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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  
Abdinasir Abdulle, Utility Technical Consultant Supervisor  
Jeff Einfeldt, Utility Technical Consultant  
Tamra Dayley, Utility Analyst

**Date:** February 18, 2025

**Re:** **Docket No. 25-035-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 5.34 percent to 5.40 percent, with an effective date of April 1, 2025.

## Issue

RMP filed revised tariff sheets on February 5, 2025, to implement the annual change to the carrying charge. The Commission issued an action request to the Division with a due date of February 19, 2025. This memorandum represents the Division's response to the action request.



Division of Public Utilities

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## **Discussion**

In response to the Commission's action request, the Division reviewed the filing and determined the proposed carrying charge of 5.40 percent was correctly calculated pursuant to the Commission's Order.<sup>1</sup>

The 2024 bond rates reflect the impact of the Federal Reserve's monetary policy aimed at curbing inflation. While the Fed's interest rate policies led to general increases in borrowing costs, the impact on Aaa-rated and Baa-rated bonds, which are key benchmarks for many financial instruments, was somewhat muted. This resulted in a modest rise in bond yields, reflecting a balance between the need to control inflation and the desire to maintain economic stability. The Aaa and Baa bond rates, which directly influence the RMP Tariff 300 carrying charge calculation, resulted in a .06 percent increase in the carrying charge. The published bond rates increase for Aaa-rated and Baa-rated bonds directly impact the RMP Tariff 300 carrying charge.

## **Conclusion**

Based on the Division's investigation, the Division finds the proposed carrying charge of 5.40 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 5.34 percent to 5.40 percent with an effective date of April 1, 2025.

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

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<sup>1</sup> In the Matter of a Request for Agency Action to Review the Carrying Charges Applied to Various Rocky Mountain Power Account Balances, Docket No. 15-035-69, Order (January 20, 2016).