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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
Tamra Dayley, Utility Analyst
Justin Shelton, Utility Analyst

Date: March 10, 2026

Re: **Docket No. 26-035-T04**, 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 5.40 percent to 5.68 percent, with an effective date of April 1, 2026.

Issue

RMP filed revised tariff sheets on February 25, 2026, to implement the annual change to the carrying charge consistent with the Commission approved methodology.¹ The Carrying Charge applies to customer deposits and, in certain circumstances, customer overpayments. It also applies to certain RMP deferred account balances, including the Renewable Energy Credit Balancing Account, Home Energy Lifeline Program, Solar Incentive Program, and BlueSky Program. The Commission issued an action request to the Division with a due date of March 11, 2026. Subsequently, the Commission issued its

¹ As the Commission has approved, RMP calculates the Schedule 300 interest rate based on the annual average 2025 Aaa and Baa corporate bond interest rates published by Moody's Analytics. *Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 300, Regulation Charges*, Docket No. 17-035-T02, Order issued February 27, 2017.



Division of Public Utilities

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Notice of Filing and Comment Period indicating any interested person may submit comments on or before March 12, 2026, with reply comments due March 19, 2026. This memorandum represents the Division's response to the action request.

Discussion

In response to the Commission's action request, the Division reviewed the filing and determined the proposed carrying charge of 5.68 percent was correctly calculated pursuant to the Commission's Order.²

The 2025 bond rates reflect the impact of the Federal Reserve's monetary policy to maintain a neutral stance while waiting for more clarity on inflation and the outlook for economic activity. While the Fed's interest rate policies led to a general flattening 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 .28 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.³

Conclusion

Based on the Division's investigation, the Division finds the proposed carrying charge of 5.68 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 5.40 percent to 5.68 percent with an effective date of April 1, 2026.

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

² 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).

³ [Moody's Daily Bond Yield Averages](#)