

1 **Q. Please state your name, business address, and present position with Rocky**
2 **Mountain Power Company (the Company), a division of PacifiCorp.**

3 A. My name is Gregory N. Duvall. My business address is 825 NE Multnomah,
4 Suite 600, Portland, Oregon, 97232. My present position is Director, Long Range
5 Planning and Net Power Costs.

6 **Q. Are you the same Gregory N. Duvall who submitted pre-filed direct and**
7 **rebuttal testimony in this proceeding?**

8 A. Yes.

9 **Q. What is the purpose of your supplemental rebuttal testimony?**

10 A. I respond to proposed coal cost adjustment on the Company's net power costs
11 ("NPC") from the Division of Public Utilities ("Division"), presented in the
12 supplemental direct testimony of Mr. George W. Evans.

13 **Coal Cost Update**

14 **Q. Has the Division proposed additional updates to NPC in its supplemental**
15 **rebuttal testimony?**

16 A. Yes. The Division witness Mr. Evans proposes to update NPC to include updated
17 coal costs based on changes in assumptions for inflation, diesel fuel and natural
18 gas.

19 **Q. How does the Company respond to this proposed update?**

20 A. As indicated in my Rebuttal Testimony, the Company recommends that the
21 Commission establish a clear timeline allowing NPC updates based on
22 information that is available as of the time intervening parties filed their direct
23 testimonies. In addition, the Company recommends that the Commission clarify

24 that updates may be proposed by all parties in the proceeding including the
25 Company, and that updates may either increase or decrease NPC.

26 **Q. Did the Company include updates to coal costs in its rebuttal testimony?**

27 A. No. The Company updated for changes to the forward price curves, changes to
28 wholesale purchase and sales contracts, and changes to wheeling contracts. These
29 updates included new contracts as well as changes to existing contracts. These
30 updates are based on the terms and conditions of specific contracts and are easy to
31 audit. The Company did not include changes to coal costs because there had not
32 been specific and significant changes to the aspects of the coal costs, which is the
33 same treatment as for many other components of the NPC calculations.

34 **Q. Does the Company oppose the Division's proposed update to coal costs?**

35 A. No, with two conditions. First, if the Commission adopts the Division's proposed
36 update to coal costs, then the updates proposed in my rebuttal testimony should
37 also be adopted to ensure that changes are symmetric. Second, the Commission
38 should allow updates to coal costs in future proceedings as long as it is based on
39 data available as of the time intervening parties filed their direct testimonies.

40 **Q. Does the Company have any further recommendations regarding the
41 treatment of updates by the Commission in future proceedings?**

42 A. Yes. The Company recommends that after an Order is issued in this docket, the
43 parties work together in an effort to establish guidelines for updates to NPC in
44 future cases. To the extent this is productive, the Company would propose to file
45 the agreed upon guidelines with the Commission for their approval.

46 **Q. Does this conclude your supplemental rebuttal testimony?**

47 A. Yes.