
Application of Rocky Mountain Power for Approval of a Large-Load Service Contract between PacifiCorp and a Large-Load Customer

DOCKET NO. 26-035-05
ORDER APPROVING SETTLEMENT AND DENYING MOTION FOR ACCESS TO MATERIALS DESIGNATED "REGULATOR ACCESS ONLY"

ISSUED: April 10, 2026

1. Procedural Background.

On February 10, 2026, Rocky Mountain Power (RMP) filed an application ("Application") with the Public Service Commission (PSC) seeking approval of a large-load service contract ("LLSC") between RMP and a large-load customer ("Customer") pursuant to Utah Code Ann. §§ 54-26-101, *et seq.* ("Act") and Utah Admin. Code R746-318 ("Rule"). The Act requires the PSC to issue an order on such requests within 60 days of the filing.¹

The PSC issued a Scheduling Order and Notice of Hearing on February 13, 2026.

The Division of Public Utilities (DPU), Office of Consumer Services (OCS), and Utah Association of Energy Users (UAE)² filed written direct testimony on March 3, 2026. RMP and DPU filed written rebuttal testimony on March 10, 2026.

Additionally, UAE filed a Motion for Access to Materials Marked "Regulator Access Only" ("Motion") on March 10, 2026, requesting the PSC grant UAE's counsel

¹ Utah Code § 54-26-302(4) ("The [PSC] shall approve or disapprove an application submitted under this section within 60 days after the day on which a person files the application.").

² The PSC granted UAE's petition to intervene on March 3, 2026.

and witness unredacted access to certain materials in the Application that RMP designated as “regulator access only.” On March 13, 2026, RMP filed an Objection to UAE’s Motion (“Objection”).

On March 13, 2026, RMP filed a settlement stipulation (“Settlement”) executed by RMP, DPU, and OCS (collectively, the “Settling Parties”) purporting to resolve all issues related to the Application.

On March 17, 2026, the PSC conducted a hearing, as previously noticed in the scheduling order. First, the PSC heard oral argument on UAE’s Motion, which UAE filed one week prior to the hearing.³ Subsequently, RMP, OCS, and DPU each provided testimony in support of the Settlement. UAE represented at hearing that it did not oppose the Settlement but noted it had questions as to whether the Settlement’s accounting treatment would fully insulate other retail customers from associated costs.

On March 19, 2026, the PSC issued a Notice of Decisions on the Motion and on the Settlement, indicating that, based on the arguments and the evidence, the Motion was denied and the Settlement was approved. The PSC also indicated it would later issue this final order to further explain the bases for those decisions.

³ Neither DPU nor OCS elected to take any position on the Motion.

2. The Application.

After receiving a large-scale service request exceeding 100 MW from the Customer, RMP represents it completed a system impact study (“SIS”) and associated designated network load study to determine the necessary infrastructure, costs, and timeline required to accommodate the Customer’s request. Subsequently, RMP and the Customer executed the LLSC on January 20, 2026, pursuant to which RMP will provide electric service to meet all of Customer’s projected electrical requirements at the site. Consistent with Utah Code § 54-26-301(8), RMP filed the LLSC for PSC approval within 15 business days of execution. RMP represents the LLSC complies with all applicable provisions of statute and administrative rule.

Under the LLSC, RMP will provide the Customer more than 100 MW of firm service. RMP will design, construct, install, and operate certain improvements, which RMP will own, lease, or contract for the duration of the LLSC, for the purpose of serving the Customer. Additionally, RMP will procure the generation assets necessary to service the Customer’s load. According to the Application, the delivery facilities have been fully paid for and were completed on or before December 31, 2025, and no network transmission upgrades (distinguishable from interconnection upgrades) are required to provide the Customer’s service.

The Customer will pay multiple forms of consideration under the LLSC, including a fixed-cost component (“Reservation Charges”), a variable-cost component

("Energy Charges"), and applicable surcharges, riders, and taxes. The revenue RMP receives from the Customer's Reservation Charges will be removed from RMP's revenue requirement and net power costs ("NPC"). Additionally, the costs of constructing Customer load facilities, bridging market capacity purchases, incremental generation resources, and RMP's return will be removed from revenue requirement to prevent any existing customers from subsidizing service under the LLSC. RMP represents the Energy Charges will provide opportunities for existing resources to be economically dispatched to meet the Customer's load. The applicable surcharges and taxes are based on their established rates. RMP represents, in total, the LLSC is expected to result in net benefits to other retail customers.

a. Impact of the LLSC on RMP's System.

RMP identified impacts on its system through the SIS, which assessed the impact of then-planned load on the system. RMP's SIS identified necessary interconnection upgrades and assigned all costs directly to the Customer. These costs are subject to future true-up and reimbursement. Upon the initiation of service, RMP will provide a standard meter allowance for the interconnection to be recoverable through the Reservation Charge. The SIS and associated designated network load study found that no further transmission or distribution upgrades were required to provide service to the site. RMP represents it will provide service to the Customer using its Network Integration Transmission Service, the Customer's load will be

designated as a network load using existing transmission rights, and RMP will not incur any additional third-party wheeling costs to serve the Customer. The Application states “[a]ny transmission voltage-related contribution from the Customer can be viewed as a pure cost offset to existing retail customers.”⁴ Under the LLSC, the Customer agrees to pay its proportionate share of any shared facilities costs based on the full amount of its contracted demand.

b. Incremental Costs.

RMP states its other customers will not bear incremental costs of the LLSC; rather, they are expected to benefit from it in several ways. First, RMP contends other customers will benefit from the economic re-dispatch of the system. Second, other customers will benefit from the Customer’s contributions to applicable surcharges and riders. Third, Utah residents and the state will benefit from state and local tax revenue through the contract term.

RMP asserts other customers are properly shielded from any costs and risks associated with the LLSC. For example, in addition to the Reservation and Energy Charges, the Customer will reimburse RMP for all incremental costs of serving the Customer’s load, which the LLSC lists categorically.⁵

⁴ Application at 9.

⁵ Incremental Costs include incremental energy costs used by the Customer facilities, incremental interconnection costs used by the Customer facilities, and incremental capacity-related costs, including costs for offsetting peak demand, ancillary services, supplying reserves, resource adequacy, and resource sufficiency. See *id.*

c. Accounting Methodology.

RMP represents its accounting methodology ensures separate accounting records are kept with sufficient detail to demonstrate that costs will be directly assigned to the Customer. According to RMP, the methodology will protect existing retail customers from subsidizing the Customer's energy, capacity, and transmission costs. RMP represents it will track charges at a granular level and make all pertinent records available for audit and review.

Even though incremental costs will be removed from the NPC calculation, RMP states that, to offset the incremental costs associated with the Customer's energy usage, RMP will apply a credit to the cost of service in each rate case equal to the total forecast Customer Energy Charges against forecast NPC. Similarly, RMP will apply a credit equal to the Customer's actual invoiced Energy Charges against the actual NPC in RMP's annual Energy Balancing Account ("EBA") filings, precluding other customers from bearing any portion of those costs.

RMP "will manage costs associated with capacity and related charges by procuring market energy initially but within two years will procure resources to increase overall system capacity so [it] can reliably serve all customers."⁶ RMP will exclude the costs for these resources from the cost of service and NPC forecasts in general rate cases ("GRCs") and in its annual EBA filing to ensure existing customers

⁶ *Id.* at 10.

will not bear any portion of these incremental costs. RMP represents that the credits will ultimately result in an overall cumulative benefit to existing retail customers. RMP further represents that if payments are insufficient to cover RMP's actual costs, existing customers will be held harmless, and any revenue shortage will remain excluded from the EBA and GRCs.

d. Additional Customer Obligations.

According to the Application, the LLSC imposes additional obligations on the Customer to shield RMP and its other customers from financial and other risks, such as indemnity provisions, insurance coverage, auditable financial requirements, credit assurances, and cost protections in the event expected load characteristics significantly change.

3. The Settlement.

In the Settlement, the Settling Parties agree that the LLSC is just and reasonable, in the public interest, and meets applicable requirements of the Act and Rule. However, “[t]o further clarify the record and resolve uncertainty regarding the accounting treatment of the LLSC in future net power cost, rate case, and system allocation proceedings during the term of the LLSC,” the Settling Parties agree to the following items and conditions:

1. The coincident peak loads and energy usage of the [Customer] will be removed from the calculation of the system energy ... and system generation ... allocation factors.
2. [RMP] shall reduce system net power costs (i.e., prior to allocation among the states [RMP] serves) in each hour by an amount equal to the product of (a) and (b) where (a) is the [Customer's] actual energy consumption for each hour in a calendar year and (b) is for each hour, the hourly value calculated as the average of the locational marginal prices ... reported by the California Independent System Operator ... during the Extended Day-Ahead Market ... run at or near the location of the LLSC load.
3. [RMP] will exclude all costs (e.g., capital, O&M, third-party power purchase agreement, third-party tolling agreements, third-party resource adequacy agreements, energy purchases, fuel, charging energy, imbalance charges, settlements, etc., as each may be applicable) associated with the "Proposed Resources" [as defined at a specific portion of RMP's written testimony] or the interim market purchases [as described in a different, specific portion of RMP's written testimony] from its system cost of service and system net power costs.
4. All other large load costs will be accounted for as described in [RMP's written testimony].⁷

The Settling Parties further agree RMP may not seek to recover costs of any Proposed Resources, as defined in the Settlement, in a future rate case unless the PSC approves the inclusion through a separate proceeding.

The Settling Parties agree that implementation of these conditions will ensure the LLSC results in no net increases in the costs of other customers.

⁷ Settlement at ¶ 12.

4. The PSC Approves the LLSC and Settlement.

a. Legal Standards Governing Settlements and Approval of Large-Load Contracts.

Settlement through negotiated agreement is statutorily encouraged in proceedings before the PSC.⁸ The PSC may approve a settlement, at any stage of the proceeding, provided it finds the settlement is just and reasonable in result, having considered the interests of the public and other affected parties.⁹

The Act requires the PSC to approve a large-load contract provided it finds a preponderance of the evidence shows: (i) the contract complies with the requirements of the Act; (ii) the large-load customer bears all just and reasonable incremental costs attributable to receiving the requested electric service; and (iii) existing ratepayers do not bear costs justly and reasonably attributable to providing electric service for the large-load customer.¹⁰ The PSC's review of a large-load contract is "limited to the [foregoing] requirements" and "does not include review of other contract terms."¹¹

⁸ Utah Code § 54-7-1(1).

⁹ *Id.* at § 54-7-1(3)(d).

¹⁰ *Id.* at § 54-26-302(2).

¹¹ *Id.* at § 54-26-302(3).

- b. The PSC Finds the LLSC Complies with All Requirements of the Act and Rule, the Customer Will Bear All Just and Reasonable Costs of Receiving Service under the LLSC, Existing Ratepayers Will Not Bear Such Costs, and the Settlement is Just and Reasonable in Result.*

To ensure a large-load customer bears all costs associated with its large-load service contract, the Act imposes certain accounting requirements on RMP, including (i) maintaining separate accounting records for all investments, revenues, and expenses associated with providing service to the large-load customer, and (ii) excluding all revenues and incremental costs associated with the large-load customer's service from any rates proposed to the PSC.¹² Further, in any rate proceeding, the Act requires RMP to provide specific and detailed operational data regarding the dispatch of incremental generation resources identified in a large-load contract and any periods during which the large-load customer's load exceeded the dispatch of those resources or vice versa. RMP must also provide "any other information the [PSC] requires to ensure that the costs associated with service to a large load customer are excluded from the rates paid for by retail customers."¹³

The Application summarizes the methodology RMP will utilize to comply with these requirements, including maintaining separate accounting records with sufficient detail to show the costs will be directly assigned to the Customer. RMP represents it will "track all charges at a granular level and will make all records available for audit

¹² *Id.* at § 54-26-602(2).

¹³ *Id.* at § 54-26-602(4)(d).

and review by the [PSC].”¹⁴ As discussed above, RMP commits to appropriately crediting cost of service in future rate cases “equal to the amount of the Energy Charge to be applied to the total forecasted Customer energy charge against the forecasted net power costs” and to “apply a credit equal to the actual Customer invoiced energy charge against the actual net power costs” in future EBA proceedings.¹⁵

After a period during which RMP will purchase energy at market to fulfill the Customer’s load, RMP commits to procure resources to serve the Customer and to exclude the cost in future rate cases and EBA proceedings. As discussed above, the Settlement further clarifies and imposes cost allocation protections to ensure the LLSC results in no net increase to costs for other customers.

RMP, OCS, and DPU all testified the LLSC complies with all requirements of the Act and Rule. No party has argued otherwise, and the PSC has found no deficiency in its review of RMP’s Application and the LLSC. Accordingly, the PSC finds the LLSC satisfies all statutory requirements as well as the requirements of the PSC’s administrative rules.

RMP, OCS, and DPU each represented in the Settlement and individually testified that the Customer will bear all just and reasonable costs attributable to receiving service under the LLSC and that other ratepayers will not bear costs

¹⁴ Application at 10.

¹⁵ *Id.*

properly allocable to the Customer. The Settling Parties buttressed these assurances through numerous specific mechanisms enumerated in the Settlement, as discussed above. Moreover, no party has presented evidence showing that other customers are likely to bear costs associated with RMP's service under the LLSC.

Therefore, we find the Customer will bear all just and reasonable incremental costs associated with its service under the LLSC, and existing customers will not incur costs properly allocable to the Customer.

Finally, having reviewed the Settlement in conjunction with the Application, LLSC, and all parties' testimony, we find the Settlement to be just and reasonable in result. The additional conditions enumerated in the Settlement concerning RMP's accounting and ratemaking treatment of costs associated with the LLSC are entirely consistent with the Act and provide additional assurances that other ratepayers will not incur costs associated with RMP's service to the Customer.

For the foregoing reasons, the LLSC and the Settlement are approved.

5. UAE's Motion is Denied.

While the Act requires RMP to provide detailed information to the PSC to ensure large-load contracts do not shift costs to retail customers, it also recognizes that commercially sensitive information must be protected. The Act states, for

example, that a utility “may not be required to publicly disclose specific revenue information from individual large load customers.”¹⁶

The administrative rules the PSC adopted to implement the Act further protect the confidentiality of information submitted in connection with an application for approval of a large-load contract by creating a category of protection distinct from the “confidential and highly confidential” designation that governs other protected filings with the PSC.¹⁷ Specifically, “[t]o the extent an applicant believes it necessary to restrict access to sensitive information from persons otherwise entitled to review confidential or highly confidential information under Section R746-1-602, the applicant may designate information as regulator access only [(“RAO”).”¹⁸

Information designated as RAO is treated as confidential or highly confidential information “except the categories of persons entitled to receive or review” it is limited to agents of the PSC, DPU, and OCS.¹⁹ A party may challenge an RAO designation by filing a motion and proposing alternative protections, such as restricting access to those who execute a non-disclosure agreement.²⁰ When a party challenges an RAO designation, provided it has proposed reasonable alternative protections, the party designating the information as RAO bears the burden of

¹⁶ Utah Code § 54-26-602(5).

¹⁷ See Utah Admin. Code R746-1-602.

¹⁸ *Id.* at R746-318-103(2).

¹⁹ *Id.* at R746-318-103(4)-(5).

²⁰ *Id.* at R746-318-103(6)(a).

demonstrating that access to the information could be used to its competitive disadvantage.

However, “[a] rebuttable presumption exists that the following categories of information are commercially sensitive and appropriately designated [RAO]: credit terms, pricing terms, and other commercial terms related to implementing pricing and credit terms.”²¹

Here, UAE argues it requires access to information RMP designated as RAO to analyze whether “all large load incremental costs [under the LLSC] are allocated to and paid by the large load customer.”²² UAE emphasizes it “does not intend to suggest that RMP seeks to have the costs associated with its service to the [Customer] subsidized by other customers[,] [r]ather UAE accepts that RMP seeks to avoid that outcome.”²³ UAE contends, nonetheless, that access to information RMP designated as RAO is necessary to allow UAE “meaningful participation in this docket.”²⁴

UAE takes no position on the Application or underlying LLSC.²⁵ However, UAE complains that it could not fully evaluate the Settlement’s proposed accounting mechanism to ensure costs will not be shifted to other ratepayers because it did not have access to the information designated as RAO.

²¹ *Id.* at R746-318-103(7).

²² Motion at 2.

²³ *Id.* at 5.

²⁴ *Id.*

²⁵ *See, e.g.,* Hr’g Tr. at 94:14-15.

In its Objection to the Motion, RMP contends it properly designated the information as RAO because it contains commercially sensitive information, including pricing, implementation of pricing terms, as well as the contract term. RMP argues that allowing UAE to access this information could result in RMP's competitive disadvantage and cannot be cured through a non-disclosure agreement. RMP emphasized that it conferred with UAE, and UAE had simply failed, in RMP's view, to identify a legitimate need for access to the information RMP designated RAO.

At hearing, RMP argued that the RAO materials could be analyzed in conjunction with other available information to infer or otherwise derive highly sensitive pricing and other proprietary information. While a non-disclosure agreement provision might offer sufficient protection in other cases, RMP contends the peculiar sensitivities in this specific case warrant limiting access only to regulators. RMP further underscored that it is a competitor in the large-load service market, and requiring RMP to divulge sensitive information in this proceeding may negatively impact RMP's business in the future.

As an initial matter, UAE filed its Motion on March 10, 2026, one week before the hearing.²⁶ UAE did not request expedited treatment or an in camera hearing on the Motion. As noted above, the PSC's consideration of the Application is extremely time sensitive because the Act requires the PSC to issue an order on an application for

²⁶ The PSC set the matter for hearing on March 17, 2026 in its Scheduling Order and Notice of Hearing issued February 13, 2026.

approval of a large-load service contract within 60 days. Therefore, if a party wishes to challenge the designation of protected materials in such a proceeding, it is paramount that the party do so at the earliest possible opportunity.

Notably, UAE takes no position on the Application or Settlement, rather UAE stressed at hearing that it is primarily concerned about having adequate access to protected information in future dockets.

The PSC finds, based on the testimony and argument at hearing, that the information RMP designated as RAO qualifies for the rebuttable presumption that it is “commercially sensitive and appropriately designated regulator access only.”²⁷ We further find UAE, on this record, failed to demonstrate a clear and convincing need to access the restricted information sufficient to overcome that presumption.

Accordingly, UAE’s Motion is denied. As a practical matter, the Motion is also moot because UAE failed to seek relief at a time and in a manner that could have plausibly facilitated UAE obtaining the information in advance of the hearing nor could the hearing have been postponed given the statutory requirement that the PSC issue an order within 60 days.

Given that UAE’s professed primary concern regards future proceedings, the PSC clarifies that its denial of this Motion, filed barely a week prior to the hearing, should not be construed as precedential in future dockets. A motion filed early in the

²⁷ Utah Admin. Code R746-318-103(7).

process might, for example, afford time for a separate in camera hearing to be held well in advance of the hearing on the merits wherein the PSC could evaluate specific and individualized arguments concerning particular portions of the redacted material. The PSC encourages parties to meet, confer, and collaborate to find mutually acceptable solutions in future dockets, but, if agreement cannot be reached, to seek relief from the PSC at the earliest possible time such that the issues might be resolved in a constructive fashion prior to the hearing on the merits.

6. Order.

Based on the foregoing findings and conclusions, the PSC approves the Application, LLSC, and Settlement. UAE's Motion is denied.

DATED at Salt Lake City, Utah, April 10, 2026.

/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#344733

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 April 10, 2026, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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