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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Artie Powell, Manager
Brenda Salter, Utility Technical Consultant Supervisor
Doug Wheelwright, Utility Technical Consultant Supervisor
Jeff Einfeldt, Utility Technical Consultant

Date: June 13, 2022

Re: **Docket No. 22-035-16**, Rocky Mountain Power's Annual Report of the Pension Asset Settlement Adjustment Balancing Account.

Recommendation (Acknowledge)

The Division of Public Utilities ("Division") recommends the Public Service Commission of Utah ("Commission") acknowledge Rocky Mountain Power's ("RMP") Annual Report of the Pension Asset Settlement Adjustment Balancing Account ("PSABA") for the calendar year 2021.

Issue

RMP filed its annual PSABA for the 2021 year with the Commission on May 13, 2022, in compliance with Commission Order dated November 3, 2021, in Docket No. 21-035-14. The Commission issued an Action Request dated May 16, 2022, directing the Division to review for compliance and make recommendations by June 13, 2022. This memorandum is the Division's response to the action request.

Discussion

During the most recent general rate case, RMP was directed by the Commission to establish a balancing account to true up, on an annual basis, actual Pension Settlement

Division of Public Utilities

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Adjustments with the amount embedded in rates.¹ RMP was ordered to initiate a proceeding to establish a balancing account for pension settlement losses.² Docket No. 21-035-14 was established to create the pension true-up mechanism and reporting procedure.

The Commission Order in Docket No. 21-035-14 confirmed the Pension Settlement Loss amount included in rates of \$11.9 million and approved the true-up mechanism presented by RMP and agreed to by the Division, the Office of Consumer Services, and Utah Association of Energy Users.³

The Utah portion of actual pension settlement loss reported by RMP is \$6,976,223 compared to the amount in rates of \$5,184,769 resulting in a regulatory asset balance of \$1,791,454 as of December 31, 2021. The Excel spreadsheet used in this docket is the same presented and approved in Docket No. 21-035-14 as the mechanism to track and report the differences between actual pension settlement losses and the amounts included in rates. The Division reviewed the calculations in the spreadsheet mechanism and the calculations appear appropriate. The Division also verified the Utah allocation factors used in the pension true-up mechanism, and the \$11.9 million total system pension amount approved in rates pursuant to the Commission Orders in Docket Nos. 20-035-04 and 21-035-14. The Division obtained documentation from RMP supporting the actual total company amount incurred of \$16 million and concludes this amount is reasonable and properly supported.

This report is simple, with the purpose of communicating actual pension settlement loss compared to the amount included in rates, and tracking the regulatory pension asset/(liability). A more in-depth review will be done when rate treatment is requested.

¹ Docket No. 20-035-04, Commission Order, page 32.

² *Ibid*, page 96.

³ Docket No. 21-035-14, Commission Order, pages 8-9.

Conclusion

The Division has reviewed RMP's annual PSABA filing for the year ended December 31, 2021 and finds it in compliance with the Commission Order in Docket No. 21-035-14. The Division recommends the Commission acknowledge RMP's PSABA filing.

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