BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PACIFICORP d/b/a PACIFIC POWER AND LIGHT COMPANY, Respondent.	DOCKET UE-230172 (*Consolidated*)
In the Matter of ALLIANCE OF WESTERN ENERGY CONSUMERS' Petition for Order Approving Deferral of Increased Fly Ash Revenues	DOCKET UE-210852 (*Consolidated*)

CROSS-ANSWERING TESTIMONY OF BRADLEY G. MULLINS

ON BEHALF OF

ALLIANCE OF WESTERN ENERGY CONSUMERS

October 27, 2023

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Bradley G. Mullins, and my business address is Tietotie 2, Suite 208, Oulunsalo, Finland FI-90460.

Q. ARE YOU THE SAME WITNESS THAT SPONSORED RESPONSE TESTIMONY IN THIS DOCKET

A. Yes. I filed Response Testimony on behalf of the Alliance of Western Energy Consumers ("AWEC") regarding revenue requirement and power cost issues.

Q. WHAT IS THE PURPOSE OF YOUR CROSS-ANSWERING TESTIMONY?

A. I respond to the testimony of Staff witness John D. Wilson regarding PacifiCorp's proposed changes to the Power Cost Adjustment Mechanism ("PCAM"). I also discus Staff witness McGuire's proposals surrounding the rate plan and the Coal Cost Tracking Mechanism.

a. Response to Staff on PCAM

Q. PLEASE SUMMARIZE YOUR RESPONSE TO STAFF REGARDING THE PROPOSED CHANGES TO THE PCAM.

A. In Washington, all three investor-owned electric utilities—Avista Corporation, PacifiCorp and Puget Sound Energy—have nearly identically structured PCAM mechanisms,[1] which contain design elements that the Commission has repeatedly affirmed "are required elements for a PCAM."[2] These design elements include both a "dead band and sharing bands [that] reflect the asymmetry of power cost risk."[3] The

[1] *See* Dockets UE-140762 et al., Order 09 at 20 (Table 1) (May 26, 2015)

[2] Dockets UE-140762 et al., Order 08 at 14 (¶ 29) (Mar. 25, 2015), citing Docket UE-130043, Order 05 (Dec. 4, 2013).

[3] *Id.* at ¶105.

required design elements also include a refund or surcharge threshold, sometimes referred to as an amortization trigger.[4] In general, while I appreciate witness Wilson's thoughtful approach on the matter, I disagree with making changes to these required elements of a PCAM in this case, and also disagree that there is justification for a change to the existing required elements. Power costs have always been volatile—consider the 2001 West Coast Energy Crisis, for example. It is precisely because of this volatility that the PCAM was created. Relative to traditional ratemaking, in which utilities would be entirely exposed to fluctuations in power costs between rate cases, the PCAM provides Washington electric utilities with a buffer against that volatility, which in turn, results in passing volatility risk onto ratepayers. In its testimony, Staff proposes to eliminate all of the critical risk sharing elements of the PCAM for variations less than $10 million, including eliminating the dead bands and the first, asymmetrical sharing band.[5] This change appears to be justified predominantly based on the perception that the PCAM could result in a "windfall" to PacifiCorp.[6] I disagree, however, with Staff's interpretation of the PCAM design elements as potentially resulting in a windfall; rather, the PCAM is a mechanism for equitably sharing power supply cost risk between the investor-owned electric utilities and their customers. Therefore, I recommend that the Commission not approve Staff's proposed changes.

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[4] Dockets UE-140762 et al., Order 09 at 20 (Table 1).

[5] JDW-1CT at 36:13-21; *see also* Table 2.

[6] *See, e.g.,* JDW-1CT at 36:7-11.

Q. DO THE CURRENT PCAM PARAMETERS REFLECT PACIFICORP'S CURRENT LEVEL OF NPC AND REVENUE REQUIREMENT?

A. No. The current +/- $4 million dead band was established as a percentage equal to 3.45% of PacifiCorp's NPC at the time of the 2014 GRC.[7] At that time, PacifiCorp's NPC was $116 million, which is the level of NPC that was used to justify the current dead band.[8] In this case PacifiCorp has proposed an NPC of $199 million.[9] By virtue of PacifiCorp's now higher NPC, the impact of the dead band has been reduced, and from this perspective, eliminating the dead bands altogether, as Staff proposes, is not warranted. In fact, PacifiCorp's current level of NPC would justify the Commission in increasing the dead band to approximately +/- $6.9 million.[10]

The same is true for the first, asymmetrical sharing band, including NPC variances between +/- $4 million and +/- $10 million. At the time of the 2014 GRC, the first, asymmetrical sharing band was designed to cover variances exceeding the dead band, but less than 8.62% of NPC.[11] Following the same principle, the Commission in this case would be justified in increasing the first, asymmetrical sharing band to cover NPC variances between $6.5 million and $17.2 million.[12]

Finally, the amortization trigger was designed in the 2014 GRC to be equal to 5.1% of base retail revenues.[13] In this case, PacifiCorp has proposed base retail revenues

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7 Dockets UE-140762 et al., Order 09 at 20 (Table 1).
8 *Id.*
9 Exh. RJM-1CTr at 4:8.
10 Calculated as $199 million * 3.45%.
11 Calculated as $10 million / $116 million.
12 Calculated as $199 million * 8.62%.
13 Dockets UE-140762 et. al., Order 09 at 20 (Table 1).

of $431,787,535 for Rate Year 1 and $459,735,352 for Rate Year 2.[14] This level of revenues would justify an increase to the amortization trigger to around $22 million.[15]

Thus, the effects of the risk sharing design elements in the PCAM have already been diminished relative to the 2014 GRC by virtue of PacifiCorp's increased NPC and increased revenue requirement. As a result of this, customers today are absorbing even greater risk than they were at the time that the PCAM stipulation was adopted. Further changes outright eliminating the critical risk sharing mechanisms, and modifying the amortization trigger, exacerbate this phenomenon by shifting an unreasonable amount of risk onto ratepayers. Contrary to Staff's Response Testimony, if the Commission is going to make changes to the PCAM in this docket, it would be most justified in increasing the risk sharing thresholds based on the levels identified above, not eliminating them.

Q. WHAT DID STAFF CONCLUDE ABOUT THE CONTRIBUTION OF RENEWABLE ENERGY TO INCREASED NPC VOLATILITY?

A. Staff evaluated PacifiCorp's claims about renewable energy contributing to increased NPC volatility, and generally disagreed that zero fuel cost renewable energy generation will increase variability of NPC to the extent claimed by PacifiCorp, citing the fact that such resources incur no fuel cost variability and replace market resources.[16] Staff concludes, however, that "[t]o the extent that NPC variability does increase, [it] expect[s] the effect to be asymmetric, with Forecast NPC more often underestimating Actual

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14 *See* SLC-5 at 1, line "General Business Revenues."

15 Calculated as $431,787,535 * 5.1%.

16 Exh. JDW-1CT at 27:1-28:13.

NPC."[17] The past PCAM performance, however, does not support this assertion. Based on the historical performance of the PCAM identified in Figure BGM-1 in my Response Testimony, the experience of the PCAM to date is not indicative of a bias, one way or the other.

Q. HAS NPC VARIABILITY MATERIALLY CHANGED SINCE THE PCAM DESIGN ELEMENTS WERE ADOPTED?

A. No. There has always been variability in NPC. As far back as the 2006 GRC, the Commission found that "the analyses by Staff and PacifiCorp demonstrate the Company is subject to significant power cost variability [and that] the amount of potential variability [is] sufficient to warrant consideration of a PCAM as a means to accommodate this variability in ratemaking."[18]

Importantly, in the 2014 GRC, PacifiCorp made identical arguments about the impact of renewable energy on NPC volatility, when it proposed the Renewable Resource Tracking Mechanism. In the 2014 GRC, PacifiCorp Witness Duvall made statements such as the following:

> Wind has little to no predictable pattern of delivery, and therefore its intermittency creates a more complex operating environment for PacifiCorp compared to the variability of hydroelectric resources and loads. Adding a significant amount of intermittent resources to the Company's system in accordance with the [Washington Energy Independence Act] lessens the Company's ability to produce reliable pro forma NPC.[19]

In this case, Witness Painter makes substantively the same statements supporting PacifiCorp's recommendation regarding the elimination of key PCAM design elements:

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17 *Id.* at 27:12-13.

18 Dockets UE-061546/ UE-060817, Order 08 ¶ 71 (Jun. 21, 2007).

19 Docket UE-140762, Exh. GND-1T at 43:2-7.

> As more renewable resources are introduced to the Company's system, their availability on an hourly or even seasonal basis due to weather conditions are nearly impossible to forecast. When all other resources are optimized and the Company is unable to meet customer demand, the only option is to purchase energy through the market at prices that the Company has little to no control over.[20]

In the 2014 GRC, the Commission, however, resoundingly rejected these arguments as a reason to eliminate the risk sharing in the PCAM in 2014, stating that "[t]he reduced scope of this power cost tracking mechanism that has no dead bands or sharing bands […] misses the mark."[21]

Q. ARE THERE FACTORS THAT ARE EXPECTED TO REDUCE NPC VOLATILITY?

A. Yes. Since the 2014 GRC, new markets and tools have become available to PacifiCorp, including the Energy Imbalance Market, Extended Day-Ahead Market, and Western Resource Adequacy Program. Contrary to PacifiCorp's assertions, these tools make it easier to manage the variability of renewable resources and mitigate the volatility risk—both in terms of market prices and production levels. While both Staff and PacifiCorp make statements such as "the EDAM will transfer control over some significant drivers of NPC variance to the CAISO",[22] this ignores the fact that the EDAM and other similar market structures are designed to make NPC less variable and more manageable, thus negating the alleged need to make changes to the PCAM based on the higher penetration of renewable resources. The EDAM benefits study conducted by the Brattle Group is attached as **Mullins, Exh. BGM-11**. That study came to the following conclusion:

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20 Exh. JP-1T at 20:10-14.

21 Docket UE-140762, Order 08 at 132.

22 Exh. JDW-1CT at 24:10-11.

> Challenging market conditions (such during as the December 2023 gas price spikes) will magnify EDAM benefits (as the EIM experience in 3Q of 2021 and 3Q-4Q of 2022 have shown). The Base Case does not reflect the limited liquidity of bilateral market during such challenging market conditions.[23]

Q. DO YOU AGREE WITH STAFF THAT A SYMMETRICAL PCAM DESIGN IS MORE APPROPRIATE FOR PACIFICORP?

A. No. The Commission has stated that "[a]n optimally designed PCAM would recognize the inequality between upside and downside risk in its design of dead bands and sharing bands."[24] As it stands, all three investor-owned electric utilities in Washington follow this principle and have a PCAM with a dead band and an asymmetrical sharing band. The conditions for PacifiCorp are in no way different than for Avista and Puget Sound Energy, and while I recognize that differing circumstances might warrant different treatment between the respective utilities, nothing that PacifiCorp or Staff have identified in testimony are unique circumstances to PacifiCorp. All the investor-owned electric utilities must comply with Washington's Clean Energy Transformation Act ("CETA"); must purchase power in the same markets as PacifiCorp; and must deal with risk and uncertainty in managing their operations.

Q. DOES NPC RISK CONTINUE TO BE ASYMMETRICAL?

A. Yes. There are practical lower limits to NPC, but no upper limit. For example, it would be virtually impossible for NPC to decline by 100% to zero, but it is within the realm of possibility for NPC to double, or increase by 100%. Given this asymmetry, there is an inherent positive skew associated with the variability in NPC. In the 2006 GRC, this

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23 Exh. BGM-11 at 29.

24 Dockets UE-061546/UE-060817, Order 08 ¶ 86.

skew was evaluated statistically by performing Monte Carlo power cost simulations in the GRID model. Based on those simulations the Commission concluded the following:

> This case illuminates a point not analyzed in our prior consideration of PCAMs--the distribution of net power costs may not be symmetrical, but skewed and not statistically normal. For example, in this record the distribution of net power costs is skewed toward higher costs, in part because poor hydropower is correlated with higher wholesale power costs and higher fuel costs. Staff finds that 60 percent of the variability in the Company's power costs is on the "high side." This means that any symmetrical PCAM design will shift some level of risk to ratepayers, because the probabilistic benefit ratepayers receive from good water conditions does not equal the probabilistic risk customers will incur from poor hydrologic conditions.[25]

Q. HAS PACIFICORP OR STAFF PRESENTED NEW MODELING TO DEMONSTRATE THAT THE DISTRIBUTION OF NPC IS NO LONGER ASYMMETRICAL?

A. No. Other than allegorical assertions, there was no concrete modeling presented to demonstrate that the asymmetry in the distribution of NPC no longer exists. While I have not performed a Monte Carlo simulation to demonstrate that the NPC risk continues to be asymmetrical, such a study is highly complicated and would need to be prepared and sponsored by the Company—who bears the burden of proof with respect to its proposed changes. Absent such a study, it is difficult to form conclusions regarding the assertion that the distribution of NPC no longer has a positive skew.

Q. IS THERE DATA THAT SUPPORTS THE CONCLUSION THAT THE DISTIRUBTION OF NPC CONTINUES TO BE ASYMMETRICAL?

A. Yes. Asymmetry can be clearly observed through an evaluation of historical energy market prices, although to be clear, market prices are just one of many factors that

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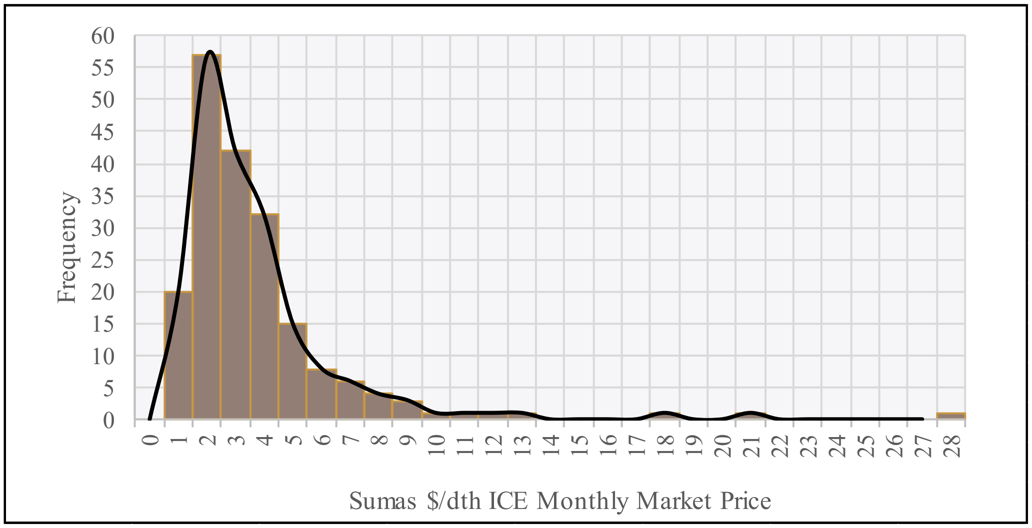
25 Dockets UE-061546/UE-060817, Order 08 at ¶ 85.

influence NPC. In Figure BGM-1CA, below, I show the distribution of Sumas gas prices over the period May 2007 through June 2023, which has a clear positive skew.

Figure BGM-1CA
<u>Skewed Distribution of Sumas Market Prices</u>



In the figure, the average Sumas market price over the period was $4.22/dth. This compares to a median price of $3.51/dth. This relationship between the mean and the median is indicative of a positive skew in the prices, which can also be visually observed in the figure. Since gas prices are a driver of NPC variability, one can infer that this skew carries over into NPC, though as I mentioned, a Monte Carlo simulation considering all drivers and factors influencing NPC would be necessary to fully evaluate that inference, which PacifiCorp has not performed.

Q. IS IT REASONABLE TO ALLOW PACIFICORP TO OVER-RECOVER NPC IN YEARS WHEN ITS COSTS ARE LESS THAN ITS FORECAST?

A. Yes, when viewed in the overall context of an appropriate PCAM structure. Staff's primary criticism of the current PCAM design elements appears to be based on its view that "[i]f Forecast NPC is in error, then an over-forecast will result in a windfall to customers and an under-forecast will result in a windfall to PacifiCorp."[26] I, however, disagree with such a characterization of the risk sharing design elements. The design elements of the PCAM are not meant to provide a windfall, one way or the other, but rather are designed to recognize the assumption of risk. The concept of a "windfall" suggests receipt of something that is not earned. However, if PacifiCorp over-recovers in years when its NPC is lower than the baseline, that is due to the fact that it is assuming risk through the operation of the PCAM. That is, the over-recovery is very much earned because PacifiCorp is also assuming the risk of under-recovery. As Staff also acknowledges, it also serves as an incentive for PacifiCorp to manage NPC in the most cost-effective manner possible.[27]

Q. DO YOU AGREE WITH STAFF THAT PACIFICORP CAN CONTROL MANY ASPECTS OF NPC?

A. Yes. Staff witness Wilson states that "[w]hile Company witness Painter believes that there are 'very few cost controls left for the PCAM deadband and asymmetrical sharing band to incentivize,' I think he understates PacifiCorp's remaining responsibilities."[28] I generally agree with this statement that PacifiCorp has understated its responsibilities in managing Net Power Costs. As I stated in Response Testimony, there are many uncertain factors that PacifiCorp must consider as it manages NPC.[29] These risk factors, however,

26 Exh. JDW-1CT at 22:3-4.
27 *Id.* at 34:9-35:8.
28 *Id.* at 24:14-25:2.
29 *See, e.g.,* BGM-1T at 70:17-71:2.

are the very reason why the PCAM exists and the reason why the current design elements were put into place. PacifiCorp's actions in responding to these risk factors, meanwhile, are also extraordinarily impactful on the level of NPC that it ultimately incurs. Simply pointing to the fact that there are uncertain elements involved in managing NPC, while ignoring PacifiCorp's responsibility for managing NPC in response to those uncertain elements, is like letting go of the steering wheel while driving on the freeway. The uncertain elements of NPC have been acknowledged in the current design elements of the PCAM, and allegations that PacifiCorp's actions in managing NPC are meaningless call into question PacifiCorp's role as an electric utility with a designated service area. If it is true that PacifiCorp has zero control over NPC, then ratepayers would be better off managing their own power supply. Further, as discussed above, the amount of control PacifiCorp has over NPC is largely irrelevant to whether the PCAM should exist or be modified. The PCAM is a tool to help manage PacifiCorp's overall risk relative to its authorized return – its existence doesn't depend on how unpredictable NPC is. In fact, if PacifiCorp had complete control over NPC, that would be a stronger argument for removing the PCAM because NPC would be much more predictable. It is precisely because PacifiCorp does not control all aspects of NPC (and the size of NPC relative to PacifiCorp's overall revenue requirement) that the PCAM exists.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATION.

A. As mentioned previously, AWEC does appreciate the thoughtful analysis that Staff undertook with respect to PacifiCorp's proposed PCAM modifications. Notwithstanding, AWEC continues to disagree that it is appropriate to modify the 2014 GRC Stipulation in this case and requests that the Commission reject both PacifiCorp's and Staff's proposed changes to the PCAM. If the Commission is to make any changes to the PCAM, it should increase the dead bands and sharing bands to reflect the growth in PacifiCorp's NPC since the PCAM was adopted.

b. Response to Staff on Rate Plan and Coal Tracking Mechanism

Q. WHAT DID STAFF PROPOSE RELATED TO A COAL TRACKING MECHANISM?

A. Staff proposed "that the Commission order PacifiCorp to establish a tracker for the recovery of costs related to its coal fired facilities (i.e., Colstrip Unit 4 and Jim 6 Bridger Units 3-4), consistent with the Colstrip trackers established for Puget Sound Energy and Avista."[30]

Q. DOES AWEC SUPPORT THIS RECOMMENDATION?

A. In general, AWEC does not oppose the notion of a tracker. Notwithstanding, there are many complications involved with such a tracker for PacifiCorp that warrant further consideration. This is particularly true given the scant information that PacifiCorp provided in its initial filing regarding its proposed handling of coal costs following the December 31, 2025 CETA deadline.

Q. DID STAFF IDENTIFY THE REVENUE REQUIREMENT IMPACTS OF THE TRACKER?

A. No. And like Staff, AWEC is "not confident it could comprehensively identify all of the cost items that would be appropriate to pull into in a coal cost tracker-specific revenue

30 Exh. CRM-1T at 62:5-8.

requirement."[31] This is an analysis that needs to be performed by the Company. Given that no such analysis has been performed, however, it is not clear how it will impact the overall rates in the respective rate years, nor how it will impact class cost allocation. This contrasts with settlements reached for Avista and Puget Sound Energy that established the Colstrip trackers for those utilities, in which the impacts were understood and commonly agreed to between the parties.

Q. DOES THE FACT THAT PACIFICORP WILL CONTINUE OPERATING THE PLANTS AFTER DECEMBER 31, 2025 ALSO COMPLICATE THE TRACKER?

A. Yes. Evaluating decommissioning and remediation ("D&R") costs in the context of the coal tracker will be complicated. For example, as it stands today, the plant balances for Jim Bridger and Colstrip are likely to be negative at the time of their removal from rates due to the negative salvage embedded in the approved depreciation rates. For example, in the workpaper titled, "14-6ExistingCoalFiredGenerationAssetsYear2," the coal assets were documented to have a collective negative balance of $84,447,193 by December 31, 2025 on a total Company basis,[32] with Washington's share being $18,716,017 at a 22.163% allocation factor. Ratepayers need to get the benefit of this overpayment. In addition, a regulatory liability has also already been established to recover the excess D&R costs and Bridger Coal Company mine closure costs not covered by accumulated depreciation. It is not necessarily clear, however, how these elements will be handled in the tracker. At a minimum, these negative balances and the balances associated with

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31 Exh. CRM-1CT at 64:19-65:2.

32 *See* tab "10.5.1", sum of cells "AH11:AH14" and AH30:AH30.

D&R activities need to accrue interest during the period between when the funds are collected from customers and when they are actually used to perform D&R activities, although further evaluation is warranted.

Q. HOW WILL THE FINAL DECOMMISSIONING COSTS BE EVALUATED IN THE TRACKER?

A. It is not known when the Jim Bridger and Colstrip facilities will actually be decommissioned. Final decommissioning may occur five, ten or fifteen years from now. At that time, it is likely going to be more expensive to perform decommissioning and remediation activities than it will be at the end of 2025. Therefore, there needs to be a common understanding of how these decommissioning costs, as well as Washington's responsibility for such costs, will be addressed. This is another issue that needs to be evaluated in the context of a tracker.

Q. IS THERE A CLEAR UNDERSTANDING OF HOW THE POWER COST IMPACTS OF THE COAL TRACKER WILL BE ADDRESSED?

A. No. As I mentioned in Reply Testimony, PacifiCorp's proposal to carve out coal plants from its NPC forecast in order to meet the January 1, 2025 prohibition of coal costs in rates presents a number of problems. Notwithstanding, PacifiCorp did not prepare a NPC forecast for Rate Year 2 as part of its initial filing, so the effect of this proposal has not been demonstrated. While the precise impact is unknown at this time, removing coal from the NPC forecast and PCAM base is very likely to increase NPC. There may be, however, offsetting reductions to NPC beginning in 2025 and 2026 associated with items such as the addition of Gateway South, and the addition of new non-emitting resources. The existing wind generation fleet will also have otherwise depreciated between 2025 and 2026, which is another possible benefit that will offset the increase to NPC associated with removing coal resources from the forecast. One of the benefits of renewable resources is that they generally require less capital maintenance and depreciate more rapidly than thermal generation resources that often require lengthy overhauls every few years. These benefits will also contribute to offsetting the impact of removing coal from NPC at the end of 2025.

Q. WILL PACIFICORP'S PARTICIPATION IN THE EDAM OFFSET THE COST OF REMOVING COAL FROM NPC?

A. Yes. According to a study performed by the Brattle Group in April 2023, attached as **Mullins, Exh. BGM-11,** PacifiCorp is expected to recognize a gross benefit from participation in the EDAM of $339 million and a net benefit of $181 million.[33] And according to the study, these benefits are likely understated. The operation of the EDAM will offset the cost to Washington associated with removing coal plants from NPC. Yet, none of this benefit has been considered in the NPC that PacifiCorp filed in this case.

Q. WHAT DO YOU RECOMMEND?

A. Considering the fact that the Commission has approved a similar mechanism for other utilities, AWEC does not necessarily oppose the notion of a coal tracker. Notwithstanding, the mechanisms approved for the other utilities were largely the result of negotiated settlements in which the terms and operation of the mechanisms were understood and agreed to by all parties. As I mentioned in Response Testimony, apart from not performing any analytical studies to document the impact of removing coal

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[33] Exh. No BGM-11 at 31.

resources from NPC by the CETA deadline, which occurs in the midst of Rate Year 2, PacifiCorp's Rate Year 2 proposal is problematic because it lacks any consideration of offsetting factors associated with the major capital additions that it proposed for inclusion in rate base, including factors that will offset the cost of removing coal from NPC. This puts ratepayers in a very challenging situation. It puts the onus on ratepayers to determine after the fact what offsetting factors may have been recognized with the vague possibility of a rate refund many years from now. Put simply, PacifiCorp's wait-and-see approach to evaluating offsetting factors is not satisfactory and not reasonable to ratepayers. Accordingly, my recommendation continues to be for the Commission to approve rates solely for Rate Year 1 in this docket and provide PacifiCorp with the option to file a new rate case to address in 2024 both the offsetting factors and the treatment of coal fired resources under CETA.

If, however, the Commission approves a two-year rate plan for PacifiCorp, I continue to recommend PacifiCorp be required to file an update to its power costs no later than January 15, 2025, for rates effective for the portion of Rate Year 2 ending December 31, 2025.[34] In this process, parties should be allowed to holistically review PacifiCorp's power costs as well as other offsetting factors, such as updating the accumulated depreciation for PacifiCorp's generation fleet, the benefits of the EDAM, and further evaluation of the timing of the major Rate Year 2 capital additions. In addition, I also continue to recommend that PacifiCorp file a limited rate filing or power

34 Should the Commission approve Staff's proposed coal tracker, AWEC assumes that only the power costs associated with coal resources would need to be addressed as part of this filing.

cost only rate case on or before April 1, 2025 for rates effective January 1, 2026[35] to fully review PacifiCorp's power costs once it is required to remove coal from rates. I acknowledge that the timing of these filings is tricky given the corresponding need to also update NPC on March 19, 2025, in order to capture offsetting benefits embedded for Rate Year 2. Given the scope of these potential overlapping processes, it would be more efficient from my perspective to simply require PacifiCorp to file an entirely new rate case, which is why my principal recommendation is for the Commission to solely approve rates for Rate Year 1 in this docket.

Q. DOES THIS CONCLUDE YOUR CROSS-ANSWERING TESTIMONY?

A. Yes.

35 Exh. BGM-1T at 22:22-23:9.