

**-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-**

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**IN THE MATTER OF THE APPLICATION OF  
ROCKY MOUNTAIN POWER FOR AUTHORITY  
TO INCREASE ITS RETAIL ELECTRIC UTILITY  
SERVICE RATES IN UTAH AND FOR APPROVAL  
OF ITS PROPOSED ELECTRIC SERVICE  
SCHEDULES AND ELECTRIC SERVICE  
REGULATIONS**

**DOCKET No. 20-035-04  
Exhibit No. DPU 3.0 SR**

**REDACTED**

FOR THE DIVISION OF PUBLIC UTILITIES  
DEPARTMENT OF COMMERCE  
STATE OF UTAH

Surrebuttal Testimony of

Brenda Salter

October 29, 2020

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1 INTRODUCTION

2 Q. PLEASE STATE YOUR NAME AND OCCUPATION.

3 A. My name is Brenda Salter. I am employed as a Utility Technical Consultant Supervisor at  
4 the Utah Department of Commerce – Division of Public Utilities (“Division” or “DPU”).

5 Q. ARE YOU THE SAME BRENDA SALTER THAT PREFILED DIRECT AND  
6 REBUTTAL TESTIMONY FOR THE DIVISION IN THIS PROCEEDING?

7 A. Yes, I am.

8 PURPOSE OF TESTIMONY

9 Q. PLEASE SUMMARIZE THE PURPOSE OF YOUR REBUTTAL TESTIMONY.

10 A. The purpose of my rebuttal testimony is to present my review and analysis of and/ or  
11 adopt the adjustment proposed by Mr. Philip Hayet on behalf of the Office of Consumer  
12 Service (“OCS”) related to the major plant outage of the Lake Side 2 Unit. I also  
13 highlight other Division witnesses presenting surrebuttal.

14 Q. ARE OTHER DIVISION WITNESSES PROVIDING SURREBUTTAL  
15 TESTIMONY?

16 A. Yes. The Division’s witnesses in surrebuttal are as follows:

- 17
- Gary Smith presents the Division’s review and recommendation regarding the  
18 proposed 10 year depreciation of the retired wind assets.
  - Eric Orton provides surrebuttal testimony rebutting Company Witness Mr. Curtis  
19 Mansfield’s rebuttal testimony of Mr. Orton’s adjustments to the Utah Advanced  
20 Meter Infrastructure and Mr. Stephen McDougal’s rebuttal of expense  
21 adjustments proposed by Mr. Orton.  
22

- 23                   • Robert Davis provides the Division’s recommendations and conclusions regarding  
24                   the Subscriber Solar Program.  
25                   • Dr. Joni Zenger provides the Division’s review and recommendations regarding  
26                   the Company’s purchase of the Pryor Mountain Wind Project.

27                   Any position or issue of intervenor witnesses not addressed should not be construed as  
28                   agreement or disagreement with those positions. The Division reserves its right to  
29                   provide additional comments on any topic or respond to other parties’ testimony in future  
30                   filings or at hearing.

31                   *Major Plant Outage*

32                   **Q.       PLEASE PROVIDE A BRIEF SUMMARY OF THE LAKE SIDE 2 UNIT 3**  
33                   **OUTAGE.**

34                   A.       [REDACTED]  
35                   [REDACTED]  
36                   [REDACTED]  
37                   [REDACTED]  
38                   [REDACTED] Rocky Mountain Power (“RMP” or “Company”) hired a  
39                   second contractor to perform a second RCA to investigate the root cause. The Division,  
40                   as part of the Energy Balancing Account (“EBA”) review and audit, requested the second  
41                   RCA but notes that the results of the RCA have been delayed several times and is now  
42                   not expected until the end of 2020. The delayed RCA is problematic for both this rate  
43                   case and the EBA because the Phase I hearing in the rate case begins November 3, 2020  
44                   and the EBA hearing is scheduled for January 21, 2021.

45                   **Q.       IS THE DIVISION CHALLENGING THE LAKE SIDE 2 UNIT 3 OUTAGE IN**  
46                   **THE EBA?**

47                   A.       Yes, the Division has reviewed the Lake Side 2 outage in the EBA and believes there are  
48                   sufficient grounds for disallowing the replacement power costs in the EBA. The Division

49 will file its EBA outage recommendations in Docket No. 20-035-01 on November 6,  
50 2020.

51 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS DOCKET AND IN**  
52 **THE EBA CASE REGARDING THE LAKE SIDE 2 UNIT 3 OUTAGE?**

53 A. The Division has reviewed OCS witness, Mr. Hayet’s Direct Testimony regarding the  
54 Lake Side 2 Unit 3 outage. The Division also reviewed Company witness Mr. Dana  
55 Ralston’s rebuttal testimony regarding this outage but was not persuaded. The Division  
56 agrees that, even though the initial RCA was inconclusive, the resulting repair and  
57 replacement power costs should be removed from the case.

58 The recommended disallowance in the EBA addresses the replacement power costs and  
59 the disallowance in this case addresses the repair to the unit and replacement power costs  
60 associated with this significant outage. Mr. Hayet’s adjustment lowers net power costs by  
61 approximately \$ [REDACTED] million on a Utah allocated basis.

62 **Q. IF THE RCA WAS INCONCLUSIVE, WHY DOES THE DIVISION SUPPORT**  
63 **MR. HAYET’S ADJUSTMENT?**

64 A. As Mr. Ralston explains, Siemens investigated a number of scenarios as part of its RCA.  
65 All of these scenarios had a low probability or were eliminated as the root cause.  
66 However, the Siemen’s report indicates that the scenario with [REDACTED]

67 [REDACTED]

68 [REDACTED]

69 [REDACTED]

70 [REDACTED]

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[REDACTED]

Given the conclusion from Siemen’s, the Division supports Mr. Hayet’s recommendation to disallow the repair costs for this outage.

**Q. MR. RALSTON INDICATES THAT THE COMPANY IS UNDERTAKING A NEW RCA. IF THAT RCA DETERMINES THE CAUSE WAS BEYOND THE COMPANY’S CONTROL, WON’T THE COMPANY LOSE THE OPPORTUNITY TO RECOVER THE REPAIR COSTS?**

A. Not necessarily. The Company is proposing a two-step rate increase in this case, the first on January 1, 2021 and the second on July 1, 2021. Once the second root cause is determined the Company could make a filing demonstrating the prudence of including the repair costs in the implementation of the second rate step. If the Commission determines in this case that a second step is unwarranted, the Company’s prudence filing could propose alternative costs recovery mechanisms for the repair costs.

**CONCLUSION**

**Q. WOULD YOU SUMMARIZE THE DIVISION’S RECOMMENDATIONS?**

A. The Division has reviewed intervening parties’ Direct and Rebuttal testimony in this case and has adopted or provided a review of several adjustments. The total impact of the the Division’s recommended adjustments indicates that the Company’s direct testimony’s annual revenue requirement request should be reduced by approximately \$70.0 million. A summary of the Division’s adjustments and recommendation are included in the JAM model, DPU Exhibit 3.1 SR.

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<sup>1</sup> OCS Confidential Exhibit 4.2D, page 76 (page 29 of Siemen’s report).

**REDACTED**

Docket No. 20-035-04  
DPU Exhibit 3.0 SR  
Brenda Salter

94 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

95 A. Yes, it does.