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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

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Action Request Response

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
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Jeff Einfeldt, Utility Technical Consultant

Date: February 6, 2024

Re: **Docket No. 24-035-T02**, In the matter of Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 300, Regulation Charges.

Recommendation (Approve Tariff Sheets)

The Division of Public Utilities ("Division") recommends the Public Service Commission of Utah ("Commission") approve Rocky Mountain Power's ("RMP") proposed changes to tariff 300 revising the carrying charge from 4.57 percent to 5.34 percent, with an effective date of April 1, 2024.

Issue

RMP filed revised tariff sheets on January 29, 2024, to implement the annual change to the carrying charge. The Commission issued an action request to the Division with a due date of February 12, 2024. This memorandum represents the Division's response to the action request.

Discussion

In response to the Commission's action request, the Division reviewed the filing and determined the proposed carrying charge of 5.34 percent was correctly calculated pursuant to the Commission's Order.¹

¹ Docket No. 15-035-69, January 20, 2016.

The carrying charge increase of .77 percent is a result of the Federal Reserve's continued interest rate increases over the past year with the intent to slow inflation in the economy. The Federal Reserve's current interest rate policies have resulted in an increase in Aaa and Baa published rates, albeit those increases have been smaller than interest rate increases in the economy, generally. The increase in the published rates for Aaa and Baa rated bonds directly impacts the calculation of the RMP Tariff 300 carrying charge, resulting in a proposed carrying charge similar to the carrying charge in 2013.

Conclusion

Based on the Division's investigation, the Division finds the proposed carrying charge of 5.34 percent to be just, reasonable, and in the public interest, and recommends the Commission approve RMP's revised Schedule 300, increasing the carrying charge from 4.57 percent to 5.34 percent with an effective date of April 1, 2024.

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