Introduction

Q. Are you the same Natalie L. Hocken who submitted direct testimony in this proceeding on behalf of PacifiCorp dba Rocky Mountain Power ("the Company")?

A. Yes.

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

A. The purpose of this rebuttal testimony is to respond to proposed Transmission and Distribution ("T&D") plant addition adjustments that were made by Mr. Richard S. Hahn, of La Capra Associates, in his direct testimony filed on behalf of the Utah Division of Public Utilities ("DPU"). My rebuttal testimony responds to two of the proposed adjustments to T&D plant additions that were included in Exhibit DPU 3.0 Dir-Rev Req and further detailed in Mr. Hahn's direct testimony. These include the following projects:

- Sigurd to Red Butte 345 kV transmission line and
- Whetstone 230-115 kV substation project

Specifically, I will demonstrate that the DPU's proposed plant addition adjustments for these projects should be rejected and the Company should be granted the plant addition amounts submitted. In addition, my testimony responds to concerns expressed by Mr. Hahn regarding late capital additions to this rate case, and specifically regarding the Pomona Heights project. My testimony will demonstrate that this project is necessary and will be used and useful within the test period and the capital investment should be allowed in this rate case.

Sigurd to Red Butte 345 kV Transmission Line

Q. What is the plant adjustment proposed by Mr. Hahn for the Sigurd to Red Butte 345 kV transmission line?

A. Mr. Hahn proposes removal of the requested $363 million proposed plant addition for the new 345 kV transmission line between the existing Sigurd substation and the Red Butte substation in Utah on the basis that one item listed as a critical activity in the substation work schedule provided by the Company would not be timely completed for the Company to meet the June 2015 in-service date.

Q. Do you agree with the proposed reduction for this project?

A. No. This project is prudent and necessary for continuing to provide safe and reliable service to customers as described further in my direct testimony. The substation work schedule was developed by the substation engineer, procure and construct contractor and erroneously prolonged the duration of the activity "Tag House - Manufacture." The number of workdays is a fixed input in the substation schedule. The substation contractor updated the percentage complete but did not make the manual correction to the number of workdays. A corrected project schedule is provided in Confidential Exhibit RMP___(NLH-1R) and was provided to the DPU as a supplemental response to CONF DPU Data Request 41.9.

Q. Will the Sigurd to Red Butte 345 kV transmission line project be in-service by June 2015?

A. Yes. As of May 2014 on the transmission line work, 622 foundations (84 percent of project total) have been completed, 560 structures (74 percent of project total)

have been erected, and 25 percent of the conductor has been strung. All foundations are complete at Sigurd substation including the shunt reactor foundation. Approximately 50 percent of the foundations are complete at Red Butte substation. All major equipment is scheduled to be on site by July 2014, with the majority of the equipment already on site at the Sigurd and Red Butte substations.

Whetstone 230-115 kV Substation Project

Q. What is the plant adjustment proposed by Mr. Hahn for the Whetstone 230-115 kV substation project?

A. Mr. Hahn proposes removing the requested $17.7 million plant investment for the Whetstone substation project on the basis that one of the milestones listed on the project schedule provided to Mr. Hahn showing activity current as of April 3, 2014 would extend completion of the project beyond June 30, 2015. Specifically, Mr. Hahn is concerned with the milestone "Construction-Revenue Metering" that showed a start date of January 16, 2014, with a 333 workday activity to completion. The project schedule did not show this milestone had commenced as of April 3, 2014 which would push completion to July 13, 2015, at the earliest, and beyond the projected in-service date of June 30, 2015.

Q. Do you agree with the proposed reduction for this project? If not, why not?

A. No. The $17.7 million plant investment amount requested by the Company in the rate case for this project should be included. The Whetstone projection will be complete, in-service and used and useful by June 30, 2015. The milestone "Construction - Revenue Metering" is not applicable to this project work and was erroneously carried-over from a prior project that used a similar project schedule

template. Revenue metering is only necessary when the project involves interchange metering for billing purposes. The Whetstone substation project does not involve any customer interconnection work that would necessitate revenue metering. A corrected project schedule is provided in Confidential Exhibit RMP___(NLH-R2) and was provided to the DPU in supplemental response to DPU CONF Data Request 41.11.

Q. Will the Whetstone Substation project be in-service by June 30, 2015?

A. Yes. With the corrected project schedule and progress made to date, the Whestone Substation project is on track to meet the in-service date.

Pomona Heights Project

Q. What concern does Mr. Hahn express related to the Pomona Heights project?

A. Pomona Heights is one of ten capital investment projects Mr. Hahn expresses concern for in his direct testimony. Specifically, this group of projects was part of an update to the capital additions in the rate case as described further in the rebuttal testimony of Mr. Steven R. McDougal. In DPU 35.4, detail regarding these projects was requested. The project schedule provided as Attachment DPU 35.4 showed detail for a Washington distribution project to be in-service December 1, 2014. This milestone, "NLT In-Service (Distro Sub/Breaker Changes)," was erroneously included on the list and rather, should have been for the work to be completed at the Pomona Heights substation to be in-service November 2014. A corrected project schedule is provided as Exhibit RMP___(NLH-3R) and was provided to the DPU in supplemental response to DPU Data Request 35.4. In addition, Mr. Hahn expresses concern about the lack

of project support provided and requests similar detail to what has been provided for in other capital addition projects.

Q. Please describe the additional plant investment for the Pomona Heights project.

A. The transmission capital investment is approximately $3.1 million for the Pomona Heights project. This plant investment represents the costs to expand the ring bus at the Pomona Heights substation which will be placed in-service and will be used and useful in November 2014. This ring bus expansion will improve reliability and is necessary to provide adequate breaker separation between lines and transformers for breaker failure and bus fault events.

Q. Please provide the details of the project cost.

A. The total cost of the project is approximately $3.1 million, comprised of the following:

POMONA HEIGHTS PROJECT
Summary of Estimated Spend by Cost Category

Labor	Internal Crews/Construction, Engineering, PM, etc)	**$143,429**
Material	Control House, MW Tower and antennae's, 230kV breakers, Steel support and dead-end structures, switches, and relay panels.	**$1,477,174**
Purchased Services	External Crews/Construction	**$1,209,395**
Other	Property Tax	**$36,444**
Surcharge & AFUDC		**$219,955**
Total Estimate for Rate Period		**$3,083,397**

Q. Please explain why the additional plant investment for the Pomona Heights project is needed.

A. The plant investment for the Pomona Heights project is needed to comply with NERC standard TPL-002 "System Performance Following Loss of a Single Bulk Electric System Element (Category B)." In the existing Pomona Heights 230 kV ring bus configuration, a breaker failure event can cause a simultaneous outage of the Wanapum-Pomona Heights 230 kV transmission line, the Pomona Heights-Union Gap 230 kV transmission line and the Pomona Heights 230 kV capacitor bank. Separately, a single bus fault or breaker failure event can cause simultaneous loss of both 230-115 kV transformers at Pomona Heights. This ring bus expansion to a six breaker ring will improve reliability and is necessary to provide adequate breaker separation between lines and transformers for breaker failure and bus fault events. This work will also enable a second sequence of work to construct a new 230 kV transmission line from Vantage substation to Pomona Heights substation estimated to be placed in-service in October 2016.

Summary and Conclusion

Q. Please summarize your rebuttal testimony.

A. The proposed reductions to capital investment for Sigurd to Red Butte and Whetstone transmission projects should be rejected. These projects are necessary to continue to provide safe and reliable service to customers and were solely based on project schedule inaccuracies which have since been corrected and provided as supplemental data request responses in this rate case. In addition, the Pomona Heights ring bus expansion will be placed in service in November 2014 and be used and useful during the test year.

Q. Does this conclude your rebuttal testimony?

A. Yes.