



SPENCER J. COX  
*Governor*

DEIDRE M. HENDERSON  
*Lieutenant Governor*

## UTAH DEPARTMENT OF COMMERCE

### Division of Public Utilities

MARGARET W. BUSSE  
*Executive Director*

CHRIS PARKER  
*Division Director*

## Action Request Response

**To:** Public Service Commission of Utah

**From:** Utah Division of Public Utilities

Chris Parker, Director  
Brenda Salter, Assistant Director  
Abdinasir Abdulle, Utility Technical Consultant Supervisor  
Jeff Einfeldt, Utility Technical Consultant

**Date:** June 12, 2023

**Re:** **Docket No. 23-035-22**, 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 2022.

## Issue

RMP filed its annual PSABA for the 2022 year with the Commission on May 15, 2023, in compliance with Commission Order in Docket No. 21-035-14. The Commission issued an Action Request dated May 15, 2023, directing the Division to review for compliance and make recommendations by June 14, 2023. 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

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741  
[www.dpu.utah.gov](http://www.dpu.utah.gov) • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

Adjustments with the amount embedded in rates.<sup>1</sup> RMP was ordered to initiate a proceeding to establish a balancing account for pension settlement losses.<sup>2</sup> Docket No. 21-035-14 was established to create the pension true-up mechanism and reporting procedure. The approved true-up mechanism was reviewed and agreed to by the Division, the Office of Consumer Services, and Utah Association of Energy Users.<sup>3</sup> The Commission Order confirmed the Pension Settlement Loss amount included in rates of \$11.9 million.

The total pension settlement loss reported by RMP for the year ending December 31, 2022, is \$24,570,383. Utah's portion of that loss is \$10,760,920 and compared to the Utah portion in rates of \$5,184,769 results in a regulatory asset balance for year-end 2022 of \$5,576,151. The accumulated regulatory asset balance as of December 31, 2022, is \$7,285,053 (including 2021 and 2022).

The Excel spreadsheet used in this docket is the same format 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 discovered an error in the Carrying Charge calculation (line 11 of the spreadsheet). The Carrying Charge credit of \$39,236 should only be \$18,759, resulting in a \$20,567 error understating the pension settlement loss balance at December 31, 2022. The Division informed RMP of the error and its effect. RMP noted the error and recommends correction of the error during next year's filing. Because this annual filing is informational until the next general rate case, the Division finds RMP's recommendation acceptable in this instance.

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.

---

<sup>1</sup> See *Application of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah*, Docket No. 20-035-04, Order issued Dec. 30, 2020, at 32.

<sup>2</sup> *Id.* at 96.

<sup>3</sup> *Application of Rocky Mountain Power to Establish a Balancing Account for Pension Settlement Adjustments*, Docket No. 21-035-14, Order issued Nov. 3, 2021, at 8-9.

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.

## **Conclusion**

The Division reviewed RMP's annual PSABA filing for the year ended December 31, 2022, and finds it in compliance with the Commission Order in Docket No. 21-035-14, with the exception of the error discussed above. The Division recommends the Commission acknowledge RMP's PSABA filing with the commitment by RMP the error will be corrected in the filing for the year ended December 31, 2023.

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