

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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<b>In the Matter of the Application of</b>	)	<b>Docket No. 09-035-15</b>
<b>Rocky Mountain Power for Approval</b>	)	
<b>of its Proposed Energy Cost Balancing</b>	)	<b>Rebuttal Testimony of</b>
<b>Account Mechanism</b>	)	<b>Philip Hayet for the</b>
	)	<b>Utah Office of</b>
	)	<b>Consumer Services</b>

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November 16, 2016

**I. INTRODUCTION AND SUMMARY**

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**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, TITLE AND COMPANY.**

A. My name is Philip Hayet, and my business address is 570 Colonial Park Drive, Suite 305, Roswell, Georgia, 30075. I am Vice President of J. Kennedy and Associates, Inc. (Kennedy and Associates).

**Q. PLEASE STATE ON WHOSE BEHALF YOU ARE TESTIFYING.**

A. I am appearing on behalf of the Office of Consumer Services (“Office”).

**Q. DID YOU PREVIOUSLY FILE TESTIMONY IN THIS DOCKET?**

A. Yes, I filed direct testimony on September 21, 2016 on behalf of the Office.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. The purpose of my testimony is to respond to the direct testimonies of PacifiCorp (also referred to as “Rocky Mountain Power” or “the Company”) witness Mr. Michael Wilding, and the Division of Public Utilities (“Division”) witnesses Mr. David Thomson and Mr. Charles Peterson. Each of the parties provided recommendations to the Commission regarding the Energy Balancing Account (“EBA”) Pilot Program, which is now set to expire in 2019. The following lists the witnesses and the topics that I address.

- Mr. Peterson – Extension of time to review the Company’s EBA filing
- Mr. Thomson – Exclusion of prior period benefits and/or costs from the EBA
- Mr. Thomson – Imprudent forced outages
- Mr. Wilding – Include additional costs and credits in the EBA

22 **II. EVALUATION OF PARTIES' POSITIONS**

23 **Extension of Time to Review the Company's EBA Filing**

24 **Q. PLEASE EXPLAIN MR. PETERSON'S RECOMMENDATION TO EXTEND THE**  
25 **TIME FOR THE DIVISION TO REVIEW THE COMPANY'S EBA FILING.**

26 A. Mr. Peterson explains that the Division does not believe that the four-month period  
27 available each year to conduct the audit of the Company's annual EBA filing is sufficient  
28 "to do even the spot checking that the Division attempts to do."<sup>1</sup> As such, the Division  
29 recommends that the Commission permit more time for the Division to conduct its audit  
30 of the Company's annual EBA filing, and to consider setting interim rates. The Division's  
31 Evaluation Report stated that "this compressed time is not necessary and that an interim  
32 rate process would provide for relatively contemporaneous payments to either the  
33 Company or customers while allowing for a more thorough review."<sup>2</sup>

34 **Q. WHAT CHANGES TO THE EBA DOES MR. PETERSON RECOMMEND TO**  
35 **EXTEND THE AUDIT PERIOD?**

36 A. The Company would continue to make its EBA filing on March 15. Because of the  
37 extension, the Division would initially perform a preliminary review and would provide a  
38 preliminary conclusion as to whether the Company's EBA filing appears to be consistent  
39 with previous years' filings. Assuming no issues are found with the Company's EBA filing  
40 based on the Division's preliminary review, interim rates would go into effect on May 1  
41 and would be amortized through April 30 of the following year. However, if the Division  
42 finds that the Company's filing is a "departure from past filings", it would petition the  
43 Commission to suspend the date interim rates would go into effect. Instead of filing its

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<sup>1</sup> Charles Peterson's September 21, 2016 Direct Testimony, line 146.

<sup>2</sup> Division's May 20, 2016 EBA Evaluation Report, Docket No. 09-035-15, at page 5.

44 audit report on July 15 as it had done in the past, the Division’s filing deadline would be  
45 extended by four months to November 15.

46 **Q. WHAT CHANGES TO THE EBA HEARING PROCESS DOES MR. PETERSON**  
47 **RECOMMEND?**

48 A. After the Division files its audit report, the Commission would schedule dates for  
49 comments and reply comments to be filed, and it would hold a hearing on or about February  
50 1 of the following year. Mr. Peterson proposes that if true-ups to the interim rates were  
51 approved by the Commission, they would go into effect on March 1 and be amortized  
52 through April 30. Mr. Peterson states that if the Commission determined the true-up was  
53 a large amount and would be burdensome, the Commission could consider extending the  
54 true-up period.

55 **Q. DOES THE OFFICE SUPPORT THE DIVISION’S RECOMMENDATION TO**  
56 **EXTEND THE EBA AUDIT EVALUATION TIMELINE?**

57 A. The Office is sympathetic to the Division’s concern that the EBA has a major impact on  
58 its staffing requirements and is performed in a compressed time, however, the Office would  
59 like to ensure that that the Division’s request for an extension, which would add additional  
60 time to the process, would in fact lead to the Division being able to perform “a more  
61 thorough review.” It seems reasonable that with the extension, the Division would be able  
62 to submit more discovery, would conduct additional and more thorough investigations, and  
63 would likely reach additional conclusions that might not otherwise be determined with the  
64 shorter evaluation period.

65 **Q. DID THE DIVISION PROVIDE ANY SUMMARIES OF ITS POSITION THAT**  
66 **MAY INFLUENCE THE OFFICE’S DECISION TO SUPPORT ITS EXTENSION**  
67 **REQUEST?**

68 A. Yes, one of the Division’s summary statements in its May 20, 2016 EBA Evaluation Report  
69 was:<sup>3</sup>

70 In sum, given that the EBA taxes Division staffing and consultant funding  
71 resources along with the lack of Division expertise as explained above, the  
72 Division’s review of the EBA is limited and imprudent costs could elude review.  
73 For example, the Division has never attempted to apply the results of its spot-  
74 check of a relatively few transactions to the universe of the Company’s several  
75 tens of thousands of transactions during a given year. While the term “audit” has  
76 been used with the Division’s annual review of the EBA, it is not an audit in the  
77 sense that the Division is making an attestation that the EBA amounts filed by the  
78 Company are “materially” correct (except for some few proposed adjustments).  
79 Instead the Division’s audit means that other than the adjustments to the  
80 Company’s filing that it brings before the Commission in a given EBA docket, it  
81 did not find any other problems with the filing as a result of its fairly limited  
82 review.  
83

84 The Office believes that the Division should provide an explanation of how it anticipates  
85 these expectations might change if its request for an extension in its audit review period is  
86 granted.

87 **Q. DOES THE OFFICE HAVE ANY OTHER CONCERN WITH THE DIVISION’S**  
88 **EXTENSION RECOMMENDATION?**

89 A. Yes, if the Commission were to authorize an extension, the Office is unconvinced that  
90 interim rates would necessarily have to be incorporated in the process. Currently, the  
91 Company makes its EBA filing in March of a given year and new rates do not go into effect  
92 until November of that year. The Division’s extension request would simply push out the  
93 date that rates would be made final by about four months. There is no compelling reason  
94 that interim rates should immediately go into effect just because the procedural timeline is  
95 extended by about four months. During that time, the Company would still be entitled to

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<sup>3</sup> Division’s May 20, 2016 EBA Evaluation Report, Docket No. 09-035-15, at page 46.

96 collect carrying charges on the under-collected balance, or ratepayers would be entitled to  
97 receive carrying charges on the over-collected balance.

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99 **Exclusion of Prior Period Benefits and/or Costs from the EBA**

100 **Q. PLEASE EXPLAIN MR. THOMSON’S RECOMMENDATION CONCERNING**  
101 **THE EXCLUSION OF PRIOR PERIOD BENEFITS AND/OR COSTS FROM THE**  
102 **EBA.**

103 A. Mr. Thomson discussed this recommendation as follows:<sup>4</sup>

104 “...benefits and/or costs from prior periods where the deferral amount has, by  
105 Commission order, been closed or made final, should not be allowed in future  
106 deferral periods, even if the benefit or cost is according to GAAP correctly  
107 accounted for in that future period. Not allowing benefits/costs from prior periods  
108 will not prevent Rocky Mountain Power putting on its books and records prudent  
109 Net Power Costs (NPC) booked according to GAAP.”  
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111 **Q. HAS THE OFFICE TAKEN A POSITION ON THIS MATTER TO DATE?**

112 A. Yes, in testimony that I filed in the 2016 EBA Proceeding (Docket No. 16-035-01) on  
113 behalf of the Office, I supported the Division’s recommendation to remove prior period  
114 benefits and costs that the Company proposed for inclusion in the 2016 EBA. In that  
115 testimony, I explained that once the Commission finalizes rates from prior periods, the  
116 Company should not retroactively adjust those rates, which is effectively what it does by  
117 introducing benefits and costs from a finalized prior period into a future period.

118 **Q. DO YOU BELIEVE THIS IS CONSISTENT WITH THE COMMISSION’S**  
119 **OBJECTIVES FOR THE EBA?**

120 A. Yes, I do. In its order on the EBA Interim Rate Process issued August 30, 2012 (Docket  
121 Nos. 12-035-67, 09-035-15, and 11-035-T10), the Commission stated it would “implement

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<sup>4</sup> David Thomson, September 21, 2016 Direct Testimony, at line 19..

122 a process requiring one annual rate change, following completion of the Division’s audit.”  
123 I agree with the Commission’s preference for having only one annual rate change with each  
124 EBA, and I am opposed to the Division’s recommendation to introduce interim rates, even  
125 if the EBA proceeding was extended by a short four-month period.

126 **Q. WHY DID THE COMMISSION WANT TO AVOID HAVING MULTIPLE**  
127 **CHANGES IN RATES?**

128 A. The Commission explained that a process that allowed multiple changes in rates would  
129 result in litigation of the same issues on multiple occasions<sup>5</sup>, which could conceivably  
130 happen if a cost from a prior period was accounted for in a future period. It is conceivable  
131 that with out-of-period adjustments, the Company could finalize rates for one EBA period,  
132 and then try to move costs from that period into a future EBA period. In effect, parties  
133 might have to litigate the same issues in multiple EBA proceedings. The Commission  
134 found that multiple rounds of litigation of the same issues would be inefficient and  
135 unjustified.

136 **Q. ARE THERE ANY OTHER REASONS WHY OUT OF PERIOD ADJUSTMENTS**  
137 **SHOULD NOT BE PERMITTED?**

138 A. Yes, and the Division pointed this out in its 2016 EBA Audit Report, in which it stated  
139 that, “hypothetically, if the EBA had sharing bands until 2025, then the true-up or adjusting  
140 of costs from October 1, 2011 to January 1, 2024 could be done in the 2025 deferral  
141 period.”<sup>6</sup> While the Company might not necessarily attempt to make prior period  
142 adjustments spanning more than a decade, the Company did, in fact, attempt to make  
143 adjustments that spanned more than just a few years in the 2016 EBA proceeding. I agree

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<sup>5</sup> Commission’s August 30, 2012 Order at page 12.

<sup>6</sup> David Thomson Exhibit 1.2, Docket No. 16-035-01, Division’s 2016 EBA Audit Report, at page 29.

144 with the Division that the Company should not be permitted to do this, and I believe that  
145 the Commission has established a preference for bringing finality to the rate setting  
146 process. I believe the Company should respect the fact that once final rates are approved  
147 no further costs or revenues should be introduced retroactively in a later EBA calendar year  
148 period.

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150 **Imprudent Forced Outages**

151 **Q. PLEASE EXPLAIN MR. THOMSON’S RECOMMENDATION CONCERNING**  
152 **IMPRUDENT FORCED OUTAGES.**

153 A. Mr. Thomson recommends “that the Commission should specifically clarify that ratepayers  
154 should not pay outage-related expenses for imprudent outages, whether the imprudence is  
155 due to the Company’s direct actions or the actions of its agents or contractors.”<sup>7</sup> Mr.  
156 Thomson includes with his testimony, DPU Exhibit 6.1 Dir, which is a memo that its  
157 consultant, Daymark Energy Advisors (“Daymark”) provided entitled “Prudence Review  
158 and Treatment of Forced Outages in the EBA.” Daymark’s memo focuses on imprudent  
159 outages and explains that net power costs typically are higher than they otherwise would  
160 have been had the imprudent outages been avoided. The Daymark memo refers to the Utah  
161 Code Ann. § 54-7-13.5(2)(b), which is the enabling statute for the EBA. The statute only  
162 permits prudently incurred costs to be recovered through the EBA, and Daymark argues  
163 that additional net power costs arising from imprudent outages should not be recovered  
164 through the EBA.

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<sup>7</sup> David Thomson, September 21, 2016 Direct Testimony, at line 183.



165 **Q. AT THIS TIME, IS THERE ANY REASON THAT THE COMMISSION SHOULD**  
166 **SPECIFICALLY CLARIFY THAT RATEPAYERS SHOULD NOT PAY**  
167 **OUTAGE-RELATED EXPENSES FOR IMPRUDENT OUTAGES?**

168 A. I completely agree with the Division that ratepayers should not be required to pay for  
169 outage-related expenses for imprudent outages, and I believe it would be fine for the  
170 Commission to confirm this; however, I have no reason to suspect that the Commission  
171 does not already agree with this.

172 **Q. NEVERTHELESS, CAN YOU THINK OF AN EXAMPLE IN WHICH CLARITY**  
173 **FROM THE COMMISSION WOULD IN FACT BE WORTHWHILE.**

174 A. Yes. As the Daymark memo notes, some of PacifiCorp's generating unit outages have  
175 been either caused by non-affiliated plant operators at jointly owned plants, or by  
176 negligence on the part of an outside contractor hired by PacifiCorp to work on one of the  
177 Company's units. Typically, as Daymark notes, the Company would argue "that it is  
178 unreasonable to penalize PacifiCorp for a third party's performance when PacifiCorp has  
179 no contractual ability to seek recourse from that third party."<sup>8</sup> I disagree with the  
180 Company's statement, and I believe the Commission should make it clear that besides  
181 potentially being held responsible for imprudent outages that the Company's own  
182 employees might cause, the Company could potentially be held responsible for imprudent  
183 outages caused by outside contractors working for the Company, and by outside operators  
184 of jointly owned plants. But, in fairness to the Company, I think that the Commission  
185 should also make it clear that it would evaluate all proposed imprudence disallowances  
186 based on the facts and circumstances of each outage.

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<sup>8</sup> David Thomson Exhibit 6.1, Docket No. 09-035-15, Daymark Memo, at page 4.

187 **Q. WHY DO YOU BELIEVE PACIFICORP SHOULD BE HELD ACCOUNTABLE**  
188 **FOR IMPRUDENT OUTAGES CAUSED BY OUTSIDE CONTRACTORS AND**  
189 **OUTSIDE PLANT OPERATORS?**

190 A. Because ratepayers are not involved in the operation and maintenance of generating units  
191 that serve their load, PacifiCorp is. PacifiCorp recovers the costs of its investments and  
192 earns a return on its investment, and it has the sole obligation to prudently operate its units,  
193 and coordinate the operation of its units, even if outside contractors are hired to work on  
194 its units, or outside parties operate its units. Customers do not have the right to select a  
195 different utility that they believe might operate units more reliably, and who would avoid  
196 acquiring replacement power. PacifiCorp has been granted a monopoly right to serve its  
197 customers, and with that right comes the responsibility to ensure that it operates its  
198 resources in a prudent manner. That responsibility extends to properly overseeing work  
199 that its outside contractors perform, and taking a role in the operation of jointly owned  
200 units, even if PacifiCorp is not the primary operator of the plant. Therefore, in addition to  
201 being held responsible for imprudent outages caused by its own employees, PacifiCorp  
202 must also be held accountable for imprudent outages caused by its outside contractors and  
203 outside plant operators. Given PacifiCorp's propensity for arguing it should not be held  
204 responsible when outages are caused by outside contractors or outside plant operators, it  
205 would be worthwhile for the Commission to clarify that based on the facts and  
206 circumstances associated with the outages, PacifiCorp could be held responsible for costs  
207 associated with imprudent outages caused by outside agents.

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211 **Include Additional Costs and Credits in the EBA**

212 **Q. PLEASE EXPLAIN MR. WILDING’S RECOMMENDATION TO INCLUDE**  
213 **ADDITIONAL COSTS AND CREDITS IN THE EBA.**

214 A. Mr. Wilding recommends adding chemical costs, start-up fuel/gas costs, and PTCs to the  
215 EBA, which he states “are either directly correlated with generation output, or are clearly  
216 and closely related to the generation process.”<sup>9</sup> Mr. Wilding also explains that these costs  
217 are volatile and vary with generation and weather, and that fluctuations in each of these  
218 costs are generally beyond the Company’s control.

219 **Q. DO YOU AGREE THAT IT WOULD BE REASONABLE TO ADD THESE**  
220 **ADDITIONAL ITEMS TO THE EBA?**

221 A. My initial reaction is typically to react negatively to any proposal of adding additional  
222 items to fuel recovery tariffs. In my experience, I have seen utilities attempt to load in  
223 various unrelated costs into their fuel balances simply because of the ease of recovering  
224 the costs afforded by the fuel recovery tariff. However, in this case, I agree there is  
225 justification for including two of the items that the Company is requesting to add into the  
226 EBA, but I do have some concerns about the third item the Company is requesting to  
227 include.

228 **Q. PLEASE DISCUSS YOUR POSITION CONCERNING ADDING CHEMICAL**  
229 **COSTS TO THE EBA.**

230 A. To the extent that the consumption of chemical products varies with the amount of  
231 generation at the Company’s units, I believe it would be reasonable to include these costs  
232 in the EBA. I recognize that the use of chemicals is increasing due to environmental  
233 installations at the Company’s plants, which have been mandated by environmental

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<sup>9</sup> Michael Wilding September 21, 2016 Direct Testimony, at line 183.

234 regulations that the Company must follow. Both the per unit cost, and the quantity of the  
235 chemicals that will be consumed are factors that can vary over time, and will cause  
236 fluctuations in costs that PacifiCorp must pay for the chemicals. As such, I find it  
237 reasonable to include chemical costs in the EBA. However, my support is conditioned on  
238 an additional requirement that as part of the minimum filing requirements for the EBA, the  
239 Company must provide evidence that the chemical costs it includes in the EBA are “clearly  
240 correlated with generation output or were clearly and closely related to the generation  
241 process.” This will help to ensure that other unrelated items PacifiCorp purchases and uses  
242 at its power plants are not also included in the EBA. Furthermore, once chemical costs are  
243 permitted in the EBA, they should be accounted for at the time of the next GRC.

244 **Q. PLEASE DISCUSS YOUR POSITION CONCERNING ADDING START-UP**  
245 **COSTS TO THE EBA.**

246 A. Fuel costs are already an important component of net power costs that are included in the  
247 EBA, and I believe it is reasonable to include start-up fuel costs as well. These fuels  
248 primarily include number two diesel fuel and natural gas, and it is necessary to use these  
249 fuels in operating the Company’s generating units. Other utilities that I am familiar with  
250 can recover start-up costs in their fuel recovery tariff. Like chemical costs, once start-up  
251 fuel costs are permitted in the EBA, they should be appropriately accounted for at the time  
252 of the next GRC.

253 **Q. WHAT IS YOUR POSITION CONCERNING ADDING PRODUCTION TAX**  
254 **CREDITS (“PTC”) IN THE EBA.**

255 A. I neither support nor oppose including PTCs in the EBA. I understand the Company’s  
256 desire to include PTCs in the EBA, given that PTCs vary with energy production; however,  
257 I have some reservations about including them, which I discuss below. Regardless, should

258 the Commission permit PTCs to be included in the EBA, I believe that it would be  
259 important to make such a change at the time of the next GRC.

260 **Q. WHAT ARE PTCs?**

261 A. PTCs are tax credits allowed under Section 45 of the Internal Revenue Service Tax Code  
262 that are offered as an incentive to encourage the development of renewable resources, and  
263 act as an offset to the developer's federal income tax liability. PTCs are determined based  
264 on the generation output of the renewable resource. For example, the production tax credit  
265 for wind is an inflation-adjusted per kWh tax credit that is \$0.023/kWh in 2016. The IRS  
266 publishes the applicable inflation adjustment factors annually. PTCs are available for the  
267 first 10 years after new renewable resources become commercially operable. PacifiCorp  
268 stated that beginning in 2017, some of its PTCs will begin to expire as they have operated  
269 for more than 10 years, which will have a significant impact on the Company's revenue  
270 requirement.

271 **Q. WHAT ARE YOUR CONCERNS REGARDING INCLUDING PTCs IN THE EBA?**

272 A. I have a few concerns regarding including PTCs in the EBA. First, these are federal income  
273 tax related costs/credits, and I generally would prefer to reflect tax related costs/credits in  
274 base rates, not part of net power cost recovery. Second, one of the reasons that I support  
275 including chemical costs in the EBA is that chemicals costs vary with both the per unit cost  
276 of the chemicals, and the amount of the chemicals that are used. In the case of PTCs, the  
277 per unit cost is not variable, and is known in advance, and the only thing that is variable  
278 about a wind resource that affects the amount of the credit is the wind production. This  
279 makes it somewhat easier to predict the renewable resource related PTCs compared to  
280 predicting the cost of chemicals. Also, the variability of the cost of chemicals will also  
281 influence the dispatch price of the fossil generating units, and that in turn will affect the

282 dispatch of the generating units. In the case of renewable resources, PTCs do not influence  
283 the dispatch price of the renewable resources. The dispatch price of the renewable  
284 resources is essentially zero. For example, in the case of a wind generator, when the wind  
285 blows, the resource is typically dispatched.

286 Third, the fact that the PTCs will expire on a known schedule and will have a  
287 significant impact on PacifiCorp's revenue requirements may not be sufficient justification  
288 for including PTCs in the EBA. For example, there are other items such as depreciation  
289 that decline on a known schedule and have a significant impact on the Company's revenue  
290 requirements. If necessary, the Company could always file a new General Rate Case in  
291 the event it believed the loss of the PTCs would have a significant impact on its revenue  
292 requirements.

293 **Q. WHAT ARE YOUR SUMMARY CONCLUSIONS AND RECOMMENDATIONS?**

294 A. Concerning the Division's recommendation to extend the time to review the Company's  
295 EBA filing, in general, the Office believes the Division's request is reasonable, however,  
296 the Office recommends that the Division try to set expectations as to what additional  
297 benefits might be derived if the time is extended. Also, the Office believes that extending  
298 the audit period by four months does not necessarily require that interim rates be  
299 incorporated as part of the EBA process, and the Office recommends that aspect of the  
300 Division's extension request be ignored.

301 The Office supports the Division's recommendation to exclude prior period  
302 benefits and/or costs from the EBA. The Office believes the Commission would prefer  
303 reaching finality in setting EBA rates; the Company's preference to include prior period  
304 benefits and/or costs in a future period would in fact lead to rates changing retroactively,  
305 which the Commission prefers to avoid.

306           The Office supports the Division’s recommendation that the Commission should  
307 clarify that PacifiCorp could potentially be held responsible for imprudent outages not only  
308 caused by its own employees, but also caused by outside contractors and outside plant  
309 operators of its jointly owned plants, based on the facts and circumstances of the outage  
310 events.

311           The Office supports the Company’s request to include chemicals and start-up costs  
312 in the EBA. Chemicals do vary with the amount of generation produced at the plants,  
313 chemical costs have increased significantly over time given the increase in environmental  
314 installations that have been added to PacifiCorp’s plants, and the total cost of chemicals  
315 are hard to predict because both the per unit cost of chemicals and the volume of chemicals  
316 used can fluctuate over time. The Office also supports the inclusion of start-up costs,  
317 simply because they are fuel costs, and it is generally standard practice to capture all fuel  
318 costs in a fuel cost recovery tariff. The Office recommends that the inclusion of both  
319 chemicals and start-up costs in the EBA should take place at the time of the next GRC.

320           Regarding PTCs, the Office neither supports nor opposes their inclusion in the  
321 EBA. PTCs are generation related, which suggests they could be included, however, the  
322 Office has some concerns about their inclusion. PTCs are tax credits, which are generally  
323 accounted for in base rates. Compared to other costs or benefits such as chemical costs,  
324 PTCs are less variable, since the per unit cost is well known in advance based on the federal  
325 tax code. Also, the Office discounts the Company’s argument that PTCs significantly  
326 impact the Company’s revenue requirements and are being phased out over time as reasons  
327 for including them in the EBA. The phase out schedule is well known in advance, the per  
328 unit cost of PTCs are known in advance of the dispatch of renewable resources, and PTCs  
329 are not the only significant revenue requirement related items that decline and are phased

330 out that the Company must deal with. If the phase out of PTCs is a significant issue, the  
331 Company could always file a General Rate Case to attempt to adjust its rates. But, should  
332 the Commission desire to include PTCs in the EBA, the Office recommends that such  
333 change should take place at the time of the next GRC.

334 **Q. DOES THAT COMPLETE YOUR TESTIMONY?**

335 **A.** Yes it does.