

1 **Q. Are you the same Dana M. Ralston that submitted direct testimony in this**  
2 **proceeding?**

3 A. Yes, I am.

4 **Purpose and Overview of Testimony**

5 **Q. What is the purpose of your supplemental direct testimony?**

6 A. My supplemental direct testimony responds to issues raised by the Division of  
7 Public Utilities (“DPU”) witness Mr. Richard Hahn regarding his request for a  
8 reduction in total system cost due to plant outages in the amount of \$1,474,004 on  
9 line 132 of his Direct Testimony.

10 **Q. What is the background of issues related to plant outages?**

11 A. My direct testimony addressed concerns about specific plant outages by  
12 presenting PacifiCorp’s four-year average Equivalent Availability performance  
13 year-on-year in 2012 and to compare the historical performance of PacifiCorp’s  
14 thermal units to the North American Electric Reliability Corporation (“NERC”) industry  
15 average. While the Company has experienced certain extended outages,  
16 the overall management of the generation fleet results in performance that is  
17 superior to the industry, benefitting customers.

18 **Q. Why is Equivalent Availability the best measure when comparing plant**  
19 **performance?**

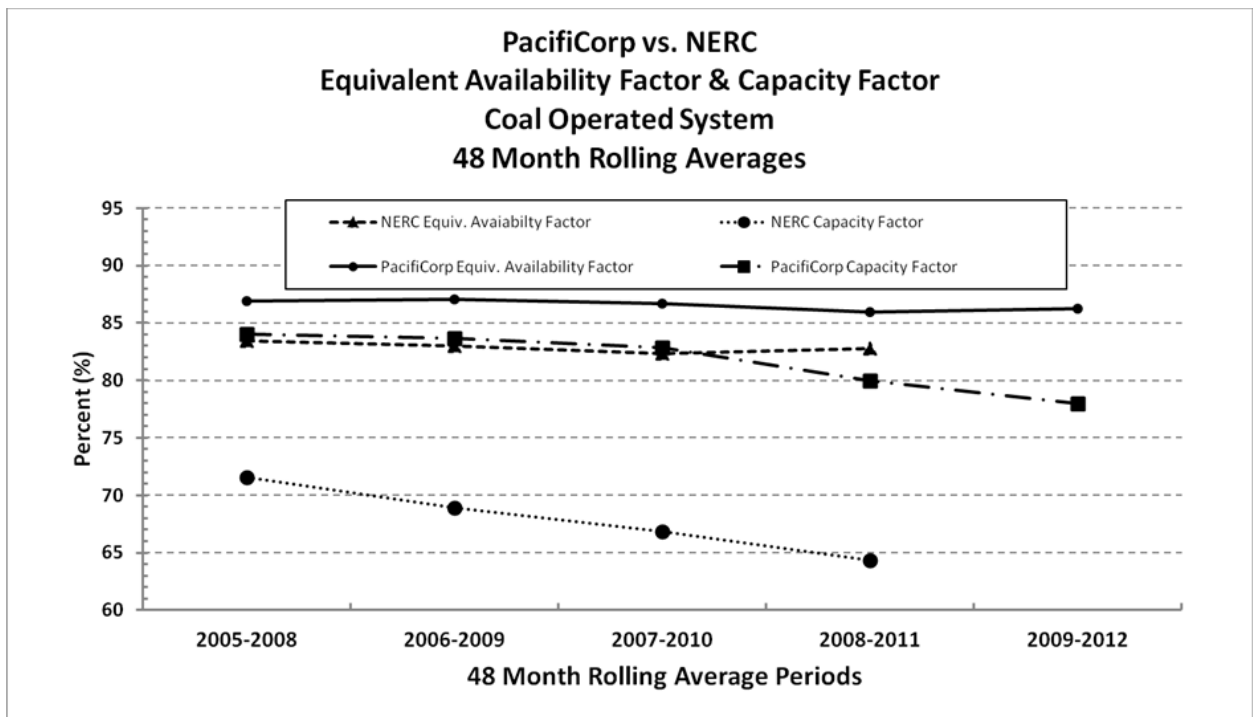
20 A. Equivalent Availability is a measure of the optimal energy that could have been  
21 generated during a given reporting period. It encompasses all of the  
22 approximately 1,175 NERC outage codes used by the industry. Equivalent  
23 Availability takes into account all the reasons a plant could be unavailable,

24 including planned outages, planned derates, forced outages, maintenance outages,  
25 equivalent forced derates, and equivalent maintenance derates.

26 **Q. How does the availability of the Company's entire coal fleet compare to the**  
27 **NERC averages?**

28 A. Figure 1 below compares the Company's overall coal fleet performance to  
29 equivalent industry averages for both Equivalent Availability and Capacity  
30 Factor. It is evident that the Company's performance is better than industry  
31 averages. This data provides a comprehensive representation of the Company's  
32 overall performance taking all NERC codes into consideration.

**Figure 1**



33 **Q. Has the four-year average Equivalent Availability improved for PacifiCorp's**  
34 **entire coal fleet in 2012 over 2011?**

35 A. Yes. For PacifiCorp's entire fleet of coal fleet, Equivalent Availability

36 performance has improved by 0.35 percent and is over 3.0 percent better than the  
37 NERC average for the industry.

38 **Q. Why is Equivalent Availability pertinent to this issue?**

39 A. When evaluating the Company's plant performance, Equivalent Availability must  
40 be used and not just specific outage events as Mr. Hahn suggests. PacifiCorp has  
41 had outage events that have negatively impacted the availability of the plants but  
42 focusing on just these events alone does not present a complete view of the  
43 Company's performance. As I stated above, Equivalent Availability is a measure  
44 of the optimal energy that could have been generated during a given reporting  
45 period. It encompasses all of the approximately 1,175 NERC outage codes used  
46 by the industry. Equivalent Availability is a total view of availability performance  
47 and takes into consideration all the concerns other parties have previously raised  
48 and all other factors that can impact availability. When looking at the Company's  
49 availability performance from a total view, Equivalent Availability, and not just  
50 focusing on specific outage events, one can see that the Company's performance  
51 is significantly better than the industry average in both Equivalent Availability  
52 and Capacity Factor. The better than average performance in both Equivalent  
53 Availability and Capacity Factor have benefited customers and shows that the  
54 Company is prudently managing all the assets as a fleet. Focusing on four plant  
55 outages does not present a comprehensive view of the Company's performance.

56 **Q. Mr. Hahn's justification for three of his outage adjustments is that the**  
57 **Company received damage payments from contractors. Is it appropriate to**  
58 **apply liquidated damages payments as a reduction to net power costs?**

59 A. No. As explained by Mr. McDougal in his supplemental direct testimony,  
60 generally accepted accounting principles require that liquidated damages  
61 payments are to be treated as a reduction to the capital cost of the plant. They are  
62 not treated as a reduction to operating expense.

63 **Q. Do you agree with Mr. Hahn's recommendations?**

64 A. No. As stated above the focus should be on equivalent availability of the fleet not  
65 on specific outages at certain plants. Using fleet equivalent availability gives a  
66 more complete picture of the Company's performance.

67 **Q. Does this conclude your supplemental direct testimony?**

68 A. Yes.