

December 31, 2025

VIA ELECTRONIC FILING

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

**RE: Docket No. 25-035-69
Application for a Deferred Accounting Order Regarding the 2026 Inter-
Jurisdictional Allocation Protocol**

Pursuant to Utah Code Ann. § 54-4-23, Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”), submits this application for an accounting order authorizing the Company to record a regulatory asset for the differences in costs and revenues between the 2020 PacifiCorp Inter-Jurisdictional Allocation Protocol (“2020 Protocol”) and the 2026 PacifiCorp Inter-Jurisdictional Allocation Protocol (“2026 Protocol”).

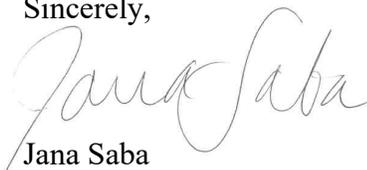
Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): datarequest@pacificorp.com
max.backlund@pacificorp.com
utahdockets@pacificorp.com
ajay.kumar@pacificorp.com
katherine.smith@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Max Backlund, Utah Regulatory Affairs Manager, at max.backlund@pacificorp.com.

Sincerely,



Jana Saba
Director, Regulation and Regulatory Operations

CERTIFICATE OF SERVICE

Docket No. 25-035-69

I hereby certify that on December 31, 2025, a true and correct copy of the foregoing was served by electronic mail to the following:

Utah Office of Consumer Services

Michele Beck mbeck@utah.gov
ocs@utah.gov

Division of Public Utilities

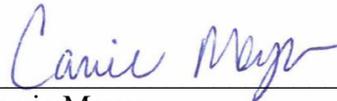
dpudatarequest@utah.gov

Assistant Attorney General

Patricia Schmid pschmid@agutah.gov
Robert Moore rmoore@agutah.gov
Patrick Grecu pgrecu@agutah.gov

Rocky Mountain Power

Data Request Response Center datarequest@pacificorp.com
Jana Saba jana.saba@pacificorp.com
utahdockets@pacificorp.com
Max Backlund max.backlund@pacificorp.com
Ajay Kumar Ajay.kumar@pacificorp.com
Katherine Smith Katherine.smith@pacificorp.com



Carrie Meyer
Manager, Discovery & Regulatory
Operations

with the 2026 Protocol.¹ However, the schedule in Docket No. 25-035-47 extends into 2026, as do the schedules for the concurrent filings in Idaho and Wyoming, and the schedule in Oregon is currently suspended to allow parties an opportunity to explore settlement. To address the transition period from December 31, 2025, until the Commission adopts a new cost allocation methodology in Docket No. 25-035-47 and that methodology is reflected in the Company's base rates, Rocky Mountain Power respectfully requests this deferral to align costs and benefits, and avoid any temporary over- and/or under-allocation of costs due to differing allocation methods.

In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a public utility in the state of Utah and is subject to the jurisdiction of the Commission with regard to its rates and service. Rocky Mountain Power also provides retail electric service in the states of Idaho, Wyoming, California, Oregon, and Washington.

2. Communications regarding this Application should be addressed to:

By e-mail (preferred): datarequest@pacificorp.com
max.backlund@pacificorp.com
utahdockets@pacificorp.com
ajay.kumar@pacificorp.com
katherine.smith@pacificorp.com

By mail: Data Request Response Center
Rocky Mountain Power
825 NE Multnomah St., Suite 2000
Portland, OR 97232

Max Backlund
Rocky Mountain Power
1407 W. North Temple, Suite 310
Salt Lake City, UT 84116
Telephone: (801) 220-3121

¹ *Washington Utilities and Transportation Commission v. PacifiCorp d/b/a Pacific Power & Light Company*, Docket No. UE-250224, Order 08 (Dec. 22, 2025).

I. BACKGROUND

3. The Company provides retail electric service to approximately two million customers in six western states, including Utah. The Company owns substantial generation, transmission, and distribution facilities. Augmented with contracted and wholesale power purchases and long-term transmission contracts, the Company has operated as a single system on an integrated basis to provide service to all customers in a cost-effective manner. The Commission has approved allocation to Utah of system costs under various iterations of allocation methodologies based on load requirements of each state relative to the entire system.

4. The Company's 2020 Protocol identified a framework for changing allocations as States implement energy policies that make it increasingly challenging for the Company to operate and maintain a single resource portfolio for customers across all jurisdictions while meeting its legal obligations in each state.² The Company's 2026 Protocol is an initial phase toward a transition from a cost-allocation methodology that contemplates the operation of a single resource portfolio to a cost-allocation methodology that acknowledges the need for state or regional resource portfolios to meet load obligations on a least-cost basis, while complying with state energy policies and preventing cross-subsidization among jurisdictions. The 2026 Protocol allocation methodology builds off the framework agreed to in the 2020 Protocol.

5. The WUTC's approval of the Washington 2026 Protocol in December 2025 was necessary to meet the requirements of Washington's Clean Energy Transformation Act,³ which prohibited the use of coal-fueled resources to serve customers in Washington starting January 1, 2026. This order, coupled with the schedule in Docket No. 25-035-47, however, creates the

² *In the Matter of the Application of Rocky Mountain Power for Approval of the 2020 Inter-Jurisdictional Cost Allocation Agreement*, Docket No. 19-035-42, Order Approving 2020 Protocol at 9 (Apr. 15, 2020) (approving 2020 Protocol).

³ RCW 19.405.030(1)(a).

potential for temporary over- and/or under- allocation of certain costs until a new allocation methodology is approved in Docket No. 25-035-47 and costs are incorporated into rates. In this application, the Company seeks to track through deferred accounting the temporary differences in costs and revenues resulting from the transition to a new allocation methodology that positions the Company to maintain safe, reliable, and affordable electric service to customers and provides for 100 percent allocation of resources across all states.

II. REQUEST FOR APPROVAL OF ACCOUNTING ORDER

6. In accordance with Utah Code Ann. § 54-4-23, Rocky Mountain Power requests approval of an accounting order that would authorize the recording of a regulatory asset for the differences in costs and revenues allocated to Utah customers under the 2020 Protocol compared to revised allocations of resources under the 2026 Protocol. This deferral will match the costs recovered from Utah customers with the revised allocations of generation resources under the 2026 Protocol, ensuring matching of costs and benefits and that any over-allocation of resources does not result in any potential over-recovery of costs.

A. Description of Utility Expense

7. The primary costs for deferral will relate to changes in the system generation (“SG”) factor calculations for the resource subsets identified in the 2026 Protocol, the reassignment of the Chehalis natural gas generation facility to Washington, and simplification of the formulaic derivation of the system overhead (“SO”) factor.

8. Under the 2020 Protocol, Utah customers are allocated the SG factor share of the Company’s entire resource portfolio. The proposed 2026 Protocol allocates generation resources in a manner to allow the Company to meet its legal obligations in Washington while removing historical over- and under-allocation of costs due to differences between the allocation methods

used in Washington and the Company's other jurisdictions.

B. Reasons for Deferral

9. The Company has proposed a phased approach for transitioning cost allocations to state or regional portfolios to respond to state energy goals while meeting load-obligations on a least-cost basis. The first step in the Company's approach realigns certain resources to address immediate legal requirements in Washington. The WUTC's approval of the new allocation methodology for Washington, starting January 1, 2026, would result in over-allocation and over-recovery of costs associated with the Company's Chehalis generation facility and the under-allocation of costs and benefits from other thermal resources until the new allocation methodology is approved in Utah and incorporated into rates. In this application, the Company seeks to track, through deferred accounting, the differences in costs and revenues resulting from these temporary allocation methodology differences.

10. For example, under the 2026 Protocol, 100 percent of the Chehalis generation facility would be assigned to Washington. With the WUTC's approval of the new allocation methodology, the Company's Washington rates would recover 100 percent of the costs for that resource while the Company's rates in Utah, Oregon, California, Idaho, and Wyoming continue to recover 92 percent of Chehalis costs under current rates. The Company requests deferred accounting to avoid the over- and under-allocations due to different allocation methodologies reflected in rates among the Company's jurisdictions.

11. The costs and revenue for which the Company seeks deferred accounting treatment are likely to be recoverable in a future rate proceeding before the Commission. As discussed in the Company's application in Docket No. 25-035-47, the Company requests deferred accounting to track the costs and revenue that would be allocated to Utah pursuant to the 2026 Protocol until the

2026 Protocol takes effect in the Company's next general rate case.⁴ Moreover, these costs and benefits present a potential material impact to the financial stability of the Company that resulted from unique circumstances that could not have been included in the Company's last general rate case.

12. The Company acknowledges that the Commission's approval of deferred accounting treatment does not constitute a prudence determination or approval for any costs and revenues allocated to Utah under the 2026 Protocol. Recovery of any costs would be subject to a prudence review and a final decision on rate recovery in a future regulatory filing.

C. Proposed Accounting

13. The Company requests to record the deferral in Account 182.3 (Regulatory Assets). The Company seeks to defer the differences in costs between the 2020 Protocol and 2026 Protocol until the 2026 Protocol is approved and incorporated into rates in Utah.

14. The Company estimates that approximately \$15.3 million annually plus interest may be deferred to appropriately match costs and benefits under the revised allocation methodologies.⁵ This account will accrue interest at the Commission-authorized rate for deferred accounts.

III. CONCLUSION

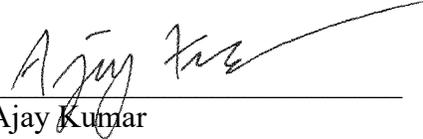
15. WHEREFORE, Rocky Mountain Power respectfully requests an order authorizing it to record a regulatory asset to FERC Account 182.3 (Regulatory Assets) to account for any net amounts associated with the temporary differences in costs and revenues between allocations under the 2020 Protocol and the Company's proposed 2026 Protocol.

⁴ *In the Matter of the Application of Rocky Mountain Power for Approval of the 2026 Inter-Jurisdictional Cost Allocation Protocol*, Docket No. 25-035-47, Application at 8 (filed Aug. 5, 2025).

⁵ This excludes net power costs, which are addressed in other deferred accounting authorizations.

DATED: December 31, 2025

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ajay Kumar", written over a horizontal line.

Ajay Kumar
Katherine Smith

Attorneys for Rocky Mountain Power