

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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Rocky Mountain Power's Application for  
Approval of the 2025 Energy Balancing  
Account

DOCKET NO. 25-035-01  
ORDER APPROVING INTERIM RATES

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ISSUED: June 30, 2025

**1. Procedural Background**

On May 1, 2025, Rocky Mountain Power (RMP) filed its Application for Approval of the 2025 Energy Balancing Account ("Application") with the Public Service Commission (PSC). The Application requests rate recovery of approximately \$471.6 million in deferred energy balancing account costs (the "2024 EBAC").

On May 9, 2025, the PSC held a scheduling conference during which the parties stipulated to a schedule, including a virtual hearing on interim rates on June 13, 2025, and a hearing to consider the PSC's approval of final rates on January 22, 2026.<sup>1</sup> On May 27, 2025, the Division of Public Utilities (DPU) filed comments (the "DPU Comments"), recommending the PSC approve the Application with certain conditions, effective July 1, 2025, on an interim basis and pending its audit. RMP filed reply comments on June 5, 2025 ("RMP Reply Comments"), and no other party submitted comments or reply comments.

The PSC held a virtual hearing on June 13, 2025 to consider RMP's interim rates request, during which RMP and DPU offered testimony. UAE appeared but offered no witness. No other party appeared.

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<sup>1</sup> Scheduling Order and Notice of Hearings issued May 13, 2025.

## **2. The Application and Positions of the Parties**

### **a. The Application**

The Application identifies several causes of the increase in actual net power costs during the 2024 EBA deferral period of January 1, 2024, through December 31, 2024 (the “Deferral Period”), including coal fuel supply constraints resulting in reliance on more expensive replacement power and lower wholesale sales, increased reliance on market power purchases at higher market prices and higher natural gas prices than assumed in base NPC, the coal-to-gas conversion of Jim Bridger Units 1 and 2, decreased hydro generation due to the decommissioning of RMP’s hydro facilities, and an extreme weather event.

The Application includes the following first-time EBA deferral calculations: (1) a credit of approximately \$51K from Schedule No. 60 (“Schedule 60”) revenues related to the Electric Vehicle Infrastructure Program (“EVIP”); (2) a credit associated with Production Tax Credits (PTC) of approximately \$0.4 million from CY2023 to align with the final amount reported in RMP’s 2023 Federal Income Tax Return; and (3) the inclusion of interest expected to accrue through the rate effective period of July 1, 2025, through June 30, 2026. RMP’s request to charge approximately \$36.8 million in interest includes approximately \$12.4 million to reflect the estimated impact of carrying charges during the proposed rate effective period (“Collection Period Interest”). While carrying charges have always accrued during the collection period,

RMP requested this change in order to begin charging the interest through the interim rates collection period instead of recovering it in a subsequent EBA filing.

The Application also includes a revised Tariff Schedule No. 94 ("Schedule 94") with supporting testimony and exhibits. RMP states the proposed rate recovery results in an overall increase to Utah retail customers of approximately \$40.0 million, or 1.6 percent over current rates. RMP represents the Application is consistent with Schedule 94 and seeks a July 1, 2025, interim rate effective date.

b. DPU Comments

DPU comments that, for the first time, the 2024 EBAC includes revenues collected through Schedule 60 from RMP-owned electric vehicle charging infrastructure that began operating in October 2024, which are credited to customers and result in a decrease to EBAC costs. DPU explains the inclusion of Schedule 60 revenues was agreed to under the EVIP in Docket No. 20-035-34.<sup>2</sup>

DPU requests that RMP include in its rebuttal testimony a comparative analysis (including comparative calculations) demonstrating the interest amount related to RMP's interest collection proposal as compared to the interest amount using RMP's current calculation method to allow DPU to more fully evaluate RMP's interest collection proposal. DPU comments that because the carrying charge for the EBA was

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<sup>2</sup> *Application of Rocky Mountain Power for Approval of Electrical Vehicle Infrastructure Program*, Docket No. 20-035-34, Settlement Stipulation filed Nov. 17, 2021, at 8-9.

established in Schedule No. 300, updated annually on April 1, the carrying charge applicable to the EBA would change once during the rate effective (collection) period, and again for a period of three months at an assumed interest rate. While DPU opposes, in principle, the use of estimated numbers to calculate actuals, it states it is unopposed to the inclusion of the Collection Period Interest in the EBA interim rates, provided RMP can demonstrate that such inclusion would not cause any compounding interest or any additional “unnecessary” interest expense accruals. DPU comments that the proposed rate spread, rate design, and billing determinants appear consistent with the method approved in RMP’s 2020 general rate case.

In addition, DPU comments that RMP failed to provide sufficient details or calculations for its \$397,024 Production Tax Credits (PTC) Update adjustment and requests RMP provide additional details and calculations.

Based on RMP’s filing and DPU’s experience with EBA filings and audits, DPU states that RMP has made a *prima facie* showing the proposed interim rate appears consistent with prior years’ filings and is more likely to reflect actual power costs than current base rates. Accordingly, DPU recommends the PSC approve as just, reasonable, and in the public interest, the collection of RMP’s requested \$471,615,308 in deferred NPC on an interim rate basis, from July 1, 2025, through June 30, 2026, including RMP’s proposed Collection Period Interest on the condition that RMP submit

the comparative analysis comparing its interest collection proposal with its current interest collection and calculation method.

c. RMP Reply Comments

In reply comments, RMP included Confidential Attachment A as additional support for the Application's PTC Update adjustment.

RMP explains that, due to the timing of the EBA filings, the Collection Period Interest continues to compound over two full EBA cycles, because the carrying charges during the collection period have rolled over into the following EBA, where they continue to compound until they are included in the request for a subsequent EBA cycle. Therefore, RMP explains its Collection Period Interest proposal will reduce the overall amount in carrying charges accrued to the EBA because the rate will be designed to collect the full balance. Instead of waiting for rebuttal testimony, RMP included Attachment B with its reply comments to provide the comparison DPU requested, demonstrating an estimated \$1.0 million reduction in interest expense. RMP acknowledges the three months of estimated carrying charge will be of minimal consequence to rates.

**3. Discussion, Factual Findings, and Legal Conclusions**

The Utah Code authorizes the PSC to "allow any rate increase or decrease, or a reasonable part of the rate increase or decrease, to take effect on an interim basis,

subject to the [PSC's] right to order a refund or surcharge."<sup>3</sup> To grant a request for interim rates, the PSC must find the utility has made "an adequate *prima facie* showing that: (A) the proposed interim rate appears consistent with prior years' filings; and (B) the interim rate requested is more likely to reflect actual power costs than the current base rates."<sup>4</sup>

Based on our review of the Application and its attachments, the parties' written testimony, and testimony at hearing, the PSC finds the proposed interim rates appear consistent with prior years' filings and that approving RMP's requested interim rates will result in rates that are more likely to reflect actual net power costs than current base rates. Further, on the record before us, we find inclusion of the Collection Period Interest to be just, reasonable, and in the public interest because it will likely result in lower interest costs over time.

#### **4. Order**

The PSC approves an interim rate that facilitates RMP's recovery of the 2024 EBAC reflected in its Application to be collected over 12 months, effective July 1, 2025, through June 30, 2026. RMP's recovery of these costs remains subject to the PSC's authority to order a refund or adjustment until after the parties have fully evaluated and litigated this docket and the PSC has approved final rates.

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<sup>3</sup> Utah Code Ann. § 54-7-13.5(2)(k)(ii)(B).

<sup>4</sup> *Id.*, at § 54-7-13.5(2)(k)(iii).

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DATED at Salt Lake City, Utah, June 30, 2025.

/s/ Michael J. Hammer  
Presiding Officer

Approved and Confirmed June 30, 2025 as the Order of the Public Service  
Commission of Utah.

/s/ Jerry D. Fenn, Chair

/s/ David R. Clark, Commissioner

/s/ John S. Harvey, Ph.D., Commissioner

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#340454

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this written order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 30 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on June 30, 2025, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By Email:

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