REDACTED
Rocky Mountain Power
Docket No. 26-035-05
Witness: Craig M. Eller

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

REDACTED
Direct Testimony of Craig M. Eller

February 2026

I. INTRODUCTION OF WITNESS AND QUALIFICATIONS

Q. Please state your name, business address, and present position with PacifiCorp, d/b/a Rocky Mountain Power ("Rocky Mountain Power" or the "Company").

A. My name is Craig M. Eller. My business address is 1407 West North Temple Street, Suite 310, Salt Lake City, Utah 84116. My present position is Senior Vice President, Business Development and Customer Experience for the Company.

Q. Please describe your education and professional experience.

A. I have a Bachelor of Science in Mechanical Engineering from the University of Nebraska. I have been employed with PacifiCorp since July 2020 and have taken on roles of increasing responsibility before taking on my current role in December 2025. I am responsible for service to large load customers, development of generation projects, as well as customer experience and innovation. Prior to my employment with PacifiCorp, I worked at Northern Natural Gas Company, an affiliate of the Company, from 2007 through 2020 in various business development, commercial and engineering roles.

Q. Have you testified in previous regulatory proceedings?

A. Yes. I have previously filed testimony on behalf of the Company in regulatory proceedings in Utah, Wyoming and Idaho.

II. PURPOSE OF TESTIMONY

Q. What is the purpose of your testimony?

A. My testimony presents the new proposed Large Load Service Contract ("Proposed LLSC") between the Company and [redacted] ("Customer") effective January 20, 2026. My testimony briefly explains the policy objectives of Utah

Senate Bill 132 ("SB 132"), enacted in March 2025 and codified at Utah Annotated Code sections 54-26-101 through 54-26-901 ("Large Load Act") and Utah Administrative Rules R746-318, Large Scale Electric Requirements, effective January 1, 2026 (the "Large Load Rules"), related to service of large loads by a qualified electric utility, such as the Company, and how the Proposed LLSC meets the relevant statutory requirements for large load contracts. Consequently, my testimony concludes that the Proposed LLSC is reasonable and in the public interest, and I recommend that the Utah Public Service Commission ("Commission") approve the Proposed LLSC and proposed accounting treatment.

III. SUMMARY OF POLICY OBJECTIVES

Q. Please summarize the Large Load Act and the relevant policy objectives as it applies to the Company's application for Proposed LLSC approval.

A. The Utah legislature enacted the Large Load Act in March 2025 to attract large load investments to the State of Utah and ensure existing retail electric utility customers do not bear costs that are reasonably attributable to the large load customer. The Large Load Act requires customers seeking retail electric service from the Company in amounts of 100 megawatts ("MW") or greater to enter agreements governing the general obligations and responsibility for cost consistent with the Large Load Act.[1] Among other requirements, such agreements must ensure that incremental costs associated with serving the large load customer are allocated to and paid for by the large load customer and must require the large load customer to maintain adequate financial security. The Large Load Act further requires that the Company must file an

[1] Utah Annotated Code § 54-26-301(3).

application with the Public Service Commission of Utah ("Commission") that includes, among other things, a copy of the large load contract and evidence to demonstrate the statutory requirements for a large load contract are met.

Q. Has the Customer complied with the Large Load Act's requirements?

A. Yes. The service request in excess of 100 MW was submitted and required analyses were conducted prior to May 7, 2025.

IV. SUMMARY OF PROPOSED LLSC

Q. Please describe the general structure of the Proposed LLSC between Customer and the Company.

A. Rocky Mountain Power and the Customer executed the Proposed LLSC on January 20, 2026, which is provided as Regulator Access Only – Highly Confidential Exhibit RMP___(CME-1). The Proposed LLSC will enable the Company to provide electric service to [redacted] of load at facilities with Customer's infrastructure located in [redacted], Utah. The load will be served from the Company's [redacted] substation. The term of the Proposed LLSC is [redacted] and begins on the commencement date as defined in the Proposed LLSC. The commencement date would occur [redacted]. Under the Proposed LLSC, Rocky Mountain Power will provide the Customer with full-requirements retail service. The Proposed LLSC requires the Customer to pay consideration in multiple forms, including a fixed-cost component ("Reservation Charge"), a variable-cost component ("Energy Charge"), and applicable surcharges, riders, and taxes ("Surcharges").

The Reservation Charge compensates the capital costs of the Customer load facilities allowance (i.e., metering costs), bridging market capacity purchases, incremental generation resources, and the Company's return on its investment at a rate that will prevent any subsidization from existing customers. No incremental transmission costs are incurred as a result of the Proposed LLSC. The Company is responsible for constructing Customer load facilities and identifying new resources to support system reliability; the costs of which the Company will bear and recover through the Reservation Charge. The revenue from the Reservation Charge will be removed from the Company's revenue requirement and net power costs ("NPC"). In addition, the costs of the Customer load facilities, bridging market capacity purchases, incremental generation resources, and the Company's return will be removed from revenue requirements to prevent any subsidization from existing customers.

The Energy Charge [redacted]. As a result, the Energy Charge will provide opportunities for existing resources to be economically dispatched to meet Customer load, providing margin benefits to

other system customers as well as accounting for losses and the payment for use of transmission paths. In total, the net benefit to other system customers from these two opportunities is expected to reach [redacted] during the term of the Proposed LLSC. This benefit is described in more detail in the direct testimony of Company witness Mr. Thomas R. Burns.

Under the Proposed LLSC, Customer is required to pay standard tariff surcharges and riders applicable to retail load service with a few exceptions and limitations as described in Section VIII of my testimony. This creates direct benefit for existing customers, as Customer will not materially add to the cost of these surcharges and riders but would, instead, provide significant revenue into each of these surcharge areas and programs. The Company estimates the total value of these contributions to other customers, at currently effective rates, to be [redacted] over the term of the Proposed LLSC.

Under the Proposed LLSC, Customer is required to pay applicable state and municipal taxes as described in Section IX of my testimony. This creates direct benefit for the State of Utah and its residents. The Company estimates the total value of these contributions to be [redacted] over the term of the Proposed LLSC.

The structure of the Proposed LLSC ensures that existing customers will either benefit from the Company's service to Customer or be held harmless. The Company estimates the total incremental value of the Proposed LLSC to existing customers to be [redacted]. The result is an overall cumulative benefit to existing retail customers, while also advancing the State of Utah's policy interest of attracting large load investments to the state. These benefits exclude any ancillary economic benefits

to the State of Utah from Customer's investment in its facilities as well as any associated taxes from its presence in the state, which are not known by the Company.

These contributions would not be realized if Customer was served by either a large-scale generation provider (consistent with the requirements of the Large Load Act) or was to take service under a private generation contract. If this application is not approved and the Company is not able to serve Customer, these contributions from Customer to existing customers and Utah residents would not be realized. Instead, the load would likely be served by a large-scale private generator or locate outside of the State of Utah, resulting in no contributions to the Company's existing customers or Utah tax revenues, and potentially reduced economic development in the state.

V. CUSTOMER BENEFIT ANALYSIS

Q. What is the overall benefit to existing retail customers of the Company serving Customer?

A. Existing benefits to other customers and the State of Utah resulting from the Proposed LLSC are estimated at a nominal [redacted], consisting of [redacted] in cumulative NPC benefits over the term from the assessment of Energy Charges, [redacted] in Customer-collected surcharges, and [redacted] in incremental state and municipal taxes. The actual notional customer benefit will vary due to actual Customer energy usage, the Proposed LLSC being [redacted], and the uncertainty inherent in energy prices. These details are further illustrated in my Regulator Access Only – Highly Confidential workpaper.

VI. RESERVATION CHARGE

Q. Please describe the Reservation Charge and how its design ensures that existing retail customers are held harmless from the Company's costs incurred to serve the Customer load.

A. To ensure that the Company can reliably deliver firm power and energy to Customer's facilities, Customer is required to pay a [redacted] Reservation Charge based on the [redacted] This Reservation Charge provides sufficient revenue for the Company, at its cost, to conduct the necessary work to serve the Customer load (collectively, the "Service Improvements") incurred during the term of this Proposed LLSC. Service Improvements may be made at any time, without limitation and in Rocky Mountain Power's sole discretion, for service to Customer as well as for Rocky Mountain Power's general system operations to serve all its customers.

The fixed cost of these Service Improvements implemented by the Company are recovered by payments from Customer in the form of the Reservation Charge. Should the payments from Customer be insufficient to cover the Company's actual costs, existing retail customers will be held harmless as both the fixed costs of the Service Improvements and the revenue from the Reservation Charge will be kept out of the Company's cost of servicing its existing customers.

Q. What new resources are required to support the Proposed LLSC?

A. The Company is in the process of evaluating and contracting for the necessary resources to support the entire term of the Proposed LLSC. [redacted]

[redacted] (the "Proposed Resources"). These Proposed Resources may be changed at any time, without limitation and in the Company's sole discretion.

Q. Did the Company perform analysis to ensure that the new resources would support system reliability?

A. Yes. Impacts to system reliability were assessed using the 2025 Integrated Resource Plan ("IRP") preferred portfolio and the most recent September 2025 official forward price curve; the Company modeled the proposed Customer load with the Proposed Resources being available starting [redacted] (the "Proposed In-Service Date") to ensure a reliable portfolio. As described in the direct testimony of Company witness Mr. Burns, the addition of the contracted load along with the Proposed Resources resulted in a portfolio that met standard system reliability measures.

Q. [redacted]

A. [redacted] Rocky Mountain Power's existing resource portfolio will provide adequate system capacity outside of the summer months, and redispatch of system resources at the [redacted]

will, as described earlier, provide system NPC benefits that will accrue to other customers.

Q. What happens if the Proposed Resources are accelerated or delayed from their anticipated in-service dates?

A. To the extent that the Proposed Resources are available during the third quarter of a given year, the market purchases of energy and capacity will be reduced on a pro-rata basis relative to the total capacity of the Proposed Resources that have been brought online. To the extent less than 100% of the Proposed Resources are not available during the third quarter of a given year, the Company will purchase additional energy and capacity up to the Contracted Demand, as necessary to meet the needs of the Customer's actual load, which will be excluded from rates charged to other customers.

VII. ENERGY CHARGE

Q. Please describe the Energy Charge and how its design ensures that existing retail customers benefit or are held harmless from the Proposed LLSC.

A. The design of the Energy Charge ensures that in every hour existing customers are either held harmless or will benefit from the Company's service to Customer. [redacted]

[redacted] This creates the opportunity for existing system resources, which may otherwise sit idle or be dispatched at less than their full capacity, to benefit from higher dispatch pricing driven by the Customer load. The net result is a flow of positive revenue into NPC, thereby lowering total NPC over time for existing customers.

[redacted] The result is that NPC will be unaffected if Company resources are dispatched to serve Customer load and become the marginal resource, because the cost of dispatching the Company resource as the marginal resource will be equally offset by the revenue provided by Customer's Energy Charge. Similarly, a

market purchase that represents the marginal resource will be reimbursed in NPC based on the Energy Charge applied to Customer's load.

[redacted] These cost components, being included in the Energy Charge, will also flow into NPC and prevent harm to existing customers.

In total, the Company's analysis forecasts anticipated cumulative NPC benefits of [redacted] that will flow to existing customers. Additional details on the accounting of anticipated NPC benefits from settlements using the Energy Charge can be found in the direct testimony of Company witness Mr. Burns.

VIII. APPLICABLE SURCHARGES

Q. Please describe how the benefits from the Customer-collected surcharges were determined.

A. [redacted]

[redacted]

[redacted]

Based on Customer contract demand, the total nominal revenue anticipated from collections of applicable surcharges over the term of the Proposed LLSC is [redacted]. Given that Customer does not materially add to the cost of these programs, and considering that these surcharges would not be applicable if Customer entered into a large load contract with an entity other than a qualified utility such as the Company, this revenue and the resulting program benefits to existing customers is a benefit that will be realized as a result of the Commission's approval of the Proposed LLSC.

Under the terms of the Proposed LLSC, the Company and Customer have agreed to cap charges under Schedule No. 193 to an annual maximum of [redacted]. In return, Customer has agreed to limit its use of DSM credits to an equal amount. In the event Customer wishes to utilize DSM credits in excess of this cap, the limit on annual contributions will be increased on a one-for-one basis.

The estimated nominal revenue that will be collected during the term of the Proposed LLSC to the benefit of existing customers is summarized as follows based on current tariff rates as defined in the Utah Price Summary (dated January 1, 2026):[2]

- [redacted] collected to fund DSM, Schedule 193
- [redacted] collected to fund EVIP, Schedule 198
- [redacted] collected to fund WBA, Schedule 97
- [redacted] collected to fund Lifeline Program, Schedule 91

[2] See Rocky Mountain Power's State of Utah Price Summary, dated as of January 1, 2026, available at Utah_Price_Summary.pdf

Q. What surcharges will Customer not be required to pay under the Proposed LLSC?

A. Electric Service Schedule No. 94, Energy Balancing Account ("EBA") is not applicable under the Proposed LLSC. Schedule No. 94 is a surcharge or surcredit that is applicable to all retail tariff customers taking service under Utah Electric Service Schedule No. 9 to collect or refund the EBA deferral account balance. The EBA acts as a true-up mechanism that recovers variances between actual NPC and the forecast amount set in base rates in a general rate case. The Energy Charge, as described in the Proposed LLSC, [redacted]. This represents real time, actual costs and, therefore, does not require the use of the EBA to true up base costs with actual costs. Exemption of Customer from Schedule No. 94 will thus not harm existing customers.

Electric Service Schedule No. 98, Renewable Energy Credit ("REC") Revenue Adjustment, is not applicable under the Proposed LLSC. Schedule No. 98 is a surcredit that is applied to the monthly power charges and energy charges of a customer's schedule based on the difference between REC revenues included in base rates and actual REC revenues collected from the sale of RECs by the Company. The Proposed LLSC does not allow Customer to participate in the Company's REC program, and therefore Customer will not have access to the tariff surcredit. Should any REC attributes be associated with any Service Improvements paid for by Customer, those REC attributes will be kept separate from the Renewable Energy Credits Balancing Account. This will ensure that existing customers' surcredit benefit is not impacted by

load service to Customer. Exemption of Customer from Schedule No. 98 will thus not harm existing customers.

Q. What will be the treatment of any future surcharges and riders?

A. Any other surcharges and riders applicable to Electric Service Schedule No. 9 ("Schedule 9") will be made applicable to the Proposed LLSC unless an explicit waiver is granted by the Commission. In addition, any other surcharges and riders that are not applicable to Schedule 9 may be made applicable to the Proposed LLSC through an explicit order by the Commission.

IX. APPLICABLE TAXES

Q. What other direct benefits will accrue to the State of Utah as a result of the Proposed LLSC?

A. In addition to the contributions that Customer will make to meaningful programs that benefit the Company's customers through the surcharges and riders described above, the Proposed LLSC will also be subject to applicable municipal and state taxes that will provide significant revenue to benefit broader government programs benefiting Utah citizens. Based on the estimated revenue of the Proposed LLSC during the term of the agreement, municipal taxes are estimated to be [redacted] while state taxes are estimated at [redacted]. Thus, total taxes of [redacted] are estimated to be paid during the term of the Proposed LLSC. These amounts are subject to change based on actual customer usage, applicable costs for Energy Charges, and future tax rates. These tax benefits are solely attributable to the provision of electric service to Customer and do not consider any property tax benefits that may accrue to local and state government

as a result of the significant investment in Customer's infrastructure that will be enabled by Customer securing electric service to its facilities.

X. TRANSMISSION AND LOAD INTERCONNECTION

Q. What transmission upgrades and associated costs are required to provide service to Customer under the Proposed LLSC?

A. None. Per the Network Integration Transmission Service ("NITS") System Impact Study Report [redacted], which is included as Regulator Access Only – Highly Confidential Exhibit RMP___(CME-2), no transmission upgrades were identified to accommodate Customer facilities as a designated network load ("DNL").

Q. What interconnection costs are required?

A. Interconnection improvements are required to interconnect Customer facilities to the Company's system and are described in the Large Load Construction Agreement, which is included as Regulator Access Only – Highly Confidential Exhibit RMP___(CME-3) to this testimony. These interconnection improvements have been fully paid on behalf of Customer by the facility developer that is hosting Customer's infrastructure and amount to [redacted]. These costs are subject to future true-up and reimbursement. Upon the initiation of service, the Company will provide a standard meter allowance for the interconnection. The costs of the allowance will be recovered through the Reservation Charge.

Q. Are there any shared facilities costs that Customer is responsible for paying?

A. Yes. In accordance with Electric Service Regulation No. 12, and as reflected in the Proposed LLSC, Customer has agreed to pay its proportionate share (based on a fully

ramped up contract demand) of the cost for shared facilities funded by other customers, which amounts to [redacted].

XI. ACCOUNTING & REPORTING

Q. How will the Company invoice Customer and ensure all identified costs of service are accurately captured?

A. Rocky Mountain Power will comply with the Large Load Act by implementing a robust methodology to ensure that all incremental costs associated with serving Customer's facilities are directly assigned to the large load customer and not subsidized by other retail customers. Company witness Mr. Ramon J. Mitchell provides a detailed discussion of how the Proposed LLSC will be accounted for in NPC in his direct testimony.

XII. OBLIGATIONS OF CUSTOMER

Q. Does the Proposed LLSC include provisions for credit assurances?

A. Yes. The Proposed LLSC includes significant obligations for credit security. [redacted]

Q. Please explain the full-requirements language of the Proposed LLSC [redacted].

A. [redacted]

Q. [redacted]

A. [redacted]

[redacted]

[redacted]

[redacted]

XIII. EARLY TERMINATION OF PROPOSED LLSC

Q. Is it possible for the Proposed LLSC to be terminated prior to the end of its initial term?

A. Yes. There are a number of potential events that could result in early termination of the Proposed LLSC. The details of these termination options can be found in the Proposed LLSC and are considered Regulator Access Only – Highly Confidential – Subject to Utah Public Service Commission Rule 746-318-103.

Q. Can you speak generally as to what happens in the event of an early termination?

A. Yes. In general, termination events caused by or elected by Customer result in the payment of termination damages to the Company. These termination damages will ensure that early termination does not materially adversely impact the Company or indirectly harm its existing customers.

Q. What would be the Company's proposed handling of Proposed Resources and termination damages in the event of an early termination?

A. Upon termination, the Company's service to Customer would cease. The Company would retain its rights to the Proposed Resources. The Company would reserve the right to bid the Proposed Resources into upcoming procurements for system resources, repurpose the resources for other large load customers, or transfer or assign the assets and/or rights to affiliates of the Company. The Company would retain any payment of termination damages.

Q. Is this treatment fair for other customers of the Company?

A. Yes. This treatment effectively restores the Company's system to its original condition prior to entering the Proposed LLSC.

XIV. TERMINATION OF THE PROPOSED LLSC AFTER THE INITIAL TERM

Q. Would the Company's treatment differ significantly in the event the Proposed LLSC terminates after its initial term?

A. No.

XV. REQUEST FOR REGULATORY APPROVAL

Q. Why is it in the public interest for the Commission to approve the Proposed LLSC?

A. The Proposed LLSC meets all the rules promulgated to implement the Large Load Act and provides significant and quantifiable benefits to existing retail customers. Should Customer not be served by the Company and instead pursue electric service from a large-scale generation provider elect to take service under a private-generation contract, or locate its facilities outside of Utah, existing retail customers would lose the benefits outlined in this testimony. The public interest is also served by the Commission's approval of the Proposed LLSC because doing so will advance Utah Legislature's policy objective of attracting large load investments to the State of Utah while ensuring that existing retail electric utility customers are not harmed as a result.

Q. Is it important that the Commission approve the Proposed LLSC and accounting treatment as proposed?

A. Yes. The Proposed LLSC represents the culmination of months of negotiations between the parties to reach mutually agreeable terms. The acceptance of those terms relies

heavily upon each party's anticipation of the costs, benefits, and risks that it will incur during the term of the Proposed LLSC. Both parties retain termination rights to the Proposed LLSC in the event that a Commission order alters the balance of costs, benefits, and risks to either party.

For the Company, this balance, as contained in the Proposed LLSC, relies upon the receipt of a reasonable assurance that the proposed accounting treatment will be durable during the term of the Proposed LLSC and that the benefits to the Company will adequately compensate the Company for the risk it incurs by providing the requested electric service. The Company has included material benefits for its existing customers as part of this accounting treatment, but as noted throughout, the estimated and actual benefits are likely to vary during the term of the Proposed LLSC. A Commission approval of the Proposed LLSC that imposes adverse modifications to material contract terms or that reflects ambiguous or open-ended future accounting treatment and introduces uncertainty into cost accounting for the Proposed LLSC may impair the Company's ability to make the investments and commitments required by the Proposed LLSC and result in its termination. Company witness Mr. Mitchell discusses accounting methodologies in more detail in his direct testimony.

XVI. CONCLUSION AND RECOMMENDATION

Q. Is the Proposed LLSC fully executed, and what requirements must be fulfilled for the Proposed LLSC to be fully effective?

A. The Proposed LLSC is fully executed; however, Commission approvals as defined in the contract must be received before the Proposed LLSC is fully effective and before the Company begins providing electric service pursuant to its terms.

Q. What is your recommendation for the Commission in this proceeding?

A. I recommend that the Commission approve the Company's Application and issue an order affirming that the Proposed LLSC meets the requirements of the Large Load Act and endorsing the Company's proposed accounting treatment. Approval will provide certainty to the Company and Customer and enable both parties to move forward with the Proposed LLSC, which will provide benefits to existing customers, to the local community and the State of Utah, and is in the public interest. This large load contract opportunity delivers quantified existing retail customer savings and significant economic development benefits for the area and enables the Company to serve Customer's load in a way that assures existing retail customers do not bear costs that are justly and reasonably attributable to providing electric service to Customer.

Q. Does this conclude your direct testimony?

A. Yes.

REDACTED
Rocky Mountain Power
Exhibit RMP___(CME-1)
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ROCKY MOUNTAIN POWER

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Exhibit Accompanying Direct Testimony of Craig M. Eller

Large Load Service Contract

February 2026

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Rocky Mountain Power
Exhibit RMP___(CME-2)
Docket No. 26-035-05
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System Impact Study

February 2026

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Exhibit RMP___(CME-3)
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Large Load Construction Agreement

February 2026

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