ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

1407 W. North Temple, Suite 330
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August 11, 2026

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 Secretary

Re: **Reply Comments**
In the Matter of Rocky Mountain Power's Semi-Annual Demand-Side Management (DSM) Forecast Reports
Docket No. 26-035-30

On July 1, 2026, the Public Service Commission of Utah ("Commission") issued a Notice of Filing and Comment period in the above referenced matter, allowing parties to file comments on Rocky Mountain Power's (the "Company") Semi-Annual DSM Forecast Report ("Forecast Report") by July 27, 2026, and reply comments by August 11, 2026. The Division of Public Utilities ("Division") filed comments July 22, 2026. The Company submits these reply comments in response to the Division's comments.

<u>Division Comments</u>

The Division recommended the Commission acknowledge the Company's Forecast Report as complying with Commission requirements. The Division also recommended the Commission direct the Company to include the carrying charge rate in its accounting spreadsheet and cap DSM spending at $100 million annually until the regulatory asset and associated carrying charge are paid off.

DISCUSSION

<u>Carrying Charge Rate</u>

With respect to the Division's request to include the carrying charge rate in its accounting spreadsheet, this is already included in Row 8 of the Forecast Report spreadsheet, 'Accounting Report' tab, provided with the Company's June 26, 2026 filing in this docket. In addition to the carrying charge being provided in the Company's semi-annual reporting, it is also included in the Company's quarterly reports provided to the DSM Steering Committee, and any other forums where the DSM accounting spreadsheet is discussed.

DSM Spending Cap

With respect to the Division's request for the Commission to cap DSM spending at $100 million until the regulatory asset and carrying charge are paid off, the Company objects to this. The regulatory asset and carrying charge could potentially be bought down or "paid off" over a 20-year period, and arbitrarily capping DSM spending at $100 million may hinder the Company's ability to achieve its Integrated Resource Plan ("IRP") targets over this same period. Given that DSM is considered to be a cost effective resource, if the Company is unable to achieve its IRP targets due to a DSM spending cap, it may result in higher base rates for customers in the long term as the Company would be forced to meet demand through higher cost resources.

The Company's November 1st forecast report is the historical forum that acknowledges the DSM portfolio's specific savings targets and budgets for the subsequent calendar year, which are based on the IRP selections. Parties are able to comment on the Company's proposed targets and budgets before the Commission acknowledges the November 1st forecast. Barring any objections or Commission rulings in the November 1st forecast, the Company proceeds with its planned targets and budgets, reporting on them quarterly and semi-annually to the DSM Steering Committee. The Company requests the Commission deny the Division's request to cap DSM spending, and instead allow the DSM budget and targets to continue to be determined annually as part of the Company's November 1st forecast report. This will allow DSM's spending levels and targets to remain aligned with the IRP if desired, or to be adjusted above or below the $100 million threshold if that is determined to be in the public interest year over year. However, in the event the Commission adopts the Division's recommended spending cap, the Company respectfully requests the Commission only adopt the spending cap for 2027, and allow parties to consider different spending levels for 2028 and beyond that may be in the public interest.

The Company has prepared an application to adjust the DSM rate in Schedule 193 and intends to submit this application in August 2026. This application includes a proposal that will buy down the net regulatory asset balance and carrying charge by 2046, but will be revisited annually to make any subsequent adjustments based on updated forecasts, revenues, DSM spending levels, and other assumptions.

CONCLUSION

Based on the comments submitted by the Division, the Company respectfully requests the Commission acknowledge the Forecast Report as complying with Commission orders, and allow DSM spending to continue to be determined annually as part of the Company's November 1st forecast report, as it has been historically.

Sincerely,

Michael S. Snow
Manager, Regulatory Affairs

Enclosures

CERTIFICATE OF SERVICE

Docket No. 26-035-30

I hereby certify that on August 11, 2026, a true and correct copy of the foregoing was served by electronic mail to the following:

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