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Comments

To: Public Service Commission of Utah
From: Utah Division of Public Utilities
 Chris Parker, Director
 Brenda Salter, Assistant Director
 Doug Wheelwright, Utility Technical Consultant Supervisor
 Gary Smith, Utility Technical Consultant
Date: December 19, 2025
Re: **Docket No. 24-035-10, Investigation, Re: Open Market Operations.**

Introduction

On December 9, 2025, the Public Service Commission (Commission) issued its Order to File Comments or Status Report to the Division of Public Utilities (DPU or Division) on its efforts with Rocky Mountain Power (RMP or Company) to develop reports that document the purpose of the Company's market transactions and provide adequate information for review in regulatory proceedings. The following is the Division's comments to the Commission on these efforts and its recommendations.

Background

On February 23, 2024, the Commission issued its Order in Docket No. 23-035-01, RMP's Application for Approval of the 2023 Energy Balancing Account (EBA). In that Order, the Commission stated that:

The PSC recognizes DPU's inability to conduct an informed review of RMP's individual trading decisions is a genuine problem, especially when RMP enters trades at prices that are unusually high. The PSC intends to notice a technical conference, in a separate docket, during which RMP will



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present information about making trades under unusual market conditions and explain what additional information it could provide to justify the trades later in a regulatory proceeding.¹

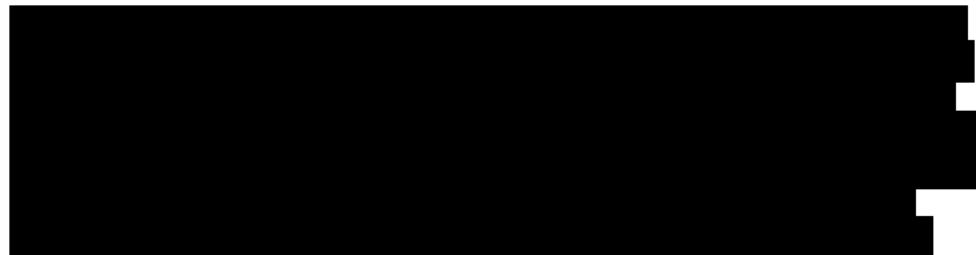
On April 2, 2024, as directed by the Commission, the Company presented information at a technical conference and discussed proposed documentation enhancements for future EBA audits. These enhancements would provide the Company's reasoning underlying its market purchases and include the following documentation:

- Additions to commercial objectives
- Monthly front office strategy meeting minutes
- Volumes beyond P50 position report
- Changes made will first appear in 2024 EBA filed in 2025.²

During this technical conference the Company and the Division expressed the need to explore and develop the details of mechanisms to allow regulators the ability to review RMP's market transactions.

On April 4, 2024, the Commission filed the first of three orders in this docket requesting a report on the progress of the Company and Division's efforts. On December 19, 2024, the Company and the Division filed a combined status report providing the progress made in developing enhanced reporting of market transactions. In this report the Company mentioned the Division's outstanding concerns that they were engaged in addressing.

In response to the Division's outstanding concerns, the Company provided the following in correspondence to the Division:



¹ *Application of RMP for Approval of the 2023 Energy Balancing Account*, Docket No. 23-035-01, Order (Feb. 23, 2024) at 19-20.

² RMP's Presentation for the Apr. 2, 2024 Technical Conference at 11.

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On September 25, 2025, RMP submitted its most recent status report, representing the DPU is reviewing information RMP had provided and that DPU would file comments in this docket in the coming weeks.

After its September 25, 2025 report, the Company held a technical conference on October 29, 2025, in which it presented the Company's changes to its risk management and hedging program and policy. The Division has also been involved in discussions, technical conferences, and instructions on the Company's entrance into the Extended Day-Ahead Market (EDAM).

The Division and the Company have communicated and worked to develop enhanced reporting, including changes to existing commercial objectives reports to better document the reasoning underlying its market transactions. The Division appreciates the Company's efforts and assistance.

Although the Company anticipated that changes would first appear in 2024 and be reflected in the 2025 EBA filing, the 2026 EBA filing will be the first regulatory proceeding in which the Division will have the opportunity to more fully evaluate the effectiveness of RMP's enhanced reporting. Additionally, it is unclear how the Company's changes to its hedging policy and procedures will impact the Division's ability to effectively review the Company's market transactions, and whether further modifications to the Company's reporting may be

³ Rocky Mountain Power's Draft Status Letter (Mar. 28, 2025).

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warranted. Additionally, the Company's entry into the EDAM may also create an additional level of complexity in reporting.

Recommendation

Generally, the Division is comfortable with the format of the Company's updated Commercial Objectives Reports (COR) that it has provided so far. The combination of quarter-specific plans, and the detailed notes of what the traders did (and were looking to do, at least on the power side) each day as a standard practice for CORs is acceptable. However, this is qualified by further review of additional actual deals and the details of those deals. The Division is also comfortable with the general form of the contemporaneous support documentation provided so far. The Division is also relying on the commitment of the Company provided on April 2, 2024, to provide:

- Additions to commercial objectives
- Monthly front office strategy meeting minutes
- Volumes beyond P50 position report.⁴

However, as the Company's market involvement continues to evolve, the Division is challenged with understanding and evaluating its market transactions. It is like a home that is constantly under construction, requiring its home inspectors to review its progress with perpetual blueprint revisions. Due to the nature of the current changes the Company is anticipating (and making), and the regulatory lag of prudence reviews, the Division recommends that the Commission consider requiring the Company to submit an annual filing to the Commission which details its current market transaction report forms used in its market activities along with a presentation from the Company to update and address the following:

- The Company's view of market instruments.
- Available market products (including typical tenors and effective transaction periods, market trading locations, product type i.e. index vs fixed).

⁴ RMP's Presentation for the Apr. 2, 2024 Technical Conference at 11.

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- How the universe of counterparties is evolving (this would include the types of entities they are seeing more or less of, etc.).
- An update on the market requirements of the PacifiCorp system, including information on resource adequacy needs and situs requirements.
- The Company's experience of interacting with market organizations (including measured benefits), the obligations associated with its market participation, and changes (actual or anticipated) in its market participation.
- Modifications (actual or anticipated) to its policies, procedures, and reporting.

In addition, the Company could request a list of additional items from the participants in advance of a presentation. It would also be helpful to allow questions and replies.

The Division believes it would be effective to consider the related, already established schedules, including the EBA, when establishing the time for this proposed filing and presentation. The Commission may wish to set the timing of this filing for the 1st quarter of each year as this tends to be a period of reduced EBA activity.

Enclosure: 24-035-10 – CONF Attachment 1

cc: Max Backlund, Rocky Mountain Power
Jana Saba, Rocky Mountain Power