REDACTED
Rocky Mountain Power
Docket No. 26-035-05
Witness: Ramon J. Mitchell

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

REDACTED
Direct Testimony of Ramon J. Mitchell

February 2026

I. INTRODUCTION

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 Ramon J. Mitchell, and my business address is 825 NE Multnomah Street, Suite 600, Portland, Oregon 97232. My title is Managing Director, Energy Supply Management Finance and Net Power Costs.

Q. Please describe your education and professional experience.

A. I received a Master of Business Administration degree from the University of Portland and a Bachelor of Arts degree in Economics from Reed College. I was first employed by the Company in 2015 and during my time at the Company I have held various positions across the regulation, merchant, and transmission departments. After a brief departure from the Company in 2021, I returned in 2022 and now serve as Managing Director, Energy Supply Management Finance and Net Power Costs. In my current role, I am responsible for net power costs reporting activities, in addition to supporting portions of Energy Supply Management.

Q. Have you testified in previous regulatory proceedings?

A. Yes. I have previously provided testimony to the Public Service Commission of Utah ("Commission"), in addition to public service commissions in California, Idaho, Oregon, Washington and Wyoming.

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

A. The purpose of my testimony is to explain and support the Company's comprehensive methodology for accounting for and directly assigning all incremental costs associated with serving [redacted] ("Customer") under the proposed

large load service contract ("Proposed LLSC"). My testimony details how the Company will ensure that every category of incremental cost—including energy, transmission, capacity, resource adequacy and sufficiency, interconnection costs, shared facilities costs, surcharges, taxes and franchise fees—are separately tracked and directly assigned to the Customer. I describe the Company's approach to maintaining separate accounting records, the application of credits and exclusions in regulatory filings, and the mechanisms used to comply with Utah's Senate Bill 132 enacted in March 2025 and codified at Utah Code § 54-26-101 et seq. ("Large Load Act") and Utah Administrative Rules R746-318, Large Scale Electric Requirements, effective January 1, 2026 (the "Large Load Rules"). My testimony is intended to demonstrate that the Company's methodologies protect existing customers from subsidizing the new large load, ensure transparency, and comply fully with all applicable laws and Commission rules.

Q. Please describe how your testimony is organized.

A. My testimony is organized as follows:

- *Accounting Methodologies:* I explain how the Company will maintain separate accounting records and directly assign incremental costs associated with serving Customer, including energy, transmission, and capacity costs.
- *Regulatory Compliance:* I discuss how these methodologies ensure compliance with the Large Load Act and Large Load Rules and protect existing customers from subsidizing the new large load.

- *Detailed Cost Categories:* For each major cost category, I outline the specific approach the Company will use to track, assign, and report costs, as well as the mechanisms for excluding these costs from rates charged to other customers.

II. ROCKY MOUNTAIN POWER'S ACCOUNTING FOR THE CUSTOMER LARGE LOAD SERVICE CONTRACT

Q. Has Rocky Mountain Power developed a methodology for how it will maintain separate accounting records with sufficient detail to demonstrate that costs will be directly assigned to the large load customer?

A. Yes. The sections below provide the methodology for each of the incremental cost categories.

Incremental Energy Costs Used by Customer Facilities

Q. What methodology will the Company use to maintain separate accounting records, and how will it provide sufficient detail to demonstrate that incremental costs for the energy used by Customer facilities are directly assigned to the large load customer?

A. The Company will implement a robust accounting methodology to ensure that incremental costs associated with the energy usage of Customer's facilities are directly assigned to the large load customer and not subsidized by other retail customers.

The Company will maintain separate accounting records for transactions related to the Proposed LLSC with Customer. The Company's Customer Service System ("CSS") will track, at a granular level, all energy charges invoiced to Customer. Specifically, the incremental cost for energy used by Customer's facilities will be determined as the amount invoiced to Customer for its [redacted]

[redacted] These records will be maintained separately from other customer accounts and will be available for audit and review by the Commission. This methodology, as explained by Company witness Mr. Craig M. Eller, provides the best representation of the actual costs incurred to serve Customer's load and includes sufficient detail to determine accuracy of those costs.

Q. What actions will the Company take in regulatory filings to ensure other customers do not subsidize Customer's costs?

A. To ensure that other customers do not subsidize the costs associated with serving Customer's load, the Company will take specific actions in its regulatory filings. In each of the Company's general rate cases going forward, the Company will apply a credit equal to the total forecasted Customer Energy Charge against the forecasted net power costs. This credit will offset incremental costs associated with Customer's energy usage, ensuring that these costs are removed from the net power costs calculation used to set rates for other customers. Similarly, in Utah Energy Balancing Account ("EBA") filings, the Company will apply a credit equal to the actual Customer invoiced Energy Charges against the actual net power costs. This ensures that incremental costs related to meeting Customer's load are excluded from the EBA recovery mechanism, so that other customers do not bear any portion of these costs.

The Company will provide detailed supporting documentation in both general rate case and EBA filings, including the Customer invoiced Energy Charges, to demonstrate the calculation and application of these credits. The Company will work

with the Commission and stakeholders to ensure transparency and compliance with the Large Load Act. In addition, the Company will make all records available for audit and review.

This [redacted] energy credit is expected to meet or exceed any increased average net power costs allocated to Utah. As discussed in the direct testimony of Company witness Mr. Thomas R. Burns, there is a forecasted net benefit to existing customers from the economic re-dispatch of system resources under this approach over the term of the agreement.

Incremental Transmission Costs used by the Customer Facilities

Q. What methodology will the Company use to ensure that incremental transmission costs associated with serving Customer facilities are directly assigned to the large load customer, and what actions will the Company take in regulatory filings to ensure other customers do not subsidize Customer's transmission costs?

A. The Company will not incur any additional third-party wheeling costs to serve Customer because the Customer load will be designated as a network load under the Company's existing transmission rights. Service to Customer will be provided using the Company's Network Integration Transmission Service ("NITS"), which allows the Company to deliver energy across its own transmission system without relying on external transmission providers.

A system impact study confirmed that no incremental transmission upgrades or third-party wheeling arrangements are required to accommodate Customer's load. All energy delivered to Customer will flow through the Company's internal transmission

network, and congestion or transmission-related costs will be captured in the [redacted]

As a result, there will be no additional wheeling charges from other transmission providers and no incremental transmission cost of service impacts from necessary transmission improvements associated with transmission service for Customer.

Q. How does the [redacted] relate to transmission cost recovery, and how does the Company ensure customers are reimbursed for these costs?

A. The [redacted] is designed to reflect the marginal cost of congestion at a specific location on the transmission system. In other words, it represents the additional cost incurred to deliver energy to that location [redacted]. By including [redacted], and crediting this amount to other customers in NPC, Customer makes reasonable contributions toward transmission costs associated with serving their load. As described previously, the Company will provide an [redacted] credit in NPC. This credit will include the [redacted], thereby reimbursing customers for these transmission costs. To maintain accuracy and transparency, the Company will track [redacted] and verify that it is fully incorporated into the energy credit provided to customers. This approach ensures that all incremental costs are properly accounted for and excluded from other customers' rates.

Incremental Capacity-Related Costs

Q. What capacity-related costs result from serving the new load associated with Customer's facilities?

A. The addition of the new Customer load incrementally impacts several capacity-related costs:

1) *Capacity Procurement:* The Customer load will increase the Company's overall demand, inclusive of demand during peak hours. This higher demand requires the Company to secure additional capacity resources to maintain reliable service for all customers.

2) *Resource Adequacy:* Resource adequacy refers to the Company's ability to ensure there are enough resources—generation, storage, and demand-side management—to reliably meet customer demand plus a planning reserve margin. The addition of the Customer load will increase the minimum amount of capacity for which the Company must plan to meet reliability standards.

3) *Resource Sufficiency:* the Company plans to participate in the California CAISO EDAM, which imposes a formal Resource Sufficiency Test. This test is designed to ensure that each market participant, including the Company, brings enough flexible and dispatchable resources to the market to meet its own forecasted load, reserve requirements, and other obligations. If a participant fails the Resource Sufficiency Test, it may face penalties. The new Customer load will increase the Company's obligations under the CAISO Resource Sufficiency Test by raising both the forecasted load and the required reserves.

Q. How will the Company address the increased capacity need and resulting capacity-related costs that will result from increasing the amount of load it must serve pursuant to the Proposed LLSC?

A. The Company will procure the "Proposed Resources" described by Company witness Mr. Eller, to fully offset the capacity-related incremental costs described above that result from the Customer load and ensure that existing customers realize net benefits from the Proposed LLSC. The procurement of these Proposed Resources will provide a number of capacity-related benefits, including:

- *Proposed Resources provide the capacity benefit of offsetting peak demand:* The Proposed Resources will provide [redacted] This directly addresses the incremental capacity required to serve the higher demand created by the Customer load, eliminating the need for the Company to procure additional capacity from external sources when the Proposed Resources are fully in service.
- *The Proposed Resources create additional capacity benefits:* The Proposed Resources [redacted] By using the Proposed Resources for these services, the Company avoids having to procure additional capacity from the market.
- *The Proposed Resources provide resource adequacy:* The addition of the Proposed Resources will increase the Company's total available resources,

helping the Company meet resource adequacy standards and planning reserve margins required to reliably serve all customers, including the new Customer load, as further described in the testimony of Company witness Mr. Burns.

- *The Proposed Resources increase resource sufficiency:* The addition of the Proposed Resources contracts will increase the Company's dispatchable supply which is eligible for offsetting the obligations associated with the CAISO Resource Sufficiency Test associated with the Customer's load.

Q. How will the Company ensure that other customers do not subsidize Customer's capacity needs?

A. As detailed in Company witness Mr. Eller's testimony, to ensure that there is adequate system capacity to address capacity-related constraints and costs associated with providing load service to Customer, the Company will procure the Proposed Resources. The fixed and variable costs pursuant to the Proposed Resources will be excluded from the net power costs forecast in general rate cases and will not be included in the actual cost of service in the Utah EBA. In both the general rate case and EBA filings, the Company will provide clear documentation showing that the net costs of the new Proposed Resources and related services are excluded from the cost recovery mechanisms applicable to other customers.

Q. How will the Company address incremental capacity-related costs associated with the Customer load during the transition period before the Proposed Resources are operational?

A. There will be a transition period between the commencement of service to Customer and the dates when the Proposed Resources become operational. During this period,

the Company will procure [redacted] to meet all incremental capacity-related needs created by the Customer load during the third quarter (July through September) of each year. These interim energy purchases will fulfill the same objectives as the Proposed Resources: supporting system reliability, and managing resource adequacy and sufficiency.

Q. How will the Company ensure that the costs of this interim solution are not included in rates for other customers?

A. The Company will maintain detailed and separate accounting records for all costs associated with these transitional energy purchases. To ensure compliance with the Large Load Act, and to protect existing customers, the Company will not include the costs of these interim energy purchases in the net power costs forecast in general rate cases or in the actual cost of service in the Utah EBA. This approach guarantees that existing customers are held harmless during the transition period, just as they are once the Proposed Resources are in service.

Q. Will the dynamic allocation factors be adjusted for the new Customer load?

A. Yes, the dynamic allocation factors will be adjusted to account for the new Customer load. Specifically, the new Customer loads and peaks will be incorporated into the derivation of the System Energy ("SE") and System Generation ("SG") factors, net of the resources—such as the Proposed Resources and interim energy contracts—that are situs assigned to the load. The output from the Proposed Resources or interim energy contracts will offset Customer's load at the hourly level by the lower of the Customer load in megawatt-hours ("MWh") for that hour and the Proposed Resource output (or interim energy contract) in MWh for that hour. This approach will ensure that both the

load and the corresponding resource assignments are accurately reflected in the calculation of the allocation factors.

Q. How will the Company ensure that the load interconnection costs associated with serving Customer are directly assigned to the large load customer and not included in rates for other customers?

A. All interconnection costs required to physically connect Customer's facilities to the Company's system will be fully recovered as described in the testimony of Company witness Mr. Eller. These costs include the design, construction, and installation of any necessary interconnection facilities. The Company maintains separate accounting for these costs, and they are not included in the Company's revenue requirement or base rates for other customers. This approach ensures that existing customers do not subsidize any portion of the interconnection costs for Customer.

Q. How are shared facilities costs handled for the Customer load, and how does the Company ensure these costs are not borne by other customers?

A. Customer is responsible for paying its proportionate share of any shared facilities that were funded by other customers, as determined by applicable tariffs and system impact studies. The amount is calculated based on Customer's contract demand and is paid up front or as specified in the service agreement. The Company tracks these payments separately, and they are not included in rates for other customers. This ensures that existing customers are compensated for their prior investment in shared facilities and are not subsidizing the new load.

Q. How will the Company handle taxes related to the Customer load, and what is the impact on other customers?

A. Customer is required to pay all applicable taxes, including municipal energy sales/use tax and Utah sales tax, as part of its service agreement. These payments are collected in accordance with state and local laws and are not included in the cost of service for other customers. In fact, these taxes represent additional revenue that benefits the jurisdictions in which Customer operates, without imposing any cost on existing Company customers.

III. CONCLUSION

Q. Please summarize your testimony.

A. In summary, my testimony explains that the Company will directly assign and separately track every incremental cost associated with serving Customer under the Proposed LLSC, ensuring that existing customers are held harmless and fully protected from subsidizing the new load. These incremental cost categories include:

- *Incremental energy costs:* All energy used by Customer will be billed [redacted], reflecting the incremental cost of providing that energy, and these energy charges will be fully credited to Utah customers in EBA filings, so no costs are shifted to other customers.
- *Incremental transmission costs:* The [redacted] includes a reimbursement for transmission costs, and there are no incremental transmission improvement costs or third-party transmission costs.
- *Capacity-related costs:* The Proposed Resources (or, during the transition, dedicated energy purchases) will provide all incremental capacity needed to

ensure reliable service to Customer. The benefits of these resources—[redacted]—will fully offset the incremental costs associated with the load resulting in no net incremental costs to Utah customers.

- *Resource adequacy and sufficiency:* The Proposed Resources (or interim contracts) will ensure the Company meets all reliability and CAISO market requirements attributable to Customer resulting in no net incremental costs to Utah customers.
- *Dynamic allocation factors:* The dynamic allocation factors for Utah will be adjusted to include the Customer load net of the energy from the Proposed Resources (or interim energy contracts).
- *Interconnection costs:* All costs required to physically connect Customer's facilities to the Company's system will be fully recovered as described in the testimony of Company witness Mr. Eller and are not included in rates for other customers.
- *Shared facilities costs:* Customer will pay its proportionate share of any shared facilities funded by other customers, as determined by applicable tariffs and system impact studies, ensuring existing customers are compensated for their prior investment.
- *Taxes:* Customer is required to pay all applicable taxes, which are not included in the cost of service for other customers and represent additional revenue for the jurisdictions in which Customer operates.

- Through these measures, the Company will ensure full compliance with the Large Load Act, transparency in cost assignment, and robust protection for existing ratepayers. Incremental costs and benefits associated with the Customer load are accounted for in a manner that is fair, auditable, and consistent with regulatory requirements.

Q. Does this conclude your direct testimony?

A. Yes.