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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  
Doug Wheelwright, Utility Technical Consultant Supervisor  
Jeremy Hirschi, Utility Technical Consultant  
Savannah Torman, Utility Analyst

**Date:** April 27, 2026

**Re:** **Docket No. 26-035-T05**, Application of Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Schedule No. 97, Wildfire Mitigation Balancing Account

## Recommendation (Approval with Recommendation)

After review of the Application of Rocky Mountain Power's (Company) Proposed Tariff Revisions to Electric Service Schedule No. 97, Wildfire Mitigation Balancing Account application, the Division of Public Utilities (Division or DPU) recommends the Public Service Commission of Utah (Commission) approve with recommendation, the Company's Application, with the proposed rate change.

## Issue

The Company submitted its Application to the Commission on April 9, 2026, requesting approval of a rate change in the Wildfire Mitigation Balancing Account (WBA). The proposed change is a decrease to zero from the current recovery rates. On April 10, 2026, the Commission issued an Action Request directing the Division to perform an investigation, "provide analysis, evaluat[e] results, and the basis for conclusions and recommendations" by April 23, 2026.<sup>1</sup> On April 14, 2026, the Commission issued a notice of filing and

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<sup>1</sup> Action Request, dated April 9, 2026.



comment period and updated the deadline to submit comments on RMP's proposed tariff revisions to on or before Monday, April 27, 2026, inviting all interested parties to submit reply comments on or before May 4, 2026.<sup>2</sup>

## **Background**

In its Application, the Company requests a change in the WBA rate, Tariff Schedule No. 97. The change represents a net decrease of \$6.4 million in the Wildland Fire Mitigation Balancing Account Deferral Balance. Tariff Schedule No. 97 tracks the difference between approved costs under an approved plan included in rates and actual costs collected from customer billings by the Company. The initial balance of \$6,347,730 was approved by the Commission in Rocky Mountain Power's 2024 General Rate case<sup>3</sup> to be recovered from ratepayers. The Company recovered rates through customer monthly charges over the last 12 months beginning on May 9, 2025. The Company proposes to reduce the tariff to zero on May 15, 2026.

## **Discussion**

The Company's 2025 WBA request under Tariff Schedule 97 will cease to bill customers for the deferral balance, beginning May 15, 2026. If the Commission approves the proposal, Schedule 97 rates will decrease to zero, representing a reduction of 0.14% to 0.37% depending on the applicable rate schedule.

In order to investigate the request, the Division submitted data requests to the Company and performed analysis and discussed results with Division staff. In response to DPU data request 1.1,<sup>4</sup> the Company provided an amortization schedule of the WBA balancing account since April 2025 through the projected ending date of May 15, 2026. According to the Company's response to DPU data request 1.2<sup>5</sup> and the summary amortization schedule,<sup>6</sup> the Company reports actual Schedule 97 collections from April 2025 to March 2026 while April and May of 2026's activity are projections. April's estimate is derived by

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<sup>2</sup> Docket 26-035-T05, Notice of Filing and Comment Period.

<sup>3</sup> Docket 24-035-04, RMP Application for General Rate Case, Order dated April 25, 2024, p.138.

<sup>4</sup> DPU Attachment 1 - RMP Response to DPU Data Request 1.1 - Attach DPU 1.1

<sup>5</sup> DPU Attachment 2 - RMP Response to DPU Data Request Set 1

<sup>6</sup> DPU Attachment 1 - RMP Response to DPU Data Request 1.1 - Attach DPU 1.1

calculating the average collections of January 2026 to March 2026. May's projection is calculated at half of the April 2026 projected calculation.

The Company's projected ending balance on May 15, 2026, is \$170,774.60 at the end of the current tariff rate.<sup>7</sup> The Company would then continue accruing interest on this balance until the balance is resolved.

The Division analyzed possible alternative end dates to the current tariff in order to analyze the proposed end date and review for reasonableness. Indeed, it would be in the public interest if, ideally, the Company charged customers right up until the balance was zero and then ended the tariff. The Division recognizes that the nature of a volumetric rate and the associated complexity of the system to implement the surcharge, the numerous starts and stops of service, fluctuations of customer habits, weather changes, etc. would make it next to impossible to arrive at a balance of zero. However, to ensure that the balance came as close as possible to zero by merely influencing the end date of the surcharge, the Division analyzed the Company's ending balance calculation for reasonableness by calculating different scenarios that would result in an ending balance of zero.<sup>8</sup> See Table 1 – Summary of Scenarios below.

Table 1 - Summary of Scenarios						
Hypothetical Methodologies to Calculate May at Current Tariff Rate						
Scenario #	Month(s) Based Upon	Month(s) Based On Amort Sch 97*	May Days Projected	May Projected Amort Amt	Proj Bal at Tariff End	Prop Tariff End Date
RMP	Avg Jan-Mar 26	(471,252.42)	15	(235,626.21)	170,774.60	5/15/2026
DPU 1	Avg Jan-Mar 26	(471,252.42)	26	(395,243.97)	10,779.08	5/26/2026
DPU 2	Avg Jan-Mar 26	(471,252.42)	27	(410,445.66)	(4,458.59)	5/27/2026
DPU 3	Sep-25	(651,609.74)	19	(399,373.71)	6,639.56	5/19/2026
DPU 4	Oct-25	(479,969.41)	26	(402,554.99)	3,450.75	5/26/2026
DPU 5	Avg Sep-Oct 25	(565,789.58)	22	(401,528.09)	4,480.09	5/22/2026

\*Amounts taken from RMP Response to DPU DR 1.1, See Attachment 1 - Attach DPU 1.1

Using the Company's current estimate of May's customer charges, it is possible that the WBA balance will reach zero between May 26<sup>th</sup> and May 27<sup>th</sup>. If the current surcharge was

<sup>7</sup> DPU Attachment 2 - RMP Response to DPU Data Request Set 1

<sup>8</sup> DPU Attachment 3 – DPU Scenarios

extended to May 26, 2026, the WBA would be left with a projected balance of \$10,779.08.<sup>9</sup> This balance would then earn an immaterial amount of interest for the Company and accumulate until the Company files its next docket impacting the WBA, in which case the balance would be affected and subsequently addressed. If the surcharge was extended to May 27<sup>th</sup> the WBA would be left with a projected balance of -\$4,458.59.<sup>10</sup> This balance would earn and accrue an immaterial amount of interest and would result in a growing liability for the Company over time until the Company files its next docket impacting the WBA.

Other scenarios were calculated for comparability. As May temperatures can vary greatly from the winter months, it may result in actual higher billings than what is projected in the average of January through March, which are all winter months. Therefore, the Division sampled two additional scenarios: September 2025<sup>11</sup> and October 2025.<sup>12</sup> September 2025 yielded amortization of more than \$600k and was the highest number among the shoulder months in the last 10 months, while October yielded amortization that reflects closely to a winter month of usage. There is not enough evidence to state which is the best month to use for the projection; however, the Division believes that the September month is reasonable to be treated as a relatively high scenario in our analysis based on it being shoulder month of the peak season similar to May is a shoulder month of the peak season and therefore is a conservative month to average with October.

The Division ran the projection using the average of September to October 2025 customer billings and found that the rate could be charged through May 22<sup>nd</sup> and still leave a remaining balance of \$4,480.09.<sup>13</sup>

The Division believes that the most prudent decision is the one that arrives closest to zero. This allows the Company to fully recover its authorized costs without placing any additional interest burden, though immaterial, on ratepayers by needlessly maintaining a balance.

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<sup>9</sup> DPU Attachment 3, DPU Scenario 1.

<sup>10</sup> DPU Attachment 3, DPU Scenario 2.

<sup>11</sup> DPU Attachment 3, DPU Scenario 3.

<sup>12</sup> DPU Attachment 3, DPU Scenario 4.

<sup>13</sup> DPU Attachment 3, DPU Scenario 5.

It is uncertain whether the Company will seek to add further recoveries to the WBA soon. It is possible that the Company could seek to resolve or accrue further balances this year, through a GRC filing, but that is merely speculation.

As summarized in Table 1, Scenarios # DPU 1 and DPU 5 are reasonable estimates to project an alternative ending date to the current proposed end date.

The Division projects that the surcharge may reasonably be extended to May 22<sup>nd</sup> and is an option that it puts forward for the Commission to consider. If the Commission chooses to keep the end date as the 15<sup>th</sup>, then that would leave a balance that would accrue an immaterial amount of interest.

## **Conclusion**

The Division notes that the Company has complied with the Commission's Orders<sup>14</sup> and meets statutory standards for such applications. The Division agrees with the Company that the surcharge must be reduced to zero during the month of May 2026 to prevent overcharging customers, however the Division's position is that the end date could be reasonably set to May 22<sup>nd</sup>. The Division recommends the Commission approve the application with this recommendation to modify the end data of the tariff to May 22, 2026. But using the Company's proposal is also reasonable given the unpredictability faced.

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

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<sup>14</sup> Docket 24-035-04, RMP Application for General Rate Case, Order dated April 25, 2024, p.138.