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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of Rocky Mountain Power for Approval of the 2024 Energy Balancing Account

Docket No. 24-035-01

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**RESPONSE OF THE UTAH ASSOCIATION OF ENERGY USERS  
TO ROCKY MOUNTAIN POWER’S REQUEST FOR REVIEW  
OR, IN THE ALTERNATIVE, REHEARING**

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The Utah Association of Energy Users Intervention Group (“UAE”) hereby submits the following response to the Request for Review or, in the Alternative, Rehearing (“Request”) filed by Rocky Mountain Power (“RMP” or “Company”) in this docket. For the reasons set forth below, UAE recommends that the Commission deny the Request.

**INTRODUCTION**

The Commission’s February 25, 2025 Order (“Order”) correctly denied RMP’s request to recover compliance costs associated with the State of Washington’s Climate Commitment Act (“CCA”).<sup>1</sup> The CCA works in combination with other Washington statutes, including the Washington Clean Energy Transformation Act (“CETA”),<sup>2</sup> to limit greenhouse gas emissions from resources located in the State of Washington. CETA is a Washington state-specific initiative with

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<sup>1</sup> Chapter 70A.65 Revised Code of Washington (“RCW”). Provisions of the Revised Code of Washington can be found on the website of the Washington State Legislature: <https://app.leg.wa.gov/rcw/>.

<sup>2</sup> See, e.g., RCW 19.405.

the express legislative purpose of reducing greenhouse gas emissions.<sup>3</sup> The CCA, which is similarly intended to reduce greenhouse gas emissions,<sup>4</sup> establishes a cap and invest program pursuant to which greenhouse gas emissions from generation resources located within Washington are capped at levels established by the Washington legislature.<sup>5</sup> The CCA requires electric utilities to acquire GHG allowances (“Allowances”)<sup>6</sup> to match greenhouse gas emissions from Washington-based generation resources.<sup>7</sup> For utilities subject to CETA, such as the Company, allowances associated with emissions from generation intended to serve Washington retail customers are made available at no cost.<sup>8</sup> An electric utility must purchase allowances for emissions associated with generation intended to serve non-Washington retail customers.<sup>9</sup>

In this docket, the Company requested to recover the costs associated with purchasing Allowances to match production from Chehalis deemed to have served Utah customers. For the reasons set forth below, the Commission properly denied that request.

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<sup>3</sup> See *id.* 19.405.10(1) (“The legislature finds that Washington must address the impacts of climate change by leading the transition to a clean energy economy. One way in which Washington must lead this transition is by transforming its energy supply, modernizing its electricity system, and ensuring that the benefits of this transition are broadly shared throughout the state.”); Request at 8 (“The Company agrees that CETA is a State-Specific Initiative under the 2020 Protocol.”).

<sup>4</sup> See RCW 70A.65.005; Response Testimony of Michael G. Wilding (RMP) at lines 438-439 (“The Washington Legislature passed the Climate Commitment Act to reduce carbon pollution.”).

<sup>5</sup> See RCW 70A.65.060(1) (“[T]o ensure that greenhouse gas emissions are reduced by covered entities consistent with the limits established in RCW 70A.45.020, the [Department of Ecology] must implement a cap on greenhouse gas emissions from covered entities and a program to track, verify, and enforce compliance through the use of compliance instruments.”); RCW 70A.65.020 (setting carbon emission limits).

<sup>6</sup> An “allowance” is “an authorization to emit up to one metric ton of carbon dioxide equivalent.” RCW 70A.65.10(1).

<sup>7</sup> See RCW 70A.65.060; Jan. 22, 2025 Hr’g Tr. at 83:14-84:5.

<sup>8</sup> See RCW 70A.65.120(1) (“The legislature intends by this section to allow all consumer-owned electric utilities and investor-owned electric utilities subject to the requirements of chapter 19.405 RCW, the Washington clean energy transformation act, to be eligible for allowance allocation as provided in this section in order to mitigate the cost burden of the program on electricity customers.”); Washington Admin. Code (“WAC”) 173-446-230(1) (“Allowances will be allocated to qualifying electric utilities for the purposes of mitigating the cost burden of the program based on the cost burden effect of the program. Only electric utilities subject to chapter 19.405 RCW, the Washington Clean Energy Transformation Act, qualify for no cost allowances.”); Jan. 22, 2025 Hr’g Tr. at 110:2-4 (“[T]hose allowances are provided to Washington load because of other portfolio standard laws that exist in Washington.”).

<sup>9</sup> See Jan. 22, 2025 Hr’g Tr. at 83:14-84:5 (RMP witness Michael Wilding discussing CCA allowances).

**I. The CCA Compliance Regime is Akin to a State-Specific Initiative or Portfolio Standard and Such Costs are Appropriately Situs Assigned to Washington**

The 2020 Inter-Jurisdictional Allocation Protocol (“2020 Protocol”)<sup>10</sup> provides guidance for how the costs of CCA compliance should be allocated and, consistent with Section 3.1.2.1 of the 2020 Protocol, CCA compliance costs should be situs assigned to Washington. As the Commission’s Order notes, the costs associated with CCA compliance are not directly addressed in the 2020 Protocol.<sup>11</sup> CCA compliance costs are, however, akin to compliance costs associated with a State-Specific Initiative or a Portfolio Standard, which are situs-assigned to the State that has adopted the Initiative or Standard pursuant to Section 3.1.2.1 of the 2020 Protocol.<sup>12</sup> “State-Specific Initiatives include, but are not limited to, the costs and benefits of incentive programs, net-metering tariffs, feed-in tariffs, capacity standard programs, solar subscription programs, electric vehicle programs, and the acquisition of renewable energy certificates.”<sup>13</sup> A Portfolio Standard is “a law or regulation that requires PacifiCorp to acquire: (a) a particular type of Resource, (b) a particular quantity of Resources, (c) Resources in a prescribed manner or (d) Resources located in a particular geographic area.”<sup>14</sup>

Section 3.1.2.1 addresses the costs and benefits of “Resources” acquired to comply with State-Specific Initiatives and Portfolio Standards. “Resource” is defined to include generation resources and generation output but does not expressly include compliance instruments such as the Allowances required by the CCA.<sup>15</sup> While the 2020 Protocol does not directly address the

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<sup>10</sup> See *Application of RMP for Approval of the 2020 Inter-Jurisdictional Cost Allocation Agreement*, Docket No. 19-035-42, Application (Dec. 3, 2019), Ex. RMPJRS-1 (“2020 Protocol”).

<sup>11</sup> See Order at 23 (“As numerous parties have observed, the 2020 Protocol predates the WA CCA. Unsurprisingly, the 2020 Protocol does not expressly contemplate allocation of a state-imposed cost that is designed to exempt that state’s residents and to burden only out-of-state customers.”).

<sup>12</sup> See 2020 Protocol, Section 3.1.2.1.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*, Appendix A (“Portfolio Standard”).

<sup>15</sup> See *id.*, Appendix A (“Resource”).

CCA, Section 3.1.2.1 provides significant guidance to regulators considering how to appropriately allocate CCA compliance costs. There is no meaningful difference between costs associated with the acquisition of Allowances for CCA compliance and Resource costs incurred to satisfy a Portfolio Standard or incurred for incentive programs or to acquire renewable energy certificates for a State-Specific Initiative. The CCA is akin to a State-Specific Initiative because it seeks to accomplish Washington policy outcomes. After all, the express purpose of the CCA is “to ensure that greenhouse gas emissions are reduced . . . consistent with the limits established” by the Washington legislature.<sup>16</sup> In addition, as noted by UAE witness Kevin Higgins, the CCA compliance scheme “has the functional characteristics of a portfolio standard, in that it attempts to influence the utility’s resource portfolio by selectively increasing the dispatch costs of resources viewed as less desirable, thereby changing the composition of the portfolio’s energy production.”<sup>17</sup>

The CCA is like a State-Specific Initiative for the additional reason that it is structured such that its benefits, including the revenues associated with the sale of emissions allowances and the distribution of no-cost allowances, are allocated only to the State of Washington. RMP admits that the no-cost allowances created by the CCA for Washington customers “are assigned consistent as a state-specific initiative under 3.1.2.1 under the . . . 2020 Protocol.”<sup>18</sup> Since the CCA ensures that its benefits are allocated only to Washington customers, the costs of CCA compliance should also be allocated to Washington. The costs of the CCA, including the direct cost of purchasing

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<sup>16</sup> RCW 70A.65.060(1). *See* Direct Testimony of K. Higgins at 6:142-145 (noting that the CCA “has the functional characteristics of a portfolio standard, in that it attempts to influence the utility’s resource portfolio by selectively increasing the dispatch costs of resources viewed as less desirable, thereby changing the composition of the portfolio’s energy production.”).

<sup>17</sup> Direct Testimony of K. Higgins at 6:142-145 (noting that the CCA “has the functional characteristics of a portfolio standard, in that it attempts to influence the utility’s resource portfolio by selectively increasing the dispatch costs of resources viewed as less desirable, thereby changing the composition of the portfolio’s energy production.”).

<sup>18</sup> Jan. 22, 2025 Hr’g Tr. at 89:25-90:4 (quoting DPU Exhibit 2.4 R (RMP Response to DPU Data Request 11.2(b))).

the allowances and the increased costs of resource dispatch associated with those purchases, should also be assigned to Washington and should not be allocated to Utah customers.

The Commission should reject RMP's argument that Section 3.1.2.1 is wholly inapplicable to the allocation of CCA compliance costs. RMP argues at length that Section 3.1.2.1 does not control in this instance because it requires situs assignment only of the cost of acquiring generation "Resources" and that CCA Allowances are not "Resources."<sup>19</sup> While Section 3.1.2.1 does not directly address the allocation of CCA compliance costs because they are not "Resources," the purpose and structure of the CCA are more akin to the types of programs that qualify as State-Specific Initiatives and Resource Portfolios than any other provision of the 2020 Protocol.<sup>20</sup>

The 2020 Protocol contemplates that issues not contemplated by the parties at the time of execution may arise that require each state regulatory commission to "consider the effect of changes in laws, regulations, or circumstances on inter-jurisdictional allocation policies and procedures when determining fair, just, and reasonable rates."<sup>21</sup> As such, it is appropriate for the Commission to use the 2020 Protocol as a guide in determining how the CCA compliance costs should be allocated and in determining that Section 3.1.2.1 provides the strongest guidance for that determination. For the same reasons as the Commission articulated in its Order, the public utility regulatory commissions in Oregon, Idaho, and Wyoming have each denied the Company's request to recover CCA compliance costs from ratepayers in those states.<sup>22</sup> This lends credence to the Commission's conclusion that, had the CCA had existed when the parties entered into the 2020 Protocol, a proposal that would have "required system-allocation of the policy's costs and situs-

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<sup>19</sup> See Request for Review at 3-9.

<sup>20</sup> As set forth in Section II, below, the structure of the CCA prevents a finding that CCA compliance costs are either a generation-related dispatch cost or a tax pursuant to Section 3.1.7, as RMP would prefer.

<sup>21</sup> 2020 Protocol, Section I (lines 51-52).

<sup>22</sup> See Order at 22.

allocation of its benefits, stakeholders in other states would doubtless have objected to the disparity and no other state's commission could have reasonably approved it.”<sup>23</sup>

The principles articulated in the 2020 Protocol support the Commission's finding that the CCA is akin to a State-Specific Initiative and that the costs of CCA compliance should be situs assigned to Washington.

## **II. CCA Compliance Costs Cannot be System-Allocated Pursuant to Section 3.1.7 of the 2020 Protocol**

RMP's argument that the CCA compliance costs should be treated like a generation tax or dispatch cost pursuant to Section 3.1.7 must be rejected because Washington law prohibits RMP from system-allocating the costs and the benefits of the CCA. RMP has claimed that CCA compliance costs are a generation or fuel tax, like the Wyoming wind tax or coal-fuel taxes, or constitute a generation dispatch cost, both of which are allocated by the SG factor pursuant to Section 3.1.7.<sup>24</sup> At the hearing DPU introduced DPU Cross Exhibit 1, which is a federal statute that expressly forbids discriminatory taxes on the generation of electricity. The statute, 15 U.S.C. § 391, states as follows:

No state, or political subdivision thereof, may impose or assess a tax on or with respect to the generation or transmission of electricity which discriminates against out of State manufacturers, producers, wholesaler, retailers, or consumers of that electricity. For purposes of this section a tax is discriminatory if it results, either directly or indirectly, in a greater tax burden on electricity which is generated and transmitted in interstate commerce than on electricity which is generated and transmitted in intrastate commerce.<sup>25</sup>

As this statute plainly states, discriminatory generation taxes are unlawful. If the CCA is a generation tax, then it is unlawful and the Commission should shield Utah ratepayers from paying this unlawful tax.

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<sup>23</sup> *Id.* at 23.

<sup>24</sup> *See, e.g.*, Response Testimony of Michael G. Wilding at lines 472-498; Jan. 22, 2025 Hr'g. Tr. at

<sup>25</sup> 15 U.S.C. § 1591.

RMP’s argument that the CCA compliance costs should be treated as a “generation-related dispatch cost”<sup>26</sup> must also be rejected because the CCA itself forbids it. The CCA is structured so that the costs of the cap-and-invest program are borne only by out-of-state customers and that Washington customers are shielded from those costs.<sup>27</sup> The CCA compliance costs cannot, therefore, be system-allocated. While RMP points to Section 3.1.7 in support of its claim, its actual argument is that the costs of CCA compliance should be borne by all customers *other than* Washington customers.<sup>28</sup> The CCA compliance costs cannot constitute a “generation-related dispatch cost” because Washington customers are shielded by Washington law from paying that cost. RMP’s argument that CCA compliance costs are generation-related Chehalis dispatch costs and that the Order impermissibly disconnects the allocation of Chehalis costs and benefits<sup>29</sup> simply ignores the fact that Washington customers do not pay the costs of what RMP attempts to characterize as a dispatch cost. If CCA compliance costs were simply a cost of dispatching Chehalis, customers in all states would pay it. The fact that Washington customers do not pay CCA compliance costs eliminates it as a dispatch cost because it is not incurred to serve the entire system and RMP cannot allocate the cost to all customers pursuant to the SG factor as required by Section 3.1.7. Section 3.1.7 does not control and is not applicable.

For the reasons set forth in Section I, above, the CCA compliance requirements are akin to a State-Specific Initiative or a Portfolio Standard and the compliance costs should be situs assigned consistent with Section 3.1.2.1.

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<sup>26</sup> See Request for Review at 3-9.

<sup>27</sup> See Jan. 22, 2025 Hr’g Tr. at 136:10-137:1 (RMP witness M. Wilding testifying that no-cost allowances are situs assigned to Washington customers and CCA compliance costs are system assigned).

<sup>28</sup> See Jan. 22, 2025 Hr’g Tr. at 101:14-110:16; 123:21-129:22 (RMP witness M. Wilding explaining that RMP allocates to Utah more than its SG-allocated share of the costs of CCA compliance because the CCA forbids RMP from allocating to Washington any amount of those costs).

<sup>29</sup> Request for Review at 9-12.

### III. The Dormant Commerce Clause in Inapplicable

The dormant commerce clause bars state action that discriminates in favor of interests or entities in one state over substantially similar entities in other states and, because the Order does not run afoul of this principle, the clause does not apply here. “The Commerce Clause provides that ‘[t]he Congress shall have Power . . . [t]o regulate Commerce . . . among the several States.’” Art. 1, § 8, cl. 3.<sup>30</sup> The Commerce Clause “has long been understood to have a ‘negative’ aspect that denies the States the power unjustifiably to discriminate against or burden the interstate flow of articles of commerce.”<sup>31</sup> “[T]he first step in analyzing any law subject to judicial scrutiny under the negative Commerce Clause is to determine whether it regulates evenhandedly with only ‘incidental’ effects on interstate commerce, or discriminates against interstate commerce.”<sup>32</sup> “Discrimination” as used in this context “means differential treatment of in-state and out-of-state economic interests that benefits the former and burdens the latter.”<sup>33</sup> Application of the dormant Commerce Clause “is driven by concern about economic protectionism, that is, regulatory measures designed to benefit in-state economic interests by burdening out-of-state competitors.”<sup>34</sup>

Discrimination under the dormant Commerce Clause exists only when the in-state and out-of-state economic interests at issue are substantially similar and compete in the same markets. “Conceptually, of course, any notion of discrimination assumes a comparison of substantially similar entities.”<sup>35</sup> “[I]n the absence of actual or prospective competition between the supposedly favored and disfavored entities in a single market there can be no local preference . . . to which the dormant commerce clause may apply. The dormant Commerce Clause protects markets and

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<sup>30</sup> *Oregon Waste Sys., Inc. v. Dept. of Envtl. Quality of State of Or.*, 511 U.S. 93, 98 (1994).

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 99 (internal quotation marks omitted).

<sup>33</sup> *Id.*

<sup>34</sup> *Dept. of Revenue of Ky. v. Davis*, 553 U.S. 328, 337-338 (2008)

<sup>35</sup> *General Motors Corp. v. Tracy*, 519 U.S. 278, 298 (1997).



participants in markets, not taxpayers as such.”<sup>36</sup> Courts have routinely refused to apply the dormant Commerce Clause to invalidate State actions that do not favor one similarly-situated competitor over another.<sup>37</sup>

The Commission should reject RMP’s dormant Commerce Clause argument because the in-state interests allegedly favored by the Commission’s Order (captive Utah ratepayers of the Company) and the allegedly disfavored entity (the Company) are not competitors and are not “substantially similar entities.” RMP argues that the Order discriminates in favor of Utah ratepayers and against the Company, an entity that provides interstate services.<sup>38</sup> The Company articulates its concerns as follows:

The result of the Commission’s decision is to protect Utah consumers from added costs in their rates, while leaving the Company unable to recover approximately \$19.4 million in legal compliance costs it cannot avoid. In this way, the Order, through its interpretation of the 2020 Protocol, converts the protocol from a reasonable cost allocation methodology into a means of discriminating against the Company as an interstate electric utility.<sup>39</sup>

RMP’s argument fails to identify discrimination of any kind, let alone discrimination that the dormant Commerce Clause jurisprudence is intended to avoid.

First, RMP fails to point to any discriminatory act to which the dormant Commerce Clause could apply. As noted above, “discrimination” in this context “means differential treatment of in-

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<sup>36</sup> *Id.* at 300.

<sup>37</sup> *See, e.g., Dept. of Revenue of Ky.*, 553 U.S. at 342-343 (ruling dormant Commerce Clause does not bar Kentucky law exempting interest on bonds issued by State from income tax but imposing tax on bonds issue by private entities, stating that “[t]here is no forbidden discrimination because Kentucky, as a public entity, does not have to treat itself as being ‘substantially similar’ to the other bond issuers in the market.”); *United Haulers Ass’n, Inc. v. Oneida-Herkimer Solid Waste Management Authority*, 550 U.S. 330, 342 (2007) (ruling that dormant commerce clause did not invalidate ordinances requiring that solid waste be delivered to public waste processing facility to the detriment of private facilities because “[l]aws favoring local government . . . may be directed toward any number of legitimate goals unrelated to protectionism.”); *Tracy*, 519 U.S. at 298 (ruling that Ohio law exempting public utility from state and local taxes while imposing such taxes on independent marketers does not violate the dormant commerce clause).

<sup>38</sup> Request for Review at 12-15.

<sup>39</sup> *Id.* at 13.

state and out-of-state economic interests that benefits the former and burdens the latter.”<sup>40</sup> The Commission’s Order does not result in differential treatment of public utilities operating in Utah that are subject to the CCA or any similar regime. RMP identifies no entity for whom the Commission has permitted recovery of CCA compliance costs in public utility rates. The Commission’s ruling applies only to the Company,<sup>41</sup> so there is no differential outcome that could constitute a discriminatory act.<sup>42</sup> An adjudicatory order issued by a state regulatory body that grants relief to one party or interest before it at the expense of another party does not constitute “discrimination” that implicates the dormant Commerce Clause. RMP’s articulation of the in-state (ratepayers) vs. out-of-state (utility) interests here could be applied to any Commission decision that RMP claims benefits Utah ratepayers to the detriment of RMP. Every time the Commission issues an order disallowing cost recovery to RMP, that order favors Utah ratepayers to the detriment of RMP. If such an order constituted “discrimination” under the dormant Commerce Clause, then the Commission would be barred from regulating RMP’s rates. The Company’s status as an interstate actor does not—through the application of the dormant Commerce Clause—shield it from regulatory outcomes it does not like.

Second, Utah ratepayers and the Company are neither competitors nor substantially similar entities, and no State action could discriminate in favor of one or the other in a way that would implicate the dormant Commerce Clause. As noted above, “[t]he dormant Commerce Clause protects markets and participants in markets,” and “in the absence of actual or prospective competition between the supposedly favored and disfavored entities in a single market there can

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<sup>40</sup> *Oregon Waste Sys., Inc.*, 511 U.S. at 98.

<sup>41</sup> See Utah Code § 54-7-15(4)(a) (“An order of the commission, including a decision on rehearing: has effect only with respect to a public utility that is an actual party to the proceeding in which the order is rendered.”)

<sup>42</sup> As set forth below, even if the Commission barred RMP from recovering CCA compliance costs and separately permitted another public utility to recover such costs, such an outcome would not be “discrimination” under the dormant Commerce Clause because monopoly public utilities serve captive ratepayers and do not compete in a market.

be no local preference . . . to which the dormant commerce clause may apply.”<sup>43</sup> The Company is a monopoly public utility that provides retail electric service to captive Utah ratepayers.<sup>44</sup> There is no market competition between a public utility and its ratepayers and no Commission decision in favor of one or the other can constitute discrimination barred by the dormant Commerce Clause. RMP’s claim that the Commission’s Order gives “Utah consumers an advantage to the detriment of the provision of interstate electricity by the Company”<sup>45</sup> does not articulate a viable dormant Commerce Clause claim.

Third, the Company’s attempt to frame the issue as one in which the Commission burdens the Company’s sale of “Chehalis power in interstate commerce to Utah customers” misstates the Commission’s Order. The Commission did not bar the Company from recovering the costs of operating Chehalis. On the contrary, the Commission allowed the Company to recover all costs of operating Chehalis. The Commission declined to allow recovery of the \$19,413,361 the Company incurred to purchase CCA Allowances. The issue here is not Chehalis, it is the costs of CCA compliance, which do not implicate interstate commerce. The Company asks Utah customers to pay for a product—CCA Allowances—that are created by a Washington law, sold at auction in Washington, and retired in Washington to satisfy a Washington policy to reduce greenhouse gas emissions to levels set by the Washington Legislature. The Allowances themselves do not enter the interstate stream of commerce. In adopting the CCA, the Washington Legislature has imposed the Allowance requirement for energy exported from Washington to Utah.

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<sup>43</sup> *Tracy*, 519 U.S. at 300.

<sup>44</sup> The grant of a monopoly service territory to a public utility to the exclusion of all other potential entities that may serve that service territory affects interstate commerce, but not in a way that could implicate the dormant Commerce Clause. *See United Haulers Ass’n, Inc.*, 550 U.S. at 342-343 (noting that “government is vested with the responsibility of protecting the health, safety, and welfare of its citizens,” which permits certain State actions despite potential effects on interstate commerce.); *Tracy*, 519 U.S. at 313 (SCALIA, J. concurring) (“Nothing in this Court’s negative Commerce Clause jurisprudence” compels the conclusion “that private marketers engaged in the sale of natural gas are similarly situated to public utility companies”).

<sup>45</sup> Request for Review at 14.

The Commission has approved cost recovery for the exported energy, which does travel in interstate commerce. The Commission has declined cost recovery for the Allowances, which do not travel in interstate commerce.

The dormant Commerce Clause does not apply and RMP's dormant Commerce Clause argument should be rejected.

#### **IV. RMP's Alternative Request for the Commission to Remove Chehalis from Utah Rates is Procedurally Inappropriate and Should be Rejected**

RMP's request that the Commission remove Chehalis from Utah rates if it does not reverse its Order is made for the first time in its Request for Review, is procedurally inappropriate, and should be rejected. Utah Code section 54-7-15 permits a party to apply for review or rehearing of "any matters determined in the action or proceeding."<sup>46</sup> The question of whether Chehalis power should be included in Utah rates is not a matter that was determined in this proceeding. Such a determination, which would affect base energy balancing account costs and base rates, may only be made in a general rate case.<sup>47</sup> This docket adjudicates RMP's annual request for a "reconciliation of the energy balancing account . . . with actual costs and revenue incurred by the electrical corporation."<sup>48</sup> Annual EBA reconciliation dockets like this one cannot and do not set base EBA costs or base rates.

RMP's request to remove Chehalis from Utah rates necessarily requires a modification of base EBA costs and base rates, which are not the subject of this proceeding. Removal of all costs associated with Chehalis would require an adjustment to net power costs, labor and expense, fuel

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<sup>46</sup> Utah Code § 54-7-15(2)(a).

<sup>47</sup> See Utah Code § 54-7-12(2) (requiring "complete filing" for general rate case to modify base rates); *Id.* § 54-7-13.5(2)(f)(ii) (requiring that base EBA costs "be incorporated into base rates in an appropriate commission proceeding"); *Office of Consumer Services v. PSC*, 2019 UT 26, ¶4, 445 P.3d 464, 466 ("In a general rate case the Commission estimates what it will cost PacifiCorp to provide electricity to customers. That estimate becomes the utility's 'base rate.' Included in the base rate is a projected estimate of PacifiCorp's net power costs." (citation omitted)).

<sup>48</sup> Utah Code § 54-7-13.5(2)(c)(ii).

costs, rate base, and more. RMP did not request the removal of Chehalis from Utah rates in its application in this docket, that issue was not litigated by the parties, and such a request could not have been made in this docket in the first instance. This EBA reconciliation docket is not the appropriate venue to request a modification of such rate components, and such a request certainly should not be granted when made for the first time in the context of a Request for Review, which is limited to the “matters determined in the action or proceeding.”<sup>49</sup>

This Commission should reject RMP’s request to remove Chehalis costs from Utah rates.

### **CONCLUSION**

For the reasons set forth above, RMP’s Request for Review should be denied.

DATED this 11<sup>th</sup> day of April 2025.

Respectfully submitted,

By:



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Phillip J. Russell  
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*Attorneys for UAE*

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<sup>49</sup> Utah Code § 54-7-15(2)(a).

Certificate of Service  
**Docket No. 24-035-01**

I hereby certify that a true and correct copy of the foregoing was served by email this 11th day of April 2025 on the following:

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