ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

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March 10, 2026

VIA ELECTRONIC FILING

Utah Public Service Commission
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Administrator

Re: **Docket No. 26-035-05 – Application of Rocky Mountain Power for Approval of a Large-Load Service Contract Between PacifiCorp and a Large-Load Customer**
Rocky Mountain Power's Rebuttal Testimony

Pursuant to the Scheduling Order and Notice of Hearing issued by the Public Service Commission of Utah on February 13, 2026, Rocky Mountain Power ("Company") hereby submits for filing its rebuttal testimony and exhibit.

Informal inquiries may be directed to Max Backlund at max.backlund@pacificorp.com.

Sincerely,

Jana Saba
Director, Regulation and Regulatory Affairs

CERTIFICATE OF SERVICE

Docket No. 26-035-05

I hereby certify that on March 10, 2026, a true and correct copy of the foregoing was served by electronic mail to the following:

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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

Rebuttal Testimony of Craig M. Eller

March 2026

I. INTRODUCTION

Q. Please state your name, business address, and present position with PacifiCorp d/b/a Rocky Mountain Power.

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. Are you the same Craig Eller who filed direct testimony in the Company's application filing?

A. Yes.

II. PURPOSE

Q. What is the purpose of your rebuttal testimony in this proceeding?

A. I will review the recommendations of the Division of Public Utilities ("Division"), the Office of Consumer Services ("Office"), and the Utah Association of Energy Users ("UAE"); pointing out areas of alignment and clarifying the Company's position where the parties indicate concern or uncertainty.

Q. Please summarize your rebuttal testimony.

A. My testimony affirms that the Division and Office recommend approval of the Large Load Service Contract ("LLSC") while the UAE states it is unopposed to the approval of the LLSC. Each party details limited instances where it had unanswered questions or uncertainty at the time of its direct testimony. I detail subsequent actions the Company has taken to address these concerns through additional responses to data requests and informal discussions. As a result of these actions, the Company believes

that it has provided sufficient information both to the parties and the record to support approval of the LLSC.

III. RESPONSE TO DIVISION TESTIMONY

Q. Please summarize the Division's position in this proceeding.

A. The Direct Testimony of Matt Pernichele summarizes the LLSC, the policy objectives of the Large Load Act[1] (SB 132), the completeness of the Company's application, and the requirements necessary under SB 132 for the Commission to approve the LLSC. The Division finds that the Company's initial application was "largely complete"[2] and concludes that it "recommend[s] that the Commission approve the LLSC pending a showing by the Company that Utah ratepayers will not be adversely impacted."[3]

Q. Does the Division expand on what information it believes prevented it from finding the Company's initial application as 'fully complete' and has the Company taken steps to address these concerns?

A. Yes. The Division states that while the Company's initial application provided a copy of the LLSC, as required by the statute, that it did not "contain explicit information projecting costs to Utah ratepayers."[4] The Division also notes that through discovery between the application and the filing of the Division's direct testimony that the Company "provided most of the additional information that the [Division] needed during its investigation."[5]

[1] Utah Code Ann. §§ 54-26-101to -901 (2025).
[2] *Application of Rocky Mountain Power or Approval of Large-Load Service Contract between PacifiCorp and a Large-Load Customer,* Docket No. 26-035-05, Direct Testimony of Matt Pernichele for the Division of Public Utilities, at lines 33-43 (March 3, 2026) ("Pernichele Direct").
[3] *Id.* at lines 40-41.
[4] *Id*. at line 101-103.
[5] *Id*. at line 93-94.

Q. Does the Division state that any information remained lacking at the time of its direct testimony?

A. Yes. As of the time of the Division's direct testimony it states all information had been received "except for the SG allocation"[6] which was the subject of a pending data request to the Company for which "the deadline has not passed."[7]

Q. Has the Company provided a response to the data request since the Division filed its testimony?

A. Yes. The Company subsequently provided additional detail for the treatment of the LLSC in the Company's allocations of costs between states in DPU Data Request 2.1, which is attached as Exhibit RMP___(CME-1R) of this rebuttal testimony.

Q. Does the response address the Division's concern and if so, how?

A. Yes. Response summarizes the treatment of all costs treatments as previously described in my Direct testimony and the testimony of Company witness Ramon J. Mitchell. In addition, the response further clarifies the treatment of the system generation (SG) and system energy (SE) allocation factors as follows:

> *"The dynamic 2020 Inter-Jurisdictional Cost Allocation Methodology (2020 Protocol) allocation factors will be updated to remove the LLSC load. Specifically, the LLSC load and associated peaks will be removed from the calculation of the system energy (SE) and system generation (SG) allocation factors. Because the LLSC resources and purchases are expected to fully serve the LLCS's needs, and be fully excluded from system costs, no change to*

[6] *Id*. at lines 105-107.
[7] *Id*. at lines 303-304.

allocation factors is anticipated. Under this expectation, both the LLSC energy and peak contributions would be fully excluded from system load calculations."[8]

Q. Does this treatment mitigate the Division's concerns about costs being shifted to Utah customers through the SG factor?

A. Yes. The Company believes this treatment fully mitigates the Division's concerns as the removal of the LLSC load from the SG factor ensures costs will be allocated as they are today without the LLSC load. The Company notes that this treatment is appropriate in this instance as the specific facts of this LLSC demonstrate no incremental costs for transmission[9] or load interconnection.[10] In addition, all incremental costs associated with the capacity resources necessary to support the LLSC load and maintain system reliability will be separately accounted for and excluded from Utah's revenue requirements.[11]

Q. Is there any further clarification that should be made between the Company's proposed treatment of the SG allocation factor and the phrasing used by the Division?

A. Yes. The Division implies that the SG allocation factor will be adjusted by "deducting the Reservation Charge from PacifiCorp's Utah revenue requirement."[12] This phrasing is inaccurate, instead the SG allocation will be adjusted by deducting the LLSC load's

[8] Exhibit RMP___(CME-1R).
[9] *Application of Rocky Mountain Power or Approval of Large-Load Service Contract between PacifiCorp and a Large-Load Customer*, Docket No. 26-035-05, Direct Testimony of Craig M. Eller for Rocky Mountain Power, at lines 317-323 (Feb 10, 2026) ("Eller Direct").
[10] *Id*. at 324-333.
[11] *Application of Rocky Mountain Power or Approval of Large-Load Service Contract between PacifiCorp and a Large-Load Customer*, Docket No. 26-035-05, Direct Testimony of Ramon J. Mitchell for Rocky Mountain Power, at lines 136-217 (Feb 10, 2026) ("Mitchell Direct").
[12] Pernichele Direct, at lines 294-298 and 299-301.

contribution to system peaks from the SG factor. Separately, and as noted in my Direct testimony in lines 75-79, the Company does intend to remove revenue from the Reservation Charge from the Company's revenue requirement along with the incremental costs associated with service to the LLSC load. The net impact of the Company's proposed treatment is that 1) all incremental costs associated with service to the LLSC will remain outside of the Company's cost of service, thereby preventing allocation of said costs to Utah customers, and 2) Utah customers will not experience an increased allocation of existing system costs from the SG factor as the SG factor will be adjusted to remove the LLSC load.

Q. Does the Division make any other recommendations in its Direct Testimony?

A. Yes. The Division makes two additional recommendations. First, that upstream market impacts on commodities "should not be considered in evaluating this LLSC"[13] and second, that achieving the anticipated benefits to all customers from the LLSC is more appropriate than "hoarding excess capacity for later use"[14]

Q. Does the Company agree with the Division's first assertion and does it have any additional commentary on the topic?

A. In general, the Company agrees that market impacts on commodity pricing should be excluded from the approval of the LLSC. The Company notes that UCA § 54-26-301(3) lists the requirements for a large load contract between a qualified electric utility, such as the Company, and a large load customer. Notably, these requirements do not include market impacts on commodity pricing. The Company agrees with the Division that any attempt to quantify potential impacts on commodity prices would be inherently

[13] Pernichele Direct, at lines 316-339.
[14] *Id*. at lines 340-439.

speculative, difficult to quantify, and subject to much broader, and arguably more substantial, changes in the western market including actions by surrounding states. The Company also notes that should the Commission find that market impacts on commodity pricing should be incorporated into the approval of large load service contracts by the Company, such review should also be considered prior to approving any large load contracts or private generation contracts entered into by a large-scale generation provider.

Q. Does the Company agree with the Division's second assertion and does it have any additional commentary on the topic?

A. In general, the Company agrees with the Division on this topic as well, noting the significant anticipated net benefits of the LLSC for the Company's Utah customers and the State of Utah in general. The Company also notes that each large load service contract, both by the Company and by large-scale generation providers, should continue to evaluate the case-specific impacts on the transmission system and that in the event such service would create incremental transmission costs ensure recovery consistent with SB 132.

Q. Do you believe that the Commission should review all Large Load Contracts in any of the utility's subsequent rate cases "to evaluate the accuracy and usefulness of existing contracts in order to learn how to better craft future ones"?[15]

A. The Company understands that, if approved, the LLSC will be subject to on-going reporting requirements consistent with §54-26-602(4). The Company agrees with the Division's goal of learning from past practices to better craft future arrangements. That

[15] *Id.* at line 362-366.

being said, the Company would stress that any approved large load service contract should be evaluated consistent with the accounting treatment adopted at the time of the approval of the large load service contract. This approach would avoid pitfalls which the Division acknowledges "could be inequitable to revisit existing contracts" while enabling the accounting treatment of any future large load service contract to better reflect its case-specific facts and circumstances.

IV. RESPONSE TO THE OFFICE'S TESTIMONY

Q. Please summarize the Office's recommendations in this proceeding.

A. The Office analyses the requirements for approval of a large load service contract and whether the Company's application demonstrates that the LLSC meets the requirements of SB 132 and the associated administrative rules. In general, the testimony concludes "the LLSC appears to meet the requirements"[16] and "the Office recommends that the PSC approve this request."[17]

Q. Does the Office suggest any areas of the LLSC application are inconclusive or should be monitored in the future?

A. Yes, like the Division, the Office appears to stop short of fully endorsing the Company's proposed treatment of transmission costs stating, "it appears that a methodology for transmission cost allocation is not needed in this case."[18]

[16] *Application of Rocky Mountain Power or Approval of Large-Load Service Contract between PacifiCorp and a Large-Load Customer*, Docket No. 26-035-05, Direct Testimony of Cameron Irmas for the Office of Consumer Services, at lines 264-267 (March 3, 2026) ("Irmas Direct").
[17] *Id*.
[18] *Id*. at lines 160-161.

Q. Does the Company agree that no transmission cost allocation method was proposed in its Application?

A. No, the Company believes it did propose an allocation methodology in its initial application. The Company notes that like the Division, the Office did not have access to the information presented in Exhibit RMP___(CME-1R) at the time it filed its testimony. As noted previously, the response reiterated and clarified the proposed treatment of cost allocations, including treatment of system transmission costs, and not having access to these materials at the time of the Office's filing may have led to confusion.

The Company's proposed methodology addresses the allocation of existing system costs to Utah customers to prevent additional costs being shifted to Utah customers. In summary, to ensure no increase in the allocation of system costs, including transmission, is experienced by Utah customers, the Company proposes to remove the LLSC load from both the SG and SE factors in the future.

Q. How do you respond to the Office's assertion that the allocation of transmission costs should be reviewed in future LLSC proceedings on a case-by-case basis?[19]

A. The Company agrees that this is a key consideration in approvals of all large-load service agreements whether they are entered by the Company or by a large-scale generation provider.

[19] *Id*. at lines 165-167.

V. RESPONSE TO UAE TESTIMONY

Q. What are UAE's recommendations in this proceeding?

A. The UAE generally describes the summary information from the public and confidential versions of the Company's application while noting its difficulty in assessing the ultimate impacts on other customers due to its inability to review information marked as Highly Confidential. As a result of these challenges, the UAE states two conclusions: 1) that it is unopposed to approval of the LLSC and 2) that it recommends "the Commission refrain from approving RMP's proposed accounting treatment until intervening parties such as UAE have been provided a meaningful opportunity to review the relevant details of the proposed accounting treatment and respond on the record, whether in rebuttal testimony or through another appropriate procedural mechanism."[20]

Q. How do you respond to UAE's recommendations?

A. In general, the Company appreciates UAE's measured approach to its recommendations which attempt to balance the interests of its constituents while not unnecessarily impeding the approval of the LLSC. The Company acknowledges that UAE's inability to review the highly confidential information could create some challenges; however, the Company believes these challenges can be addressed without violating customer confidentiality or disclosure contrary to §54-26-602(5) which states "A qualified electric utility may not be required to publicly disclose specific revenue

[20] *Application of Rocky Mountain Power or Approval of Large-Load Service Contract between PacifiCorp and a Large-Load Customer*, Docket No. 26-035-05, Direct Testimony of Justin Bieber on behalf of Utah Association of Energy Users, at lines 202-206 (March 3, 2026) ("Bieber Direct").Direct Testimony of Justin Bieber, at lines 202-206.

information from individual large load customers in any proceeding described in Subsection."

Q. Has the Company worked diligently to provide additional information to UAE as requested?

A. Yes, the Company and the UAE have engaged in a series of discussions which the Company believes have addressed several stated concerns through reference to existing responses to data requests or prior testimony by the Company. Through these efforts, the Company believes it has addressed all but one item listed as reasons "why [UAE is] unable to review and validate RMP's assertion that the proposed accounting treatment will prevent existing retail customers from subsidizing new large load."[21]

Q. Please elaborate on how the Company addressed concerns regarding "how the proposed accounting treatment will prevent existing retail customers from subsidizing the cost of shared facilities."[22]

A. Through additional discussions, the Company provided additional context on shared facilities described in my direct testimony at lines 334-338. The Company clarified that the shared facilities contributions constitute one or more refunds to other customers who had previously provided one or more "refundable advance" pursuant to parts 2(b), 3(c) and/or 4(c) of Utah Rule 12. Amounts covered by the prior customer(s) refundable advance are not included in rates and as such, the contribution towards shared facilities represents a payment between customers which similarly is excluded from rates.

[21] *Id*. at lines 138-140.
[22] *Id.* at lines 156-157.

Q. Please elaborate on how the Company addressed concerns regarding the extent to which the Customer "will utilize existing transmission infrastructure or to what extent it will pay for embedded transmission costs commensurate with its contribution to the Company's overall transmission revenue requirement."[23]

A. Like the Division and Office, the UAE did not have access to the information presented in Exhibit RMP___(CME-1R). The UAE has since been provided this response. As stated previously, the Company intends to prevent any increase in the allocation of embedded transmission costs to Utah by adjusting the SG and SE factors to remove the LLSC load.

Q. Please elaborate on how the Company addressed concerns regarding whether the Company will "require contributions in aid of construction ("CIAC") or other direct payments such that the [relevant] assets will not be placed into rate base or whether certain costs have already been, or will be, included in rate base and offset through contractual revenues?"[24]

A. Through additional discussions, the Company provided references back to its proposed accounting treatment of incremental costs to ensure costs of these assets will not be placed into rate base as described in Exhibit RMP___(CME-1R).

Q. Are there any topics detailed by UAE which are not fully addressed through public or confidential information?

A. Yes. The UAE's concerns regarding its inability to independently "validate whether the proposed energy credits would be equal to or greater than the incremental cost" likely remain.

[23] *Id.* at lines 171-175.
[24] *Id.* at lines 178-184.

Q. Does this mean the UAE should be given access to highly confidential information regarding the Energy Charge?

A. No, the Company continues to maintain that this information is highly confidential and proprietary to both it and the LLSC customer.

Q. Under any of the scenarios listed above, can you summarize where in the record of this docket the Company explains how the Company's proposed accounting treatment results in energy credits to NPC that are at least equal to or greater than then incremental costs attributable to the large load customer?[25]

A. Yes. Exhibit RMP___(CME-1R) provides a summary of the relevant locations in the Company's testimony where this information can be found, and states:

> "Please refer to Ramon Mitchell's Direct Testimony, lines 55 through 99. All energy consumed by the LLSC will be credited back to PacifiCorp customers in regulatory filings to ensure that no costs are shifted to other customers. Additionally, please refer to the Direct Testimony of Company witness, Thomas R. Burns, specifically Table 1, which provides the quantified net benefits expected to be returned to customers. Overall, these costs will be separately tracked, and the associated credits are expected to result in a net-zero or net benefit to the Company's overall revenue requirement."

VI. CONCLUSION

Q. What is your recommendation to the Commission?

A. I recommend that the Commission approve the Company's Application and issue an

[25] *Id.* at lines 152-155.

order affirming that the proposed LLSC meets the requirements of the Large Load Act and endorsing the Company's proposed accounting treatment.

Q. Does this conclude your rebuttal testimony?

A. Yes.

Rocky Mountain Power
Exhibit RMP___(CME-1R)
Docket No. 26-035-05
Witness: Craig M. Eller

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

Exhibit Accompanying Rebuttal Testimony of Craig M. Eller

DPU Data Request 2.1

March 2026

26-035-05 / Rocky Mountain Power
March 4, 2026
DPU Data Request 2.1

DPU Data Request 2.1

Please provide a simplified analysis comparing the projected change in the Company's Utah revenue requirement without this LLSC against the same year with the inclusion of this LLSC's load, expenses, and revenue. Use the 2020 Allocation Protocol and data from the most recent year available. This question supersedes Division of Public Utilities Data Request 1.2. Do not answer DPU 1.2.

Response to DPU Data Request 2.1

Large Load Service Contract (LLSC) load (dynamic 2020 Inter-Jurisdictional Cost Allocation Methodology (2020 Protocol) allocations) – Please refer to the Direct Testimony of Company witness, Ramon J. Michell, lines 218 through 228. The dynamic 2020 Inter-Jurisdictional Cost Allocation Methodology (2020 Protocol) allocation factors will be updated to remove the LLSC load. Specifically, the LLSC load and associated peaks will be removed from the calculation of the system energy (SE) and system generation (SG) allocation factors. Because the LLSC resources and purchases are expected to fully serve the LLCS's needs, and be fully excluded from system costs, no change to allocation factors is anticipated. Under this expectation, both the LLSC energy and peak contributions would be fully excluded from system load calculations.

LLSC Expense (energy costs) – Please refer to Ramon Mitchell's Direct Testimony, lines 55 through 99. All energy consumed by the LLSC will be credited back to PacifiCorp customers in regulatory filings to ensure that no costs are shifted to other customers. Additionally, please refer to the Direct Testimony of Company witness, Thomas R. Burns, specifically Table 1, which provides the quantified net benefits expected to be returned to customers. Overall, these costs will be separately tracked, and the associated credits are expected to result in a net-zero or net benefit to the Company's overall revenue requirement.

LLSC Expense (transmission costs) – Please refer to the Direct Testimony of Company witness, Craig M. Eller, lines 317 through 323. No incremental transmission improvement of third-party transmission costs are expected.

LLSC Expense (capacity costs) - Please refer to Ramon Mitchell's Direct Testimony, lines 136 through 217. The Company will procure sufficient resources to fully offset the capacity-related incremental costs that result from the LLSC load. Please refer to Ramon Mitchell's Direct Testimony, lines 199 through 208 for the treatment of capacity costs during the transition period. These costs will be separately accounted for and not included in Utah's revenue requirement.

LLSC Expense (interconnection costs) – Please refer to Craig Eller's Direct Testimony, lines 324 through 333. All interconnection improvement costs have been fully paid on behalf of the LLSC by the facility developer. Upon initiation of

the service, the Company will provide a standard meter allowance which will be recovered through the LLSC reservation charge.

LLSC Revenue – Please refer to Craig Eller's Direct Testimony, lines 68 through 79. Revenue collected through the reservation charge and the contract management charge will be removed from the Company's Utah revenue requirement. Energy-related revenues will be credited back to PacifiCorp customers through regulatory filings. In addition, LLSC participation provides meaningful benefits to certain tariffed programs, all of which are separately tracked and fully isolated from the overall revenue requirement used to establish cost of service (COS) rates.

In summary, the Company expects that all load, expenses, and revenues associated with the LLSC will be fully removed from the Utah revenue requirement through detailed and segregated accounting records. As a result, the approval of the LLSC is anticipated to have a net-zero impact on the Utah revenue requirement when compared to the pre-LLSC baseline. In addition, the Company anticipates marginal capacity benefits to Utah customers from the procurement of additional resources, as well as net energy benefits, as further described in Thomas Burns's Direct Testimony.