Q. Please state your name, business address, and present position with Rocky Mountain Power (the "Company").

A. My name is Dana M. Ralston. My business address is 1407 West North Temple, Suite 320, Salt Lake City, Utah 84116. My present position is Vice President of Thermal Generation. I am responsible for the coal, gas and geothermal resources owned by the Company.

Qualifications

Q. Please describe your education and business experience.

A. I have a Bachelor of Science Degree in Electrical Engineering from South Dakota State University. I have been the Vice President of Thermal Generation for Rocky Mountain Power Energy since January 2010. Prior to that, I held a number of positions of increasing responsibility with Berkshire Hathaway Energy for 34 years within the generation organization including the plant manager position at the Neal Energy Center, a 1,600 megawatt generating complex. In my current role, I am responsible for operation and maintenance of the coal generation fleet.

Purpose and Overview of Testimony

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to respond to proposed generation plant outage adjustments recommended by La Capra Associates in the Technical Report on the Energy Balancing Account ("EBA") Audit for Rocky Mountain Power for Calendar Year 2014 filed on behalf of the Utah Division of Public Utilities ("DPU"). In doing so, I explain and support the actions taken by the Company that demonstrate its prudence with respect to the outage adjustments identified in the audit report.

Q. Have you reviewed the La Capra technical report on the EBA audit for 2014?

A. Yes.

Craig Unit 1 Outage

Q. Did you review the La Capra report on the Craig Unit 1 outage?

A. Yes.

Q. Do you agree with the La Capra review and recommendation? If not, why not?

A. No. Rocky Mountain Power is not the operator of the Craig plant. The plant is operated by Tri-State Generation and Transmission Association, Inc. (Tri-State). Consistent with prudent utility practice, Tri-State's management has developed operating procedures and practices that employees are expected to follow and trains its employees to follow these procedures. In this specific case, the existing procedures at the time of the incident required the operators to verify that the breaker for the D.C. oil pump was "racked in" or in the closed position. This was completed before the turbine was started. The disconnect switch that was open is not normally used and, during the investigation at the plant, Tri-State was unable to determine who operated the switch or why the switch was opened. The established practice is to coordinate any switching with the operations group prior to the work being done. In addition, there are alarms that indicate if power to the D.C. pump is available and during this period the control room operator missed that this alarm was active before the turbine was started. In the case of the disconnect switch, it is unclear what happened as Tri-State cannot find why or who moved the switch. In the case of the missed alarm, the operator has a practice in place of reviewing alarms

during start up and in this case the control room operator made a mistake and overlooked the alarm.

Q. Do you believe an appropriate standard of prudence was exercised by Tri-State its operation of Craig Unit 1?

A. Yes. As I have described Tri-State had sufficient procedures and practices in place to avoid an incident like what occurred. They had prudently thought about and planned for the risks of operating a power plant. The specific incident that occurred was the result of human error, and not the lack of prudent procedures or practices. No realistic level of procedure and practices can insulate a thermal fleet operator from the risk and exposure resulting from human error.

Q. How is the Company prudent in its participation of the Craig plant?

A. Rocky Mountain Power is a very active owner of its jointly-owned plants. The Company dedicates a full time employee to manage the interaction with all the jointly-owned plants. This person along with others has daily contact with the plants and questions and advances issues with the plants on matters of operations, budget, and planning. With this involvement the Company represents the best interests of our customers.

Q. What is your recommendation to the Commission with respect to the adjustment proposed by LaCapra?

A. As I have described, the Craig Unit 1 outage was the result of a series of human error incidents and not the lack of prudently established procedures and practices. I, therefore, respectfully recommend that the Commission reject the adjustment proposed by LaCapra.

Gatsby Unit 5 Outage

Q Did you review the La Capra report on the Gatsby outage?

A. Yes.

Q. Do you agree with the La Capra review and recommendation? If not, why not?

A. No. LaCapra testified that "[b]y delaying the purchase of the copper windings the Company exposed itself to unnecessary outage risk. With proper planning and availability of the windings onsite the outage duration would have been considerably reduced." The DPU further stated that "[e]ven without the onsite availability of the windings the outage duration of 5 ½ months seems excessive".

Q. Do you agree with LaCapra that the timing of purchasing the copper winding exposed the Company to unnecessary risk?

A. No. The decision not to acquire copper windings in advance of the Gadsby Unit 5 outage was made based upon the fact that, at the time of the Gadsby Unit 4 failure, it was unclear if the root cause was a systemic design issue that would result in the imminent failure of Gadsby Unit 5 and 6. The Company, therefore, prudently did not procure replacement copper windings in anticipation of potential future outages. The Company instead planned to rewind the Gadsby Unit 5 and 6, as needed based on further testing and inspection consistent with industry standards, during planned outages in 2018 and 2019 respectively.

Q. Do you believe, as testified by LaCapra, that the duration of the outage was excessive?

A. No. The planned duration of the Gadsby Unit 5 repair schedule and outage was appropriate and prudent based upon the Company's projection that the cost of replacement power for the duration of the planned outage was less than the estimated incremental cost of expedited repairs. The outage duration also included rotor removal, shipping and reinstallation on a non-expedited basis, which added several additional weeks to the overall outage duration.

Q. What other factors impacted the duration of the outage?

A. Reassembly issues encountered by the contractor added 25 unexpected days to the overall repair schedule.

Q. Was the Company compensated for the reassembly issues encountered by the contractor?

A. Yes. [redacted]. These liquidated damages were credited to the capital costs booked for the repair work at the plant, and will be returned to customers over time as a reduction to rate base. This amount is larger than the $25,809 total company adjustment to reduce EBA net power costs as proposed by the DPU and La Capra in supplemental testimony filed July 30, 2015.

Q. Do you believe the Company met its standard of prudence in the management of the Gadsby Unit 5 outage?

A. Yes. The Company prudently prepared and responded to the outage based on information from the Gadsby Unit 4 outage and its projection of the cost of replacement power compared to the costs associated with an expedited repair schedule.

Q. What is your recommendation to the Commission with respect to the adjustment proposed by LaCapra?

A. The Company's response to the Gadsby Unit 5 outage was prudent. Customers benefitted through cost savings because of the Company's prudent response to the outage. I therefore respectfully recommend that the Commission reject the adjustment proposed by LaCapra.

Individual Review of Outages

Q. Do you agree with La Capra's position that outages should be evaluated at a detailed, individual level to determine if imprudence resulted in an outage? If not, why not?

A. No. While the Company believes that reviewing outages at an individual level is good practice, in evaluating the outages, total generating fleet performance should also be taken into account when determining EBA impacts**.** Prudence is not the same as perfection. Even the most prudent plant operator will inevitably experience unplanned outages as a result of unforeseen events including human error. No level of operational policies and procedures can fully insulate a fleet operator from the risks of unforeseen events or the results of human error. However, even taking such risks into account, the Company is performing at a better than average level, demonstrating the level of prudence exercised by the Company in the management of its thermal generating fleet. By penalizing the Company for a specific incident, without recognition of the Company's superior fleet performance when compared to industry averages, La Capra inappropriately imposes an operating standard of perfection rather than the appropriate standard of prudence.

Q. Please demonstrate the benefit that Rocky Mountain Power customers receive as a result of the prudent management of the Company generating fleet.

A. In 2014 the average Equivalent Availability "EA" for the Rocky Mountain Power coal fleet on an ownership basis was 89.74 percent while the 2013 NERC average for a comparable fleet was 83.15 percent. This is over six percent better than the industry average and a significant benefit to our customers, even with the outages La Capra identifies included. The 2013 industry average is used because the 2014 data has not been released at this time. The Craig plant has a history of good performance when compared to units in the same size range. The five year average (2009 to 2013) for the Craig plant is 86.98 percent while the five year NERC average for plants in that same size category as the Craig units was 82.26 percent. This demonstrates that consistently the Craig plant has outperformed the NERC average for the benefit of our customer.

Conclusion

Q. Do you believe it would be an equitable outcome of the proceeding to assign 100 percent of the outage cost to the Company? If not, why not?

A. No. The Company prudently manages its thermal generation fleet for the benefit of customers. Further, while the Company agrees that individual evaluation of plant outages is a productive exercise, it disagrees with La Capra that economic penalties should be imposed without consideration of the Company's operation of its fleet including benefits of a company-wide view. The company-wide view shows as significant benefit to our customers and should not be ignored by imposing an inappropriate standard of perfection of the Company as a fleet operator. I

respectfully request that the Commission reject the outage adjustments proposed by LaCapra in the proceeding.

Q. Does this conclude your response testimony?

A. Yes.