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23-03004

Public Utilities Commission of Nevada  
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Filed For: Wynn Las Vegas LLC and Smart Energy Alliance

In accordance with NRS Chapter 719,  
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Wynn Las Vegas LLC and Smart Energy Alliance

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June 26, 2023

Trisha Osborne  
Assistant Commission Secretary  
Public Utilities Commission of Nevada  
1150 E. William Street  
Carson City, NV 89701

Re: Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for Approval of the Cost Recovery for the 2022 Natural Disaster Protection Plan Regulatory Asset Account.  
**Docket No. 23-03004**

Dear Ms. Osborne:

Please find enclosed the Prepared Direct Testimony of Bradley G. Mullins on behalf of Wynn Las Vegas, LLC and Smart Energy Alliance in the above-referenced docket.

If you have any questions regarding this filing, please do not hesitate to contact me.

Sincerely,

/s/ Curt R. Ledford

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*Of Attorneys for Wynn Las Vegas, LLC  
and Smart Energy Alliance*

Enclosure

**BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

Joint Application of Nevada Power Company d/b/a )  
NV Energy and Sierra Pacific Power Company d/b/a ) Docket No. 23-03004  
NV Energy for Approval of the Cost Recovery of the )  
Regulatory Assets Relating to the Development and )  
Implementation of their Joint Natural Disaster )  
Protection Plan. )

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**PREPARED DIRECT TESTIMONY OF BRADLEY G. MULLINS  
ON BEHALF OF  
SMART ENERGY ALLIANCE  
AND  
WYNN LAS VEGAS, LLC**

**June 26, 2023**

1 1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

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

4 2 **Q. PLEASE STATE YOUR OCCUPATION AND ON WHOSE BEHALF YOU ARE**  
5 **TESTIFYING.**

6 A. I am an energy and utilities consultant representing utility customers in the western United  
7 States. I am appearing on behalf of Wynn Las Vegas, LLC and the Smart Energy Alliance  
8 (“Wynn-SEA”). Wynn Las Vegas, LLC operates a resort and casino and receives  
9 distribution only services (“DOS”) from Nevada Power Company d/b/a NV Energy in  
10 southern Nevada. Smart Energy Alliance is an association whose members receive  
11 electrical services from electric utilities located in Nevada, including from Nevada Power  
12 Company and Sierra Pacific Power Company d/b/a NV Energy.

13 3 **Q. PLEASE SUMMARIZE YOUR EDUCATION AND WORK EXPERIENCE.**

14 A. I have a Master of Accounting degree from the University of Utah. After my master’s  
15 degree, I worked at Deloitte in San Jose, California, where I specialized in performing  
16 research and development of tax credit studies. Subsequently, I worked at PacifiCorp as an  
17 analyst involved in power costs forecasting, avoided cost modeling, and power cost  
18 deferral mechanisms. I currently provide independent energy and utility consulting  
19 services to utility customers on matters such as power costs, revenue requirements, and rate  
20 spread and rate design. I have sponsored testimony in several regulatory jurisdictions,  
21 including before the Public Utilities Commission of Nevada. A list of recent cases where I  
22 have submitted testimony can be found in **Exhibit Mullins-Direct-1.**

1 4 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?**

2 A. The purpose of my Prepared Direct Testimony is to address cost recovery related to  
3 Nevada Power Company’s (“NPC”) and Sierra Pacific Power Company’s (“SPPC”)  
4 (collectively, “NV Energy” or the “Joint Utilities”) 2022 Natural Disaster Protection Plan  
5 (“NDPP”) regulatory asset account. I respond to the Direct Testimony of NV Energy  
6 witness Aguero, as well as NV Energy’s proposal to continue recovery of NDPP  
7 Operations, Maintenance, Administrative & General (“OMAG”) expense on a statewide  
8 basis.<sup>1</sup>

9 5 **Q PLEASE SUMMARIZE YOUR RECOMMENDATIONS AND CONCLUSIONS.**

10 A As recommended in prior NDPP cost-recovery dockets, I continue to recommend that  
11 OMAG be situs-allocated, rather than allocated on a statewide basis.<sup>2</sup> I don't disagree with  
12 witness Aguero that the potential for harm to the state of Nevada resulting from wildfires  
13 and natural disasters is significant. I also agree that the cost of investing in natural disaster  
14 protection, including wildfire mitigation, is meager in relation to the potential harm from  
15 potential natural disasters. Notwithstanding, there is a difference between a potential harm  
16 and a benefit. The Joint Utilities are obligated to maintain the safety and reliability of their  
17 respective systems as a condition for providing services regardless of the NDPP. If NPC or  
18 SPPC fail to invest the monies to avoid and mitigate wildfires, the potential for them to  
19 cause harm is enormous. In terms of allocating costs between the respective Joint Utilities,  
20 however, I do not agree that harms caused by the failure of a utility to maintain the safety

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<sup>1</sup> Aguero Direct at 3, lines 4-6.

<sup>2</sup> See, e.g., Dockets 22-03006, 22-08001, 21-03004.

1 of its system are appropriately considered for purposes of a reasonable cost allocation  
2 method.

3 As highlighted by Senate Bill 329, the wildfire situation has changed in recent  
4 years. The need for heightened investments in wildfire mitigation has been further  
5 amplified by the major events described in witness Agüero’s testimony. Considering these  
6 changes, some initial socialization of NDPP costs necessary to bring the respective systems  
7 up to the new, heightened standard may have been reasonable. In the long term, however,  
8 it is desirable to avoid subsidies and for customers of the respective Joint Utilities to pay  
9 for the costs of maintaining their respective systems. Accordingly, I continue to  
10 recommend that OMAG be situs-allocated.<sup>3</sup> In the alternative, I would recommend the  
11 Commission transition to a situs-based cost allocation over a period of time, with a goal of  
12 100% situs assignment no later than the end of 2026.

13 **6 Q. WHY DID THE COMMISSION REQUEST A BENEFITS STUDY IN THIS**  
14 **DOCKET?**

15 A. In NV Energy’s 2021 NDPP cost recovery proceeding, Docket No. 22-03006, several  
16 intervenors filed testimony contesting the use of a statewide rate for NDPP OMAG  
17 expense, citing the subsidy being paid by NPC customers for NDPP expense on SPPC’s  
18 system. For example, I filed testimony on behalf of SEA and Wynn recommending the  
19 Commission follow the well-established principle that costs be allocated “at least roughly  
20 commensurate with the estimated benefits received”<sup>4</sup> In its Modified Final Order, the

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<sup>3</sup> See, e.g., Dockets 22-03006, 22-08001, 21-03004.

<sup>4</sup> See Docket No. 22-03006, Prepared Direct Testimony of Bradley G. Mullins at 20:10-11 (citing FERC Order 1000 ¶ 612.).

Commission acknowledged that “NDPP cost allocation is still in the early stages and further refinements will be necessary in the future to safeguard against inequities, including any that might exist among SPPC’s customers.”<sup>5</sup> The Commission then directed NV Energy to “provide additional analysis and supporting testimony with its 2023 cost recovery filing to further assess or quantify the socialized benefits associated with NDPP costs,” and that “[a] failure to provide substantial evidence on the value and benefits of the components of the program in future cases may result in a different just and reasonable cost-allocation than the cost-allocation ordered in this case.”<sup>6</sup>

**Q. IS A SIMILAR SUBSIDY AT ISSUE IN THIS DOCKET?**

A. Yes. Table 1, below, details the subsidy at issue in NV Energy’s proposed NDPP surcharge in this docket. These values were based on the workpapers of NV Energy witness Shelton-Patchell.

**Table 1**  
**Subsidy in NV Energy Proposed NDPP Surcharge \$**

	<u>NPC</u>	<u>SPPC</u>	<u>NV Energy</u>
<b>Costs Incurred</b>			
OMAG	2,995,548	46,109,089	49,104,638
Capital	43,939	790,484	834,422
Total	3,039,487	46,899,573	49,939,060
<b>Cost Allocated</b>			
OMAG	33,177,609	15,927,029	49,104,638
Capital	43,939	790,484	834,422
Total	33,221,548	16,717,512	49,939,060
<b>Subsidy: Cost / (Benefit)</b>			
OMAG	30,182,061	(30,182,061)	-
Capital	-	-	-
Total	30,182,061	(30,182,061)	-

<sup>5</sup> Docket No. 22-03006, Modified Final Order at ¶ 152 (Oct. 12, 2022).

<sup>6</sup> *Id.*

1           Thus, the social subsidy embedded in NV Energy’s rates continues to be significant.  
2           For the 2022 NDPP, the subsidy paid by NPC customers to SPPC customers to fund NDPP  
3           activities in the north was \$30,182,061, or approximately 893% more than the costs  
4           incurred in NPC’s service area. Of the \$49,939,060 in OMAG expense requested for  
5           recovery, 93.9% was made in SPPC’s service area, with just 6.1% made NPC’s service  
6           area. NPC serves about twice the load as SPPC does, which further exacerbates the  
7           discrepancy in NDPP spending between the two utilities.

8 **Q.   HOW DID NV ENERGY RESPOND TO THE COMMISSION’S DIRECTIVE TO**  
9 **QUANTIFY THE BENEFITS FROM THE NDPP?**

10 A.   NV Energy witness Aguero, a principal analyst at Applied Analysis, evaluated the potential  
11       economic harms resulting from a major natural disaster, albeit without considering the  
12       specific benefits on a utility-by-utility basis.<sup>7</sup> Witness Aguero evaluates the costs of  
13       wildfires in California and reaches conclusions such as “economic damage from natural  
14       disasters can be substantial”<sup>8</sup> and that the net savings to the region over a 20-year period  
15       from NDPP-related initiatives would also have a “widespread” impact.<sup>9</sup>

16 **9 Q.   DO YOU AGREE THE ECONOMIC DAMAGES FROM NATURAL DISASTERS**  
17 **CAN BE SUBSTANTIAL?**

18 A.   Yes. It is undisputed that the cost of wildfires has the potential to be massive. For this  
19       reason, it is imperative for both NPC and SPPC to adequately maintain and operate their  
20       systems with a heightened degree of safety to avoid such incidents. The impacts NV  
21       Energy identified, however, are not necessarily indicative of the benefits that customers

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<sup>7</sup>       Aguero Direct at 2, lines 23-27.

<sup>8</sup>       Aguero Direct at 3, lines 16-17.

<sup>9</sup>       Aguero Direct at 3, line 19 to 4, line 3.



1 receive in one service area versus the other, but rather state-wide harms that will result if  
2 NPC or SPPC facilities were to cause a wildfire.

3 **10 Q. ARE THE IMPACTS NV ENERGY IDENTIFIED BENEFITS?**

4 A. No. Avoiding a harm is not the same as a providing a benefit. The costs NV Energy  
5 identified represent the harm customers could face if NV Energy were to fail to invest in  
6 wildfire mitigation, resulting in the instigation of a catastrophic wildfire. The cost of such  
7 a failure cannot be characterized as a benefit. As an example, if an individual, through  
8 negligence or the failure to exercise a fiduciary responsibility, injures another, that injury,  
9 or the lack thereof, cannot be considered a benefit by the latter. In day-to-day dealings, it is  
10 expected that people act prudently, and in accordance with their fiduciary responsibility.  
11 The same is true for wildfire mitigation. As a condition of providing electric services, all  
12 electric utilities must ensure that their systems are safe and reliable, including making  
13 prudent investments in wildfire mitigation to avoid the catastrophic effects NV Energy  
14 identified in Direct Testimony. If a utility is negligent in taking such measures and causes  
15 a wildfire, the associated harms would be the fault of the utility, not a benefit to the state.  
16 Thus, in the ordinary course, concluding that all customers in the state benefit equally by  
17 NPC or SPPC making investments in wildfire mitigation is a backwards concept because  
18 the respective utilities are obligated to make those investments, regardless, as a part of their  
19 prudent operation of their systems. A utility is otherwise obligated to act prudently, and  
20 there are no additional benefits received if the utility does not do so.

1 **11 Q. HAVE NDPP INVESTMENTS BEEN DRIVEN BY CHANGING**  
2 **CIRCUMSTANCES?**

3 A. Yes. This is also an important consideration when evaluating the benefits of the NDPP.  
4 The wildfire threat in the West has increased significantly in recent years. From this  
5 perspective, NPC and SPPC are understandably adjusting operations that allow for each  
6 utility to maintain and operate their systems according to heightened standards. However,  
7 the costs of bringing the respective systems up to the heightened standard require a larger  
8 initial lift and can be viewed distinctly from the ongoing, prudent expenditures required to  
9 maintain that standard in the long term. In contrast to the ongoing maintenance, wildfire  
10 mitigation from the up-front costs can be more reasonably considered a benefit rather than  
11 a potential harm. The NDPP vegetation management program, for example, has  
12 transitioned to be a more comprehensive treatment program for aerial tree trimming, as  
13 well as grubbing and right of way clearing. It is also transitioning to more frequent  
14 treatment cycles. Transitioning to this more comprehensive treatment program requires  
15 upfront costs, which, had the system previously been maintained at such a level, may be  
16 unnecessary.

17 **12 Q. HOW DO YOU RECOMMEND THE COMMISSION HANDLE COST**  
18 **ALLOCATION IN THIS DOCKET?**

19 A. As has been argued in prior NDPP cost-recovery dockets, I continue to recommend that  
20 OMAG be situs-allocated, rather than system-allocated.<sup>10</sup> To the extent that there are  
21 statewide social benefits associated with the NDPP, however, those are predominantly  
22 occurring in the early years of the NDPP, when efforts were being made to correct and

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<sup>10</sup> See, e.g., Dockets 22-03006, 22-08001, 21-03004.

1 improve each system that have not been maintained to the heightened level required for  
2 each system in order to mitigate wildfire events. As the NDPP shifts from initial corrective  
3 actions to routine maintenance actions, however, the benefits received are more closely tied  
4 to the service area where the routine maintenance activities are being performed and not the  
5 combined Joint Utilities' system. Now that the system is more improved and the NDPP  
6 activities are becoming more routine, the incremental statewide *benefits* associated with the  
7 NDPP expenditures are declining. Maintaining the system at the improved, heightened  
8 level does not result in any incremental level of wildfire mitigation, but rather, is  
9 maintaining the new status quo. NPC customers have invested significant amounts in  
10 improving the safety of SPPC's system. Accordingly, it is desirable and appropriate for  
11 customers in the respective service territories to shoulder the cost of maintaining their own  
12 systems at safe and reliable levels.

13 **Q. HOW QUICKLY DO YOU RECOMMEND TRANSITIONING TO SITUS RATES?**

14 A. If the Commission decides to transition to situs rates, my recommendation is to phase in  
15 situs rates by no later than the end of 2026, corresponding to the end of the 2024-2026  
16 NDPP and the approximate point in time that the initial round of NDPP tree trimming  
17 activities were scheduled to be completed. While a more rapid transition to situs-allocation  
18 may be warranted, one practical concern with moving immediately to situs rates is that  
19 doing so will have a material impact on the rates SPPC customers pay. Thus, an approach  
20 where situs rates are phased-in over time will result in more gradual impacts to SPPC  
21 customers while making progress on the subsidization efforts by otherwise lowering the  
22 incremental rise in costs for legitimate mitigation efforts. Further, this approach would be

1 consistent with the evolving nature of the NDPP itself.

2 **14 Q. IS NV ENERGY'S NATURAL DISASTER COST ANALYSIS APPROPRIATE TO**  
3 **USE FOR COST ALLOCATION?**

4 A. No, particularly not in the long run. Witness Aguero's analysis reviews Nevada's economy  
5 and the general economic impacts of natural disasters, including the effects on tourism and  
6 property values. The study, however, does not quantify the socialized benefits associated  
7 with NDPP costs by region, nor the direct benefits received by the respective service  
8 areas.<sup>11</sup> Witness Aguero states that due to the concentration of economic activity in the  
9 south, avoidance of natural disasters is of greater economic benefit to the southern part of  
10 the state than the northern part of the state.<sup>12</sup> This is a potentially valid observation,  
11 although it does not necessarily consider property values or other benefits described in  
12 other areas of Witness Aguero's testimony. Witness Aguero ultimately concludes that "[i]n  
13 the end, while there are meaningful economic considerations, this issue largely rests on the  
14 state's policy objectives."<sup>13</sup> I agree with this conclusion. In other words, the question of  
15 regional versus statewide costs is a policy decision of whether vegetation management and  
16 other NPPD-related costs should be considered more like education, transportation and  
17 healthcare costs, which are largely funded through taxes, as opposed to regulatory costs  
18 that are generally allocated based on cost causation. With that in mind, my  
19 recommendation is for the Commission to lean towards cost causation, rather than social  
20 concepts that are more difficult to quantify and spread broadly across Nevada.

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<sup>11</sup> See Aguero Direct at 18, lines 15-18.

<sup>12</sup> Aguero Direct at 18, lines 13-15.

<sup>13</sup> Aguero Direct at 19, lines 8-10.

1 15 **Q. IS IT REASONABLE TO APPLY THE NDPP RATE LIKE A TAX?**

2 A. No. Rather than pass a statewide tax or specific fund, as the Companies point out is the  
3 case with the California Wildfire Fund, the Nevada Legislature created planning  
4 requirements and enabled a separate cost recovery mechanism for natural disaster-related  
5 costs. Education, transportation and healthcare costs are not borne solely by investor-  
6 owned utility ratepayers; instead, they are of statewide benefit and are thus funded more  
7 broadly through taxes. As Bureau of Consumer Protection witness Chairez points out in  
8 his Direct Testimony in Docket 23-03003, even calling the OMAG rate a “statewide rate”  
9 is misleading – given that NPC and SPPC are just two of the 15 utilities that provide  
10 electric service in the State of Nevada and comprise approximately 50 percent of the land  
11 area in the state.<sup>14</sup> Unlike SPPC and NPC, these utilities bear the individual costs of  
12 natural disaster mitigation measures without the ability to transfer cost responsibility  
13 amongst each other.

14 16 **Q. WILL THERE EVER BE ALIGNMENT BETWEEN THE NDPP COSTS OF THE**  
15 **TWO UTILITIES?**

16 A. No. While rate subsidies are sometimes necessary for practical and other ratemaking  
17 concerns, it is usually preferable to design rates without subsidies to align with the  
18 principle of cost causation and to send appropriate price signals. Maintaining an indefinite  
19 subsidy in the NDPP rate is therefore undesirable. If SPPC rates are set at a level below  
20 cost, without considering the vegetation management and other natural disaster costs  
21 necessary to serve SPPC customers, it could otherwise encourage customers to make

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<sup>14</sup> Docket 23-03003, Chairez Direct Testimony at 6, line 13 to 7, line 8.

1 uneconomic decision about siting loads in the north versus the south. Absent a change in  
2 Commission policy, however, a subsidy will continue in perpetuity. NV Energy  
3 acknowledges that NDPP costs are forecast to be incurred predominantly in SPPC's service  
4 territory for the foreseeable future, noting that for the 2024 through 2026 planning period, a  
5 little more than 75 percent of costs are attributed to northern Nevada, while a little less than  
6 25 percent are attributed to southern Nevada.<sup>15</sup>

7 **17 Q. ARE BENEFITS FROM THE NDPP EXPERIENCED EQUALLY STATEWIDE?**

8 A. No. Witness Aguero also states that “the regional cost profile will be different for every  
9 region of the state, an issue that is exacerbated at the subregional level...”<sup>16</sup> and generally  
10 notes that economic activity is concentrated in the south, and the disaster risk is  
11 disproportionately concentrated in the north,<sup>17</sup> suggesting that NPC's customers experience  
12 NDPP benefits that are larger than SPPC customers. This type of analysis, however,  
13 oversimplifies the relationship between the two service areas and is inconsistent with the  
14 principles surrounding cost-based rates. It is a valid observation that the economic activity  
15 is greater in the south, and that the potential for wildfire disasters is greater in the north.  
16 The conclusion that customers in the south ought to pay more because of this relationship,  
17 however, ignores the fact that it is the electric service infrastructure in the north that is  
18 creating the disaster risk in the north and the thing being mitigated through the NDPP.  
19 SPPC customers benefit from the use of the electric service infrastructure constructed on  
20 SPPC's system. Therefore, it is their responsibility to ensure that the facilities used to

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<sup>15</sup> Aguero Direct at 6, lines 15-18.

<sup>16</sup> Aguero Direct at 19, lines 3-5.

<sup>17</sup> Aguero Direct at 18, line 9 to 19, line 10.

1 serve their loads are properly maintained in a manner to avoid and mitigate disaster risks,  
2 which is of primary benefit to the ratepayers in their respective service territories.

3 **18 Q. DOES ECONOMIC ACTIVITY IN THE SOUTH IMPLY A GREATER ABILITY**  
4 **TO PAY?**

5 A. No. The implication that NPC customers have a greater ability to pay for NDPP costs, and  
6 therefore, ought to be allocated additional costs of performing vegetation management and  
7 wildfire mitigation in SPPC's service area, is misleading. In terms of per capita personal  
8 income, for example, the Reno and Carson City metropolitan areas rank higher than the Las  
9 Vegas metropolitan areas. In the *2021 Personal Income by County and Metropolitan Area*  
10 report published by the Bureau of Economic Analysis, Reno and Carson City had per capita  
11 personal income of \$71,489 and \$60,445, respectively.<sup>18</sup> In contrast, Las Vegas-  
12 Henderson-Paradise had per capita personal income of \$58,276.<sup>19</sup> Thus, while the greater  
13 portion of the population, and thus economic activity, may be located in NPC's service  
14 territory, that does not mean that those customers are better suited to pay a subsidy for the  
15 costs of serving SPPC customers.

16 **19 Q. WHERE IS THE GREATER PROPORTION OF NON-RESIDENTIAL LOAD?**

17 A. Not only are personal incomes lower in NPC's service territory, the proportion of  
18 residential loads is also higher. Approximately 42% of NPC loads are residential

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<sup>18</sup> *Personal Income by County, Metro, and Other Areas, 2021*, US Department of Commerce, Bureau of Economic Analysis. Available at <https://www.bea.gov/data/income-saving/personal-income-county-metro-and-other-areas>.

<sup>19</sup> *Id.*

1 customers,<sup>20</sup> whereas only approximately 24% of SPPC loads are residential customers.<sup>21</sup>

2 Thus, a statewide rate has the unintended consequence of allocating costs away from SPPC  
3 non-residential customers to NPC residential customers. Thus, viewed as social tax,  
4 allocating NDPP costs on a statewide basis not only produces a subsidy from NPC to  
5 SPPC, but also a subsidy between non-residential and residential customers.

6 **20 Q. WHAT IS THE PRINCIPAL BENEFIT OF WILDFIRE MITIGATION AND NDPP**  
7 **EXPENSES?**

8 A. The principal benefit of performing wildfire mitigation is that it enables NPC and SPPC to  
9 provide electric services to customers in their respective service territories. Absent making  
10 these investments to ensure the safety of the respective system, ratepayers in the two  
11 service territories would have no ability to receive services. For example, even the 2018  
12 California wildfire report cited by witness Aguero stated “our results suggest that the  
13 indirect economic losses related to the recent forced electricity outages might be much  
14 larger than the capital losses that may have been avoided (though lives may have been  
15 saved).”<sup>22</sup> This reinforces the notion that the principal benefit of NDPP expenditures is the  
16 value of the electric services rendered, which are situs benefits to customers of the  
17 respective utilities, not statewide benefits. In other words, the natural disaster costs of  
18 serving SPPC customers are higher than for NPC customers, and that is appropriately

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<sup>20</sup> Docket No. 23-06007, June 5, 2023 Initial Filing, Volume 4, Schedule J-1 at 1:37 (calculated as 10,204,140,610 / 23,865,727,629 kWh)

<sup>21</sup> Docket No. 22-06014, Jan. 6, 2023 Compliance Filing, Volume 1, Attachment D, Schedule J-1 at 1:20 (calculated as 2,746,279,570 / 11,350,259,984 kWh)

<sup>22</sup> Wang, D., Guan, D., Zhu, S. et al. Economic footprint of California wildfires in 2018. *Nat Sustain* 4, 252–260 (2021).



1 considered in the SPPC NDPP surcharge because SPPC customers are the ones benefiting  
2 from the expenditures through their electric services.

3 **21 Q. HAVE THE COMPANIES INDICATED AN OPENNESS TO CONSIDERING**  
4 **ALTERNATIVES TO THE CURRENT RATE RECOVERY METHOD?**

5 A. Yes. In Docket No. 23-03003, NV Energy witness Murray indicated that “the Companies  
6 are open to discussing alternate cost allocation strategies to ensure long-term effectiveness  
7 and stakeholder support of [the NDPP].”<sup>23</sup>

8 **22 Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

9 A. As has been argued in prior NDPP cost-recovery dockets, I continue to recommend that  
10 OMAG be situs-allocated, rather than system-allocated.<sup>24</sup> In the alternative, I recommend  
11 that the Commission adopt a schedule to transition to situs-assigned NDPP-related OMAG  
12 costs by no later than the end of 2026. The information that NV Energy provided about the  
13 potential harm from wildfires is useful. It is not salient, however, in determining how the  
14 benefits of the NDPP are recognized by the respective utilities. While the economic  
15 concentrations in the north and south are different, it is most desirable, at least in the long  
16 run, for customers in the respective service territories to pay the cost associated with  
17 providing service in those service areas, including the costs associated with wildfire and  
18 natural disaster mitigation.

19 **23 Q. DOES THIS CONCLUDE YOUR PREPARED DIRECT TESTIMONY?**

20 A. Yes.

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<sup>23</sup> Docket No. 23-03003, Murray Rebuttal at 22, lines 8-10.

<sup>24</sup> See, e.g., Dockets 22-03006, 22-08001, 21-03004.

EXHIBIT MULLINS-DIRECT-1

REGULATORY APPEARANCES OF  
BRADLEY G. MULLINS

MW Analytics is the professional practice of Bradley Mullins, a consultant and expert witness that represents utility customers in regulatory proceedings before state utility commissions throughout the western United States. Since starting MW Analytics in 2013, Mr. Mullins has sponsored expert witness testimony in over 100 regulatory proceedings on a variety of subject matters, including revenue requirements, regulatory accounting, rate development, and new resource additions. MW Analytics also assists clients through informal regulatory, legislative and energy policy matters. In addition to providing regulatory services, MW Analytics also provides advisory and other energy consulting services.

### Education

- Master of Accounting, Tax Emphasis, University of Utah
- Bachelor of Finance, University of Utah
- Bachelor of Accounting, University of Utah

### Relevant Prior Experience

PacifiCorp, Portland, OR: Net Power Cost Consultant 2010 – 2013

- Analyst involved in power cost modeling and forecasting
- Responsible for preparing power cost forecasts, supporting testimony for regulatory filings, preparing annual power cost deferral filings, and developing qualifying facility avoided cost calculations

Deloitte, San Jose, CA: Tax Senior 2007 – 2009

- Staff accountant responsible for preparing corporate tax returns for multinational corporate clients and partnership returns for hedge fund clients
- Joined to national tax practice specializing research and development tax credit studies

### Recent Expert Witness Testimony

Docket	Party	Topics
<i>In re PacifiCorp, dba Pacific Power, 2024 Transition Adjustment Mechanism., Or.PUC Docket No. UE 420</i>	Alliance of Western Energy Consumers	Power Costs
<i>In re the Application of Avista Corporation dba Avista Utilities Requesting Authority To Revise Its Natural Gas Book Depreciation Rates And Deferred Accounting, Or.PUC Docket No UM 2277.</i>	Alliance of Western Energy Consumers Caesars Enterprise Services, LLC;	Depreciation
<i>In re Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for Approval of their Joint Natural Disaster Protection Plan, PUC Nv. Docket No. 23-03003</i>	MGM Resorts International; Wynn Las Vegas, LLC; and Smart Energy Alliance	Wildfire Mitigation
<i>In re NW Natural Gas Corporation, d.b.a NW Natural Renewable Natural Gas Adjustment Mechanism - Dakota City, Or.PUC Docket No UG 462.</i>	Alliance of Western Energy Consumers	Revenue Requirement

<b>Docket</b>	<b>Party</b>	<b>Topics</b>
<i>In re Portland General Electric Company Request for a General Rate Revision, Or. PUC UE 416.</i>	Alliance of Western Energy Consumers	Power Costs / Revenue Requirement
<i>In re the Application of Intermountain Gas Company for Authority to Increase Its Rates and Charges for Natural Gas Service in the State of Idaho, Id.PUC Case No. INT-G-22-07.</i>	Alliance of Western Energy Consumers	Revenue Requirement
<i>In re Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for approval of the fourth amendment to its 2021 Joint Integrated Resource Plan, PUC Nv. Docket No. 22-11032.</i>	Caesars Enterprise Services, LLC; MGM Resorts International; Nevada Resorts Association	Resource Planning
<i>In re Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for approval of the Third Amendment to its 2021 Joint Integrated Resource Plan., PUC Nv. Docket No. 22-09006.</i>	Caesars Enterprise Services, LLC; MGM Resorts International; Nevada Resorts Association	Transportation Electrification
<i>In re Portland General Electric Company, Advice No. 22-18 New Schedule 151 Wildfire Mitigation Cost Recovery, Or.PUC Docket No. UE 412.</i>	Alliance of Western Energy Consumers	Regulatory Accounting
<i>In re PacifiCorp, Automatic Adjustment Clause for Wildfire Protection Plan Costs, Or.PUC Docket No. UE 407.</i>	Alliance of Western Energy Consumers	Regulatory Accounting
<i>In re Portland General Electric Company, Application for Authority to Amortize Deferred Amounts Related to 2020 and 2021 Wildfire and Ice Storm Emergency Events, Or.PUC Docket No. UE 408.</i>	Alliance of Western Energy Consumers	Regulatory Accounting
<i>In re PacifiCorp 2021 Power Cost Adjustment Mechanism, Or.PUC Docket No. UE 404.</i>	Alliance of Western Energy Consumers	Power Cost Deferral
<i>In re Portland General Electric Company, 2021 Annual Power Cost Variance Mechanism, Or. PUC UE 406</i>	Alliance of Western Energy Consumers	Power Cost Deferral
<i>In re Portland General Electric Company, Application Regarding Amortization of Boardman Deferral, Or.PUC Docket No. UE 410.</i>	Alliance of Western Energy Consumers	Regulatory Accounting
<i>In re the application of Sierra Pacific Power Company d/b/a NV Energy for authority to adjust its annual revenue requirement for general rates charged to all classes of electric customers and for relief properly related thereto, PUC Nv. Docket No. 22-06014.</i>	Smart Energy Alliance and Caesars Enterprise Services, LLC	Revenue Requirement
<i>In re the Application of Dominion Energy Utah to Increase Distribution Rates and Charges and Make Tariff Modifications Ut.PSC Docket No. 22-057-03.</i>	Nucor Steel-Utah	Cost of Service, Rate Spread and Rate Design
<i>In re Joint Application of Nevada Power Company d/b/a NV Energy (“NPC”) and Sierra Pacific Power Company d/b/a NV Energy (“SPPC”) for approval to merge into a single corporate entity, to transfer Certificates of Public Convenience and Necessity (“CPC”) 685 Sub 20, 688, and 688 Sub 6 from SPPC to NPC, and to consolidate generation assets, PUC Nv. Docket No. 22-03028.</i>	Wynn Las Vegas, LLC and Smart Energy Alliance	Merger
<i>In re Puget Sound Energy Requests for a General Rate Revision, Wa.UTC Docket. UE-220026 (cons.).</i>	Alliance of Western Energy Consumers	Revenue Requirement

AFFIRMATION

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I, Bradley G. Mullins, do hereby swear under penalty of perjury the following:

That I am the person identified in the foregoing Direct Testimony and that such testimony was prepared by me or under my direct supervision; that the answers and information set forth therein are true to the best of my knowledge and belief as of the date of this Affirmation; that I have reviewed and approved any modifications after the date of this Affirmation; and that if asked the questions set forth therein, my answers thereto would, under oath, be the same.

Dated this 26<sup>th</sup> day of June, 2023.

  
BRADLEY G. MULLINS

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have this day served the foregoing **Prepared Direct Testimony of Bradley G. Mullins on behalf of Wynn Las Vegas, LLC and Smart Energy Alliance** upon each of the parties on the attached service list in this proceeding via electronic mail.

DATED this 26th day of June, 2023.

/s/ Jesse O. Gorsuch  
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