

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

1 **I. INTRODUCTION**

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

4 A. My name is Craig M. Eller. My business address is 1407 West North Temple Street,
5 Suite 310, Salt Lake City, Utah 84116. My present position is Senior Vice President,
6 Business Development and Customer Experience for the Company.

7 **Q. Are you the same Craig Eller who filed direct testimony in the Company’s**
8 **application filing?**

9 A. Yes.

10 **II. PURPOSE**

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

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

16 **Q. Please summarize your rebuttal testimony.**

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

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

25 III. RESPONSE TO DIVISION TESTIMONY

26 **Q. Please summarize the Division’s position in this proceeding.**

27 A. The Direct Testimony of Matt Pernichele summarizes the LLSC, the policy objectives
28 of the Large Load Act¹ (SB 132), the completeness of the Company’s application, and
29 the requirements necessary under SB 132 for the Commission to approve the LLSC.
30 The Division finds that the Company’s initial application was “largely complete”² and
31 concludes that it “recommend[s] that the Commission approve the LLSC pending a
32 showing by the Company that Utah ratepayers will not be adversely impacted.”³

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

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

¹ Utah Code Ann. §§ 54-26-101 to -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.

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

44 A. Yes. As of the time of the Division’s direct testimony it states all information had been
45 received “except for the SG allocation”⁶ which was the subject of a pending data
46 request to the Company for which “the deadline has not passed.”⁷

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

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

52 **Q. Does the response address the Division’s concern and if so, how?**

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

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

⁶ *Id.* at lines 105-107.

⁷ *Id.* at lines 303-304.

64 *allocation factors is anticipated. Under this expectation, both the*
65 *LLSC energy and peak contributions would be fully excluded from*
66 *system load calculations.”⁸*

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

69 A. Yes. The Company believes this treatment fully mitigates the Division’s concerns as
70 the removal of the LLSC load from the SG factor ensures costs will be allocated as they
71 are today without the LLSC load. The Company notes that this treatment is appropriate
72 in this instance as the specific facts of this LLSC demonstrate no incremental costs for
73 transmission⁹ or load interconnection.¹⁰ In addition, all incremental costs associated
74 with the capacity resources necessary to support the LLSC load and maintain system
75 reliability will be separately accounted for and excluded from Utah’s revenue
76 requirements.¹¹

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

80 A. Yes. The Division implies that the SG allocation factor will be adjusted by “deducting
81 the Reservation Charge from PacifiCorp’s Utah revenue requirement.”¹² This phrasing
82 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.

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

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

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

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

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

¹³ Pernicelle Direct, at lines 316-339.

¹⁴ *Id.* at lines 340-439.

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

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

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

121 **Q. Do you believe that the Commission should review all Large Load Contracts in**
122 **any of the utility’s subsequent rate cases “to evaluate the accuracy and usefulness**
123 **of existing contracts in order to learn how to better craft future ones”?**¹⁵

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

¹⁵ *Id.* at line 362-366.

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

133 IV. RESPONSE TO THE OFFICE’S TESTIMONY

134 **Q. Please summarize the Office’s recommendations in this proceeding.**

135 A. The Office analyses the requirements for approval of a large load service contract and
136 whether the Company’s application demonstrates that the LLSC meets the
137 requirements of SB 132 and the associated administrative rules. In general, the
138 testimony concludes “the LLSC appears to meet the requirements”¹⁶ and “the Office
139 recommends that the PSC approve this request.”¹⁷

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

142 A. Yes, like the Division, the Office appears to stop short of fully endorsing the Company’s
143 proposed treatment of transmission costs stating, “it appears that a methodology for
144 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.

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

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

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

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

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

¹⁹ *Id.* at lines 165-167.

164 **V. RESPONSE TO UAE TESTIMONY**

165 **Q. What are UAE’s recommendations in this proceeding?**

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

176 **Q. How do you respond to UAE’s recommendations?**

177 A. In general, the Company appreciates UAE’s measured approach to its
178 recommendations which attempt to balance the interests of its constituents while not
179 unnecessarily impeding the approval of the LLSC. The Company acknowledges that
180 UAE’s inability to review the highly confidential information could create some
181 challenges; however, the Company believes these challenges can be addressed without
182 violating customer confidentiality or disclosure contrary to §54-26-602(5) which states
183 “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.

184 information from individual large load customers in any proceeding described in
185 Subsection.”

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

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

194 **Q. Please elaborate on how the Company addressed concerns regarding “how the**
195 **proposed accounting treatment will prevent existing retail customers from**
196 **subsidizing the cost of shared facilities.”²²**

197 A. Through additional discussions, the Company provided additional context on shared
198 facilities described in my direct testimony at lines 334-338. The Company clarified that
199 the shared facilities contributions constitute one or more refunds to other customers
200 who had previously provided one or more “refundable advance” pursuant to parts 2(b),
201 3(c) and/or 4(c) of Utah Rule 12. Amounts covered by the prior customer(s) refundable
202 advance are not included in rates and as such, the contribution towards shared facilities
203 represents a payment between customers which similarly is excluded from rates.

²¹ *Id.* at lines 138-140.

²² *Id.* at lines 156-157.

204 **Q. Please elaborate on how the Company addressed concerns regarding the extent to**
205 **which the Customer “will utilize existing transmission infrastructure or to what**
206 **extent it will pay for embedded transmission costs commensurate with its**
207 **contribution to the Company’s overall transmission revenue requirement.”²³**

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

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

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

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

223 A. Yes. The UAE’s concerns regarding its inability to independently “validate whether the
224 proposed energy credits would be equal to or greater than the incremental cost” likely
225 remain.

²³ *Id.* at lines 171-175.

²⁴ *Id.* at lines 178-184.

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

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

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

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

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

245 **VI. CONCLUSION**

246 **Q. What is your recommendation to the Commission?**

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

²⁵ *Id.* at lines 152-155.

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

250 **Q. Does this conclude your rebuttal testimony?**

251 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 LLSC'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

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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.