P U B L I C

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of the Request of Rocky Mountain Power for Authority to Increase its Retail Electric Utility Service Rates in Utah and for approval of Its Proposed Electric Service Schedules and Electric Service Regulations	))))))))))	**DOCKET NO. 09-035-23** **Exhibit No. DPU 12.0** **Testimony** **Douglas D. Wheelwright**

FOR THE DIVISION OF PUBLIC UTILITIES
DEPARTMENT OF COMMERCE
STATE OF UTAH

Testimony of

Douglas D. Wheelwright

October 8, 2009

Q: Please state your name, business address and title.

A: My name is Douglas D. Wheelwright. I am a Utility Analyst in the Division of Public Utilities (Division). My business address is 160 East 300 South, Salt Lake City, Utah 84114.

Q: On whose behalf are you testifying?

A: The Division of Public Utilities.

Q: Please describe your position and duties with the Division.

A: I review public utility documents and financial data and conduct other research to support Division policy positions.

Q: What is the purpose of your testimony?

A: My purpose is to present part of the Division's position on the hedging policies and practices currently in place at PacifiCorp (Company).

Q: Why is this issue included in the general rate case?

A: Natural gas fired power plants represent 22% of the Company's total owned generating capacity and represented 12% of the energy supplied in 2008. As part of this application, the Company has included an expense of $174.2 million[1] in the net power costs for natural gas swaps relating to the Company's purchases in the hedging program. The Company has also included revenue of $187.8 million[2] from electric swaps for a net reduction of $13.6 million in net power costs. While the primary focus of this analysis is dealing with natural gas hedging, the net result of the natural gas and the electric hedging program should be reviewed. The Company provided information in the May 18, 2009 technical conference indicating a strong correlation between the power and the natural gas hedges. Concerns with hedging were raised in the previous general rate case, Docket No. 08-035-38, by the Division and by other intervening parties. On April 9, 2009, the Utah Public Service Commission (Commission) opened Docket No. 09-035-21 to further study the natural gas price risk

[1] Exhibit RMP ___(GND-1), page 5 – line labeled Gas Swaps.
[2] Exhibit RMP ___(GND-1), page 4 – line labeled STF Electric Swaps.

management policies and procedures of the Company and to allow interested parties to participate and better understand the issues. These issues are being addressed in this rate case because of the possible impact to ratepayers and to determine how the Company's hedging policies compare to those of other utility companies.

Q: What is hedging?

A: Hedging is similar to purchasing insurance to protect against unforeseen circumstances. In the case of natural gas, the utility purchases various contractual arrangements or financial instruments to put limits on the future price that will be paid for the commodity. These products have an associated cost and when utilized can provide a more stable and predictable price for the commodity. The Company has been using various hedging products to reduce risk and volatility for several years and has a well established energy and trading department. The expenses for these various hedging products are included in the cost of service and are ultimately paid by ratepayers. Any hedging program should be cost effective and should not add unnecessary expense to the total fuel costs paid by ratepayers. With a rapidly changing commodity market, the net result of any hedging program should be periodically reviewed. It should be understood that there will be periods when the cost exceeds the benefit and periods when benefits will exceed costs. Any review or cost benefit analysis should be conducted over an extended period of time.

Q: Are you aware of other groups or state commissions that are looking at these issues?

A: Yes. Derivative contracts are receiving attention in many areas and are the focus of published reports and training seminars[3]. Additionally, with the recent drop in natural gas prices, this issue is being reviewed by several commissions. In January 2009, Vantage Consulting and its subcontractor Pace Global Energy Services completed an analysis of gas hedging for the board of the New Jersey Gas Distribution Companies.[4] In February 2009, the

[3] National Regulatory Research Institute, "Aligning a Utility's Interests with the Public Interest in Cost-Effective Purchased Power Transactions," David Magnus Boonin, April 6, 2009.
NARUC, "Energy Portfolio Management: Tools & Resources for State Public Utility Commissions," October 2006.
[4] Vantage Consulting, Inc. "Analysis Of The Gas Purchasing Practices And Hedging Strategies Of The New Jersey Major Gas Distribution Companies Final Report." 15 January 2009.

NARUC Board of Directors adopted a resolution addressing excessive speculation in the natural gas markets.[5] In February 2009, the Consumer Advocate Division of the West Virginia Public Service Commission requested a general investigation into the natural gas hedging practices.[6] Changes in the accounting procedures for reporting hedging activities is changing as well.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133" ("SFAS No. 161"). SFAS No. 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand how and why an entity uses derivative instruments and their effects on an entity's financial results. PacifiCorp adopted SFAS No. 161 on January 1, 2009 and included the required disclosures within its Notes to Consolidated Financial Statements.

In April 2009, the FASB issued Staff Positions ("FSP") No. FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments" ("FSP FAS 107-1"). FSP FAS 107-1 requires publicly traded companies to include the annual fair value disclosures required for all financial instruments within the scope of SFAS No. 107, "Disclosures about Fair Value of Financial Instruments," in interim financial statements. PacifiCorp adopted FSP FAS 107-1 on April 1, 2009 and included the required disclosures within its Notes to Consolidated Financial Statements.[7]

Q: Please briefly describe the issues related to the Company's current hedging policies and practices.

A: BEGIN CONFIDENTIAL [redacted]

[5] www.naruc.org/Resolutions/CA Resolution Addressing Excessive Speculation in Natural Gas Markets
[6] Public Service Commission of West Virginia, Case No. 09-0148-G-PC.
[7] PacifiCorp 2008 10-K report.

[redacted]

[redacted]

END CONFIDENTIAL

Based on a comparison of hedging practices of other utilities performed by Blue Ridge Consulting Services, a consulting firmed hired by the Division for this case, it appears that PacifiCorp's hedging strategy reaches farther into the future than most other utility companies and allows for large tolerance bands.[8] This creates an environment where prices will be locked in for longer periods and does not allow the Company to take advantage of downward price movement in natural gas or upward movement in electricity markets.

Q: How does the Company summarize the purpose of its hedging program?

[8] Blue Ridge Consulting Services, DPU Exhibit 3.8, p. 23-25.

A: As stated in the PacifiCorp Front Office Procedures and Practices,[9] BEGIN CONFIDENTIAL

[redacted]

e. [redacted]” END CONFIDENTIAL

In the technical conference May 18, 2009, PacifiCorp indicated in the summary that BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL Some purchases will be made during periods when prices are low and some will be made when prices are high. The average will be more stable prices over time and will allow the company to maintain more consistent rates.

[9] PacifiCorp Energy – Commercial and Trading Front Office Procedures and Practices, Approved July 31, 2008, p. 59 (CONFIDENTIAL AND PROPRIATARY).

[10] Commodity Price Risk Management Presentation to Utah Public Service Commission Technical Conference, May 18, 2009 p.5

The current practice will not always result in the least cost. This can be seen in response to data request UIEC 2.23 (09-035-21).

(Question) Please explain each vehicle in place inside RMP to protect against a sudden and rapid decline in natural gas prices.

(Answer) BEGIN CONFIDENTIAL [redacted]. END CONFIDENTIAL

In the May 18, 2009 technical conference, the Company indicated the strong long-term correlation between movements in natural gas and electricity prices. This creates an internal hedge, with an increase in natural gas prices offset by a decrease in power prices. This internal hedge assumes that the Company will remain in a long position with excess power and that the correlation will remain unchanged. This correlation could change with the expiration of long term agreements and changes in market conditions.

Q: Does the Division have any concerns with the Company's current hedging program?

A: The Division recognizes that there is no one strategy that will work for all energy producers or consumers. Each company will design and implement its own strategy based on its unique needs and risk policy. As identified in the Blue Ridge Consulting report[11], there are many different hedging policies throughout the country and many different ways that commissions monitor their performance. The Utah Public Service Commission (Commission) opened Natural Gas Hedging Docket No. 09-035-21 due to the concern and lack of understanding of this very complicated issue. The Company's current hedging program has been designed to minimize volatility in commodity prices in a rising price environment and does not use options or other instruments to minimize exposure in a falling price environment. That said, the Division has three major concerns with the Company's hedging strategy.

Q: Can you explain the first concern?

[11] Blue Ridge Consulting Services, DPU Exhibit 3.8, p. 23-25.

A: Certainly. Both the purpose, and usually the effect, of the Company's strategy is stability and predictability in its realized net power costs. However, as explicitly stated by the Company, minimizing price is not important in this strategy. BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL and it is unable to respond to short- or even intermediate-term changes in markets. This lack of flexibility can mean missed opportunities to benefit ratepayers.

Q: How could the Company be more flexible in its hedging program?

A: There are several potential ways that the Company could be more flexible in order to benefit ratepayers. BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL Another is to enter into contracts with options. Such options, purchased at a price premium, allow the holder to take advantage of market changes. Hedging contracts with price banding are also common, whereby the ultimate price paid may vary within a specific band, but up- or down-side can be limited, albeit with a price premium. The National Regulatory Research Institute published a report that identified some of the actions currently being taken by other utility companies and commissions.[12] The Company could include discretionary hedging triggered by the relationship of expected prices to current prices.

Q: Couldn't such changes lead to more volatility in the net prices the company pays and therefore prices to consumers?

A: Yes it could, and this reflects the policy trade-off in question. The Company's current strategy strongly emphasizes stability. A strategy with no hedging could result in the least cost over-time to consumers, but also would provide the least price stability. The Division does not advocate either strategy. Rather, we are concerned that the current hedging policy is unbalanced and sacrifices the ability to respond to unexpected market conditions. A more

[12] National Regulatory Research Institute, Gas Supply Planning and Procurement: A Comprehensive Regulatory Approach, June 2008.

balanced approach would accept some degree of volatility risk in exchange for the opportunity to benefit from lower than forecast prices. The Company's hedging strategy should be flexible enough to accommodate changes in market conditions and updated information.

Q: Why has this become an issue now?

A: As I recounted above, the Company's strategy is premised upon limiting volatility in an environment of rising commodity costs. However, within the past 15 months, we have seen that this premise has not held. Natural gas prices have fallen from a July 2, 2008 high of $13.28 to the September 2, 2009 low of $1.92.[13] With its natural gas prices essentially locked into place at prices BEGIN CONFIDENTIAL [redacted] END CONFIDENTIAL, the Company has been unable to pass these gas prices savings on to consumers in this rate case. This is seen in Mr. Duvall's Exhibit GND-1, where the gas burn costs are forecast at $272,557,507 and swaps are forecast to cost an additional $174,152,653. This results in paying the equivalent of $6.66 per MMBtu for the gas that will be consumed during the test year. Had the company had price bands or options in its hedge contracts, a significant discount to consumers could have been realized from the unexpected downturn in gas prices.

Q: In the past, hasn't the opposite happened, where gas prices rose unexpectedly, and the Company's hedging has protected consumers?

A: Yes it has. In the 2008 rate case, the Company's supplemental direct testimony showed that gas swaps had reduced net natural gas costs by [redacted]. (See Confidential Exhibit RMP_GND-1S in Docket No. 08-035-38.) However, it would be wrong to assume that a change in strategy would subject customers to all volatility risk or, for that matter, that risks would be symmetrical. With a carefully crafted hedging strategy, many large natural gas consumers protect themselves against up-side risk with mechanisms such as caps, while also leaving the possibility to benefit from down-side price changes. While such caps, options, and other devices may come at a cost premium, we believe that the Company and the

[13] Wall Street Journal, Henry Hub

Commission should explore these possibilities in pursuit of a more balanced hedging strategy.

Q: What is the Division's second concern?

A: A key part of the Company's hedging strategy is the balancing of gas swaps with electric swaps, as I described above. However, this strategy assumes two things: 1) That gas and electricity prices will always move in close tandem, and 2) That gas and electric swaps must be conceptualized together.

Q: Why is this first assumption a problem?

A: While gas and electricity prices are often correlated, there are times when their prices diverge or the price of one commodity moves proportionally more than the other. The 2001 western states electricity crisis, for example, was one such time. So too was the aftermath of Hurricanes Katrina and Rita. Thus, even though in more "normal" times, one might expect swaps wins when electricity prices are falling to offset swaps losses from similarly falling natural gas prices, there are times when these will not offset and the net effect will be higher customer costs, so long as simple swaps such as the Company has employed are used.

Q: Why is conceptualizing gas and electric swaps together a problem?

A: The Division feels that the Company and Commission should explore whether the Company should structure its overall swaps policy not as an electricity / natural gas tandem, but rather as two separate strategies – protection for the Company (and ratepayers) as a natural gas consumer and a separate strategy to protect the Company as an electricity seller. For example, contracts can be structured such that the up-side risk of gas is capped, while at the same time the upside price of electricity has no ceiling. Thus, if both commodities' prices rise in tandem, the Company's cost for gas is capped, but its increased revenues from electricity would not be limited. Similar protections can be achieved through other contract structured with options and bands. This permits both ratepayer protection against rising gas costs or falling electricity market prices, and the opportunity for ratepayers to benefit from falling gas costs and rising electricity market prices. As it is now, ratepayers have all of the former but none of the latter.

Q: What is the Division's third concern?

A: Our third concern is simply that fact that the current swapping strategy that the Company has employed has been conducted without the scrutiny or approval of regulators. The current policy, in essence, provides the Company with full protection against price risks, so long as most or all of its hedges for a given time period are completed before the filing of a rate case. That is, so long as the Commission approves – either explicitly or tacitly – the recovery of swapping costs, the Company has no price risk so long as rates remain in effect during the life of those swaps contracts. This elimination of risk to the Company, and the rate stability that goes with it, may well be something that the Commission would see as beneficial, but in recent rate cases, the issue has not been explored. We are concerned that this aspect of Company operation, involving as it does, hundreds of millions of dollars every year, receive careful and periodic review. This will help to ensure that the policy preferences of the Commission with regard to the tradeoff between price volatility risk and least-cost pricing be addressed and clear guidance be given to the Company on how to proceed.

Q: How does the Company use different types of instruments to manage different types of risk?

A: The Company uses financial hedges to manage the price volatility and physical hedges to manage the volumes. PacifiCorp manages its natural gas supply requirements by entering into forward commitments for physical delivery of natural gas.

PacifiCorp manages its exposure to increases in natural gas supply costs through forward commitments for the purchase of forecasted physical natural gas requirements at fixed prices and financial swap contracts that settle in cash based on the difference between a fixed price that PacifiCorp pays and a floating market-based price that PacifiCorp receives. PacifiCorp reported hedging percentages in its 10-K reports as of December 31, 2008, had economically hedged 64% of its forecasted physical exposure and 94% of its forecasted financial exposure for 2009. For 2010, PacifiCorp currently has hedged 48% of its forecasted physical exposure and 85% of its forecasted financial exposure.[14]

There is a great deal of confusion on this issue and the actual percentage of physical and financial hedging. Below is a summary of the natural gas hedging percentages by year based on the Company's 10-K reports. While it is a concern today, it should be noted that the actual percent of hedging is lower in 2008 than it was in 2005.

PacifiCorp Natural Gas Hedging Practices

Based on information provided in 10K Reports

As of	Type	2005	2006	2007	2008	2009	2010
3/31/2005	Physical	100%	100%	77%			
	Financial	100%	100%	83%			
3/31/2006	Physical		100%	100%	88%		
	Financial		100%	100%	96%		
12/31/2006	Physical			100%	89%		
	Financial			100%	100%		
12/31/2007	Physical				82%	61%	
	Financial				97%	84%	
12/31/2008	Physical					64%	48%
	Financial					94%	85%

Q: How does the natural gas price identified in this case compare to the current spot price.

A: Current spot market price as of Sept 30, 2009[15]

Henry Hub	**3.38**
Opal	**3.14**

Exhibit RMP ___(GND-1), page 11 identifies all of the natural gas facilities and the estimated average fuel costs for each facility over the test period.[16] If we include the $174 million in gas swaps to the gas costs it would add $2.596 to the fuel cost for each facility, as displayed below. The adjusted costs can then be compared to the current spot price.

[14] 2008 PacifiCorp 10-K.
[15] Wall Street Journal
[16] Exhibit RMP ___(GND-1), page 11 – Average Fuel Cost ($/MMBtu).

	Average Fuel	Gas Swaps	Adjusted Cost
Chehalis	5.014	2.596	7.610
Current Creek	3.954	2.596	6.550
Gadsby	4.099	2.596	6.695
Gadsby CT	4.099	2.596	6.695
Hermiston	3.887	2.596	6.483
Lake Side	3.986	2.596	6.582
Little Mountain	4.099	2.596	6.695

Q: How does this compare to the historical gas prices identified by other utilities?

A: Only a few utilities provide a summary of their fuel costs in their annual reports. Below is a brief list of other utility fuel prices. This information illustrates significant fluctuations in natural gas prices from year to year for various utilities.

Natural Gas Fuel Costs

	2008	2007	2006
Alliant Energy Corporation[17]			
Interstate Power and Light	8.18	9.21	10.45
Wisconsin Power and Light	8.64	13.86	14.28
SCANA Corporation[18]	10.92	8.28	8.18
Xcel Energy[19]	10.09	7.6	7.28
Progress Energy[20]	10.03	8.51	7.41

The Company should provide a summary of the fuel costs similar to what is provided by Alliant Energy (see below). The total fuel cost should include the costs associated with gas swaps. This would provide all parties with a simple more accurate presentation of total fuel costs and could reduce the second guessing that is inherent in any hedging program.

[17] Alliant Energy Corporation, 2008 10-K report, p 8
[18] Scana Corporation , 2008 10-K report
[19] Xcel Energy, 2008 10-K report
[20] Progress Energy, 2008 10-K report

Alliant Energy Corporation[21]

	Interstate Power and Light			Wisconsin Power and Light		
	2008	2007	2006	2008	2007	2006
Natural Gas	**8.18**	**9.21**	**10.45**	**8.64**	**13.86**	**14.28**
Coal	1.58	1.35	1.25	1.93	1.69	1.52
Nuclear			0.56			
All Fuels	2.09	2.35	2.18	2.06	1.97	1.8

Q: Can you explain the mark-to-market adjustments?

A: When the Company purchases a derivative contract, there is an associated market value based on the maturity and estimated future commodity price. The specific terms are fixed for the term of the contract. As market conditions change and as the price of natural gas fluctuates, the fair market value of the associated contract changes and can be higher or lower than the original value. The adjusted fair value is the price that would be received in an orderly transaction between market participants on a specific date. The practice is known as mark to market. The fair value of derivative instruments is determined using unadjusted quoted prices for identical instruments on the applicable exchange in which PacifiCorp transacts. When quoted prices for identical instruments are not available, PacifiCorp uses forward price curves derived from market price quotations, when available. The Company may also derive prices from internally developed and commercial models, with internal and external fundamental data inputs. With fluctuations and changes in market conditions, it is possible to incur mark to market gains or losses in one period that could be reversed in subsequent periods.

Q: How are the derivative contracts identified in the Company's financial statements?

A: Derivates are found as both current and long-term assets and liabilities. A summary of the balances from 2006 through June 2009 is included below. In reviewing the extent of the Company's current hedging program, the balance sheet information has been summarized and compared to other utility companies in DPU Exhibit 12.1.

[21] Alliant Energy Corporation, 2008 10-K report, p 8.

PACIFICORP - Fair Value of Derivates - Data from 10K Report

	March 2006	2006	2007	2008	Jun-09
Current Derivative Assets	221.7	150.9	143.0	174.0	128.0
LT Derivative Contract Assets	345.3	234.9	215.0	86.0	75.0
Total Assets	567.0	385.8	358.0	260.0	203.0
Current Derivative Liabilities	(97.9)	(109.5)	(117.0)	(130.0)	(75.0)
LT Derivative Contract Liabilities	(461.2)	(504.5)	(497.0)	(490.0)	(405.0)
Total Liabilities	(559.1)	(614.0)	(614.0)	(620.0)	(480.0)
TOTAL	7.9	(228.2)	(256.0)	(360.0)	(277.0)
Net Regulatory Assets	**94.7**	**229.8**	**256.0**	**442.0**	**302.0**

Regulatory Assets represent costs that are expected to be recovered in future rates.
(Form 10K - p. 88)

Net Unrealized Loss on Derivative	**229.8**	**256.0**	**442.0**	**302.0**

Substantially all of PacifiCorp's derivative contracts are probable of recovery in rates or are accounted for as cash flow hedges. Therefore, changes in fair value are recorded as a net regulatory asset or liability or accumulated other comprehensive income (loss) ("AOCI"). Accordingly, amounts are generally not recognized in earnings until the contracts are settled. (2008 Form 10K - p. 64)

Q: How are these hedging contracts monitored and reported?

A: The Company's Commodity and Trading group (C & T) currently uses several different programs to monitor the results of current hedging portfolio. [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL]

Q: Are there other items that should be considered when looking at the value of the derivative portfolio?

A: Yes. There are several large contracts for both natural gas and electricity that should be identified, addressed and separated from the more traditional market transactions. In the May 18, 2009 technical conference, the Company provided a 5 year cost benefit analysis for the hedging program. This same information was presented excluding only the Hermiston contract and the results were dramatically different.[22] [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL]

The Division has identified seven significant long term electric contracts that should be reviewed to determine their impact to the net energy profitability. Due to the length of time and the large dollar amounts associated with these contracts, they have the potential to distort the net profitability. The impact of these contracts can be seen in response to Docket No. 09-035-21 DPU data request 1.25 concerning the $442 million loss on derivative contracts in 2008[23]. The Company's response to this query is listed as follows:

[BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL]

Q: Please summarize the Division's conclusions and recommendation.

A: The Division recognizes that there is no one strategy that will work for all energy producers and that the Company's current hedging program is designed for price stability. As identified by Blue Ridge Consulting and by the National Regulatory Research Institute, there

[22] Commodity Price Risk Management Presentation to Utah Public Service Commission Technical Conference, May 18, 2009, Page 33.
[23] 2008 PacifiCorp 10-K.

are many different hedging policies throughout the country and many different ways that commissions monitor their performance. The Company's current program has worked well to reduce the volatility during periods of dramatic price movement. Based on the information obtained by Blue Ridge it appears that the Company's current practice of hedging [BEGIN CONFIDENTIAL] [redacted] [END CONFIDENTIAL] is longer than most other utilities.[24] The Commission's Natural Gas Hedging docket, Docket No. 09-035-21, was opened due to the concern and lack of understanding of this very complicated issue. The Division would recommend the following as it relates to the Company's natural gas and electric hedging program.

1. The Commission should require the Company to complete an analysis and review all available investment options similar to the report completed by the New Jersey Major Gas Distribution Companies.[25] Information on alternative investment instruments such as the use of options, caps, collars and their associated cost should be examined and presented along with guidelines or trigger points for their use. The Company should prepare recommendations for submission to the Commission with guidelines for the suggested hedging strategy.

2. The Commission should seek input from interested parties and then provide guidance and standards for the Company hedging strategy. This guidance would not need to contain rigid goals or strategies but should include the following: (1) the objective of hedging, (2) the cost of hedging, (3) the mix of hedging tools allowed, (4) the time horizon for financial derivatives, (5) the appropriate criteria or triggers for discretionary hedging, and (6) the appropriate reporting requirements. Guidelines would need to be reviewed every 3 – 5 years or if there were significant changes in market conditions. Commission approval of such plans would serve to protect the Company from retrospective "second-guessing," so long as the approved plan was followed. Allowance should be made, however, for approving deviations from such a plan when extraordinary conditions warrant.

[24] Blue Ridge Consulting Services, DPU Exhibit 3.8, p. 23-25.
[25] Vantage Consulting, Inc. "Analysis Of The Gas Purchasing Practices And Hedging Strategies Of The New Jersey Major Gas Distribution Companies Final Report." 15 January 2009. New Jersey Study.

3. Once the hedging portfolio plan has been reviewed and approved by the Commission, the Company should provide an annual report to the Commission on the performance of the program for the previous year compared to the guidelines and an explanation of any deviation. The report should include projections and forecasts for future years and should include a breakdown of the physical and financial contracts for both natural gas and electric contracts and a breakdown of the impact of large contracts on the performance.

Q: Does this conclude your testimony?

A: Yes