requirement that the Company offer the service, or (ii) the Company's voluntary offer of such service.[23] When the Commission's rules implementing the Act require the Company to provide nondiscriminatory delivery of energy from a Connected Generation System, including the unbundled transmission component, the Rule itself functions as the "state requirement" contemplated by the OATT's existing Eligible Customer definition. Large Load Customers become Eligible Customers under the Company's existing OATT by its own terms, with no need for the Commission to reach, remediate, or otherwise act upon the OATT itself. The Company encourages the Office and the Commission to consider this pathway alongside the jurisdictional bar that the Office identified, as it also directly answers Calpine's underlying policy concern that Large Load Customers might otherwise lack a route to transmission access absent an OATT amendment.

III. COSTS FOR EXISTING TRANSMISSION FACILITIES

A. Response to the Division

The Division recommends that applications include a description of how costs for existing transmission facilities will be recovered from the Large Load Customer and, as a possible methodology, suggests approximating what the customer would have paid for existing

[19] Utah Code Ann. § 54-26-505(5)(b).
[20] OCS Comments at 2–3.
[21] *Id.* at 5.
[22] OCS Comments at 3.
[23] RMP's Initial Comments at 3–4 (citing RMP's OATT § 1.12).

transmission had it taken service under Schedule 9, using an approach informed by the 2024 Cost of Service Model ("COSM").[24] The Division candidly acknowledges, however, that "creating a new cost of service model for each added large load under the Act is obviously not feasible" and invites the Company to propose its own method if it disagrees with the Division's approach.[25]

The Company appreciates the Division's thoughtful proposal and agrees that a transparent mechanism for capturing a Large Load Customer's responsibility for existing transmission costs is appropriate and consistent with Utah Code Ann. §§ 54-26-601, -602, and -901(2)(g). For the reasons the Division itself identifies, namely, the impracticality of a new COSM-style study for every large load addition within the Act's 60-day Large Load Service Contract ("LLSC") filing timeline, the Company recommends that the Commission adopt the Company's previously proposed Peak Demand Charge, described in the Company's Initial Comments, as the primary mechanism for this purpose.[26] The Peak Demand Charge is a monthly charge based on the Large Load Customer's actual peak demand, adjusted for power factor, equal to the sum of the Company's currently effective Schedule 1, Schedule 3, and Network Integration Transmission Service rates under PacifiCorp Transmission's OATT, subject to annual true-up so that it continues to reflect current OATT rates over the life of the LLSC.[27] Because it is derived directly from existing, FERC-approved, publicly posted tariff rates, the Peak Demand Charge is self-updating and does not require a new cost study for each large load addition, directly addressing the administrative burden the Division identified. The charge is also distinct from, and in addition to, any CIAC or reservation-type charge recovering incremental costs. This preserves the very distinction between embedded and incremental transmission costs that the Division's comments highlight.[28]

B. Response to OCS

The Office "strongly agrees" that a rule requiring disclosure of existing transmission cost recovery is necessary, offering a detailed statutory analysis distinguishing the Act's treatment of incremental "but for" costs from embedded system costs.[29] The Office agrees that Schedule 9 may provide a reasonable starting point but, recognizing the burden of extensive modeling within the Act's short 60-day timeline, proposes as an alternative, a proxy dollar-per-kilowatt-month rate derived from the customer's contract demand and projected load profile, potentially informed by the 2024 RMP Cost of Service Study ("COSS").[30] The Office ultimately recommends that the Commission direct the Company to lead a collaborative effort with itself, the Division, and other stakeholders to develop a transparent transmission cost allocation framework for future LLSC filings.[31]

The Company appreciates the Office's recognition that the Company "is best suited to developing a more comprehensive method" and its recommendation that the Commission direct

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[24] DPU Comments at 9–10.
[25] RMP's Initial Comments at 4; DPU Comments at 9.
[26] RMP's Initial Comments at 4.
[27] RMP's Initial Comments at 4.
[28] *Id.*; DPU Comments at 9.
[29] OCS Comments at 3–4.
[30] *Id.* at 4.
[31] *Id.* at 4, 5.

such a collaborative effort.[32] However, the Company's Peak Demand Charge proposal is, in substance, already the type of proxy rate the Office describes. Notably, the Peak Demand Charge is grounded in existing tariff rates that already have been vetted by the Commission and FERC, rather than a newly derived COSS-based proxy. For this reason, the Company believes the Peak Demand Charge proposal offers greater transparency and reduces the risk of collateral disputes over how a new proxy metric is derived. If parties determine the Peak Demand Charge requires refinement, the Company is willing to engage collaboratively with the Office, the Division, and other stakeholders to develop further guidance for future LLSC filings.

The Company agrees with the Office's statutory framing that Utah Code Ann. § 54-26-601(4)'s reference to incremental costs, read together with Utah Code Ann. § 54-26-601(3)(a)'s separate identification of transmission system improvements, does not negate a Large Load Customer's obligation to also bear its share of existing, embedded transmission costs, consistent with the Act's cost-allocation mandate.[33] The Peak Demand Charge is designed to fulfill precisely that obligation. Therefore, the Company strongly recommends that the Peak Demand Charge be deemed sufficient and appropriate for determination of transmission cost allocations.

IV. RECOMMENDATIONS

The Company makes the following recommendations, consistent with its Initial Comments:

- *Declarations*: The Company agrees with the Division's recommendation that the R746-318-601(2)(d) declaration accompany the applicant's initial application and confirms its willingness to work with applicants before contract execution. The Company strongly recommends that its proposed seven-business-day review period run from the Company's confirmation of receipt of a complete, verified submission—not from the applicant's initial request. This resolves the Office's concern that a rigid deadline could compromise reliable verification while still giving applicants the timeliness the Division seeks.
- *OATT*: The Company agrees with the Division's recommendation to reject Calpine's proposed buy-through and R746-XX3-2 language. The Company also agrees with the Office's conclusion that the Commission lacks jurisdiction to compel changes to the Company's OATT. Importantly, the Company reiterates that the Act can be fully implemented, including with regard to unbundled transmission access, through the OATT's existing "Eligible Customer" definition and the Commission's undisputed authority over state-jurisdictional distribution and retail contracting.
- *Existing transmission costs*: The Company recommends that the Commission adopt the Company's Peak Demand Charge, which is built from existing, FERC-approved OATT rates and trued up annually, as the primary mechanism for recovering existing transmission costs from Large Load Customers. This approach, the Company recommends, should be used in lieu of a Rule-mandated COSM- or COSS-based methodology.

[32] *Id.* at 4.
[33] OCS Comments at 3–4; Utah Code Ann. § 54-26-602(2).

V. CONCLUSION

The Company appreciates the opportunity to reply to the Division's and the Office's responsive comments and looks forward to continuing to work with the Commission and all parties toward rules that protect Utah ratepayers and provide clarity for current and future large load customers.

Informal inquiries may be directed to Max Backlund at max.backlund@pacificorp.com.

Sincerely,

Jana Saba

Jana Saba
Director, Regulation and Regulatory Affairs

CERTIFICATE OF SERVICE

Docket Nos. 25-R318-01 / 24-035-43

I hereby certify that on September 4, 2026, a true and correct copy of the foregoing was served by electronic mail to the following:

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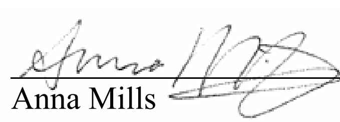

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