

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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)	DOCKET NO. 10-035-89
In the Matter of the Application of Rocky)	
Mountain Power for Alternative Cost)	Exhibit No. DPU 3.0
Recovery for Major Plant Additions of)	
the Populus to Ben Lomond)	
Transmission Line Segment and the)	Direct Testimony of
Dunlap I Wind Project.)	Kenneth J. Slater
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**FOR THE DIVISION OF PUBLIC UTILITIES
DEPARTMENT OF COMMERCE
STATE OF UTAH**

**Direct Testimony of
Kenneth J. Slater**

October 26, 2010

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Direct Testimony of Kenneth J. Slater

Q. Please state your name, business address and title.

A. My name is Kenneth J. Slater; my business address is P.O. Box 550189, Atlanta, Georgia 30355. I am the president of Slater Consulting.

Q. On whose behalf are you testifying?

A. The Utah Division of Public Utilities (Division).

Q. Please summarize your educational and professional experience.

A. Please refer to my current resume that is attached as DPU Exhibit 3.3.

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

A. My firm was retained by the Division of Public Utilities to study several areas related to the application by Rocky Mountain Power (Company) for recovery of the major plant additions of the Populus to Ben Lomond transmission line segment and the Dunlap I Wind Project. The purpose of my testimony is to introduce and summarize the attached Report to the Division that was prepared by me regarding the cost claimed for the construction of the Populus to Ben Lomond transmission line segment. The Report is attached to my testimony as DPU Exhibit 3.2.

22 The report outlines my investigation and conclusions regarding this one area of the
23 Company's application. Other areas were studied by my colleague, George Evans, who has
24 supplied a separate report to the Division.

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26 **Q. Please outline the conclusions you have reached regarding the construction costs for the**
27 **Populus to Ben Lomond transmission line.**

28 A. With two exceptions, I found that these costs appear to be in line with those found reasonable
29 for the Ben Lomond to Terminal segment in Docket No. 10-035-13. This is to be expected
30 as the two segments were constructed under the same EPC contract.

31 The first of these two exceptions is a set of Change-in-Work Orders concerning changes in
32 the routing of the Populus to Ben Lomond transmission line segment. According to the
33 Change-in-Work orders, the total cost of these route changes is \$8,999,537.40. It is my
34 belief that these Change-in-Work orders resulted from Company's lack of proper anticipation
35 regarding the application of NERC's reliability/security standards.

36 The other exception is the cost of communications associated with this line. In all, the
37 Microwave, Power Line Carrier and Fiber Optic communications are estimated to cost \$14.7
38 million but only \$7.2 million of this expenditure appears to be for communications related to
39 the operation, protection and control of the transmission line.

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41 **Q. What do you recommend this Commission should do concerning these two items?**

42 A. I recommend that the Commission disallow the expenditures for the Change-in-Work orders
43 for the re-routing of the Populus to Ben Lomond transmission line segment. The amount
44 involved is \$8,999,537.40.

45 With regard to the \$14.7 million expenditure for communications, I recommend that only
46 \$7.2 million be allowed in this proceeding as part of the construction cost of the Populus to
47 Ben Lomond transmission line segment, and the remaining \$7.5 million should wait until the
48 next general rate case.

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50 **Q. Does this conclude your testimony?**

51 **A.** Yes, it does.