

January 5, 2021

***VIA ELECTRONIC FILING***

Utah Public Service Commission  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Gary Widerburg  
Commission Administrator

RE: **Docket No. 20-035-01**  
Application to Increase the Deferred Rate through the Energy Balancing Account  
Mechanism  
*Rocky Mountain Power Rebuttal Testimony*

In accordance with the Scheduling Order and Notice of Hearing issued by the Utah Public Service Commission (“Commission”) on March 31, 2020, PacifiCorp, d.b.a. Rocky Mountain Power, hereby submits for electronic filing its rebuttal testimony in the above referenced matter.

Rocky Mountain Power respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)  
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Utah Public Service Commission

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Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,

A handwritten signature in blue ink that reads "Joelle Steward". The signature is written in a cursive, flowing style.

Joelle Steward  
Vice President, Regulation

cc: Service List – Docket No. 20-035-01

**CERTIFICATE OF SERVICE**

Docket No. 20-035-01

I hereby certify that on January 5, 2021, a true and correct copy of the foregoing was served by electronic mail to the following:

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Mary Penfield  
Adviser, Regulatory Operations

**REDACTED**

Rocky Mountain Power

Docket No. 20-035-01

Witness: Dana M. Ralston

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

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**REDACTED**

Rebuttal Testimony of Dana M. Ralston

January 2021

1 **Q. Are you the same Dana M. Ralston who previously filed response testimony in this**  
2 **proceeding on behalf of PacifiCorp, d.b.a. Rocky Mountain Power**  
3 **(“the Company”)?**

4 A. Yes.

5 **PURPOSE OF TESTIMONY**

6 **Q. What is the purpose of your testimony in this case?**

7 A. My testimony responds to the response testimony of Mr. Philip Hayet who submitted  
8 testimony on behalf of the Office of Consumer Services (“OCS” or “Office”) in support  
9 of the Division’s recommended adjustments for replacement power costs associated  
10 with three outages.

11 **Q. For which three outages does Mr. Hayet expressly support the Division’s**  
12 **recommended disallowance?**

13 A. Mr. Hayet supports the Division’s recommended disallowance of replacement power  
14 costs from the energy balancing account related to the outages at Lake Side 2 Unit 3 on  
15 August 18, 2019, Dave Johnston 1 on February 18, 2019 and Wyodak on June 6, 2019.

16 **Q. Does the Company agree with any of the adjustments supported by the Office?**

17 A. Yes. In response testimony, the Company agreed to the adjustment proposed by the  
18 Division related to the outage at Wyodak. The remainder of my testimony will address  
19 Mr. Hayet’s testimony related to the Lake Side 2 and Dave Johnston outages.

20 **Lake Side 2 Unit 3**

21 **Q. What did the Commission find with respect to the Lake Side 2 Unit 3 outage in its**  
22 **recent order on the general rate case in Docket No. 20-035-04 (“GRC”)?**

23 A. The Commission rejected similar arguments by the Office in support of its

24 recommendation to disallow the repair costs associated with the Lake Side 2 Unit 3  
25 outage. On December 30, 2020, the Commission issued an order that found the  
26 Company’s actions to be prudent. Specifically the order states:

27 We find RMP has provided substantial evidence it has operated and  
28 maintained Lake Side 2 Unit 3 prudently. Significantly, RMP followed  
29 prudent practices by performing an RCA. There is nothing in the  
30 completed RCA that identifies negligent or imprudent actions as a  
31 likely cause of this outage. Rather, we see evidence that RMP engaged  
32 qualified expert companies to develop, perform, and/or recommend  
33 procedures to operate this plant.<sup>1</sup>

34 The Office has not offered any new evidence that would justify the Commission  
35 deviating from its decision in the GRC in this proceeding.

36 **Q. Mr. Hayet states: “PacifiCorp failed to identify the cause of a similar Lake Side  
37 outage in 2009 and now that another, similar outage has occurred, PacifiCorp is  
38 clearly deficient due to its failure of having identified the cause of the first outage.  
39 Had PacifiCorp performed a second root cause analysis (RCA) for the 2009 event,  
40 the resulting information may have prevented the outage in dispute in the instant  
41 proceeding from occurring.”<sup>2</sup> Is this accurate?**

42 **A.** No. Mr. Hayet assumes that a second RCA would have found an actual root cause as  
43 the RCA performed by the original equipment manufacturer (“OEM”) in 2009 was  
44 inconclusive. This statement also assumes that if a second RCA was performed, the  
45 root cause “may have prevented” the 2019 outage, which is incorrect as the events are  
46 different including initiating conditions.

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<sup>1</sup> *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, Order at 35-36 (Dec. 30, 2020).

<sup>2</sup> Response Testimony of Philip Hayet for the Office of Consumer Services (December 10, 2020) (“Hayet Testimony”) at 5, lines 110-114.

47 **Q. Please describe the 2019 and 2009 Lake Side events and explain how they are**  
48 **different.**

49 A. As described in my response testimony, on August 18, 2019, the Lake Side Block 2  
50 Steam Turbine Generator (“STG”) experienced an electrical fault that melted a portion  
51 of the generator stator core beyond repair.<sup>3</sup>

52 To contrast with the 2009 Lake Side outage event, in 2009 the Lake Side STG10  
53 was operating at approximately 220 megawatts (“MW”) for over an hour and load was  
54 being reduced to a target setpoint of 165 MW when the unit tripped offline due to 87U  
55 differential relay operation. The differences between the two outages is highlighted in  
56 Figures 1 and 2 provided in Confidential Exhibit RMP\_\_(DMR-1R). The failure  
57 originated in the series connections, which are exterior to the core of the generator,  
58 unlike the 2019 outage that originated approximately 85 millimeters beneath the  
59 surface of the core as seen in Figure 2. The series connections were not implicated in  
60 the 2019 failure. The 2009 fault started with a coil-to-coil arcing of phase C which then  
61 evolved into a three-phase fault, as shown in Figure 1 of Confidential Exhibit  
62 RMP\_\_(DMR-1R). This was different from the phase-to-core fault originating in phase  
63 B that occurred in 2019.

64 **Q. Was an RCA completed in 2019 and what were the findings?**

65 A. Yes. As described in my Response Testimony, Siemens, the OEM, conducted an RCA,  
66 which was inconclusive.<sup>4</sup>

67 **Q. Was an official RCA completed in 2009 and what were the findings?**

68 A. Yes. As with the 2019 outage, the Company hired the OEM, Siemens to conduct an

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<sup>3</sup> Response Testimony of Dana Ralston (December 10, 2020) (“Ralston Response”) Page 7, lines 140-152.

<sup>4</sup> Ralston Response at page 8, lines 153-167.

69 RCA, which was also inconclusive. The 2009 RCA evaluated 33 possible causes, of  
70 which the most likely causes fell into four categories: 1 – General Overall or System  
71 Issues, 2 – Potential Issues with the Magnetic Core, 3 – Potential Issues with the Stator  
72 Winding, and 4 – Possible Foreign Object Scenarios.

73 **Q. Do you agree with Mr. Hayet’s testimony in which he asserts that “this type of**  
74 **problem occurred before at one of the Lake Side Generating units”<sup>5</sup> in reference**  
75 **to the 2009 event?**

76 A No. As I described above, even though the 2009 and 2019 outages both related to the  
77 generators and the respective RCAs were inconclusive, the failure types and locations  
78 within the generator are very different.

79 **Q. Is Mr. Hayet’s statement regarding the 2019 event’s “cause was most likely due to**  
80 **a foreign object having been left in the winding area of the generator”<sup>6</sup> of the**  
81 **failure correct?**

82 A. No. The 2019 RCA, provided as Confidential Exhibit RMP\_\_ (DMR-2R), specifically  
83 states that “No conclusive root cause was identified.” All [REDACTED] potential failure  
84 scenarios were either “eliminated” or considered a “low probability.”<sup>7</sup> There is no  
85 supporting evidence that something was left inside the machine, as Mr. Hayet implies.  
86 Nothing was found in the machine at the conclusion of the 2018 generator inspection,  
87 or after the failure occurred in 2019. The RCA states that Siemens could not identify  
88 any specific foreign object.

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<sup>5</sup> Response Testimony of Philip Hayet for the Office of Consumer Services (December 10, 2020) (“Hayet Testimony”) at 4, lines 92-93.

<sup>6</sup> Hayet Testimony at 2, lines 39-40.

<sup>7</sup> 2019 RCA at 22-27.



89 **Q. What does Siemens consider a “foreign material / object” as it relates to the**  
90 **analysis performed?**

91 A. Siemens’ description of a foreign object is defined as ‘material or an object located in  
92 a space it does not belong.’ It does not identify the object as being introduced by  
93 workers; rather, it could be a bolt or another item inside the generator that broke off  
94 and went through the machine. A foreign object is something that is not where it is  
95 supposed to be according to the design.

96 **Q. In events where a foreign object / material failure is identified as the root cause, is**  
97 **the originating foreign material typically found?**

98 A. Yes. Of the six major winding and core failures that Siemens identified in its RCA, four  
99 of the failures did have conclusive root causes with three of them positively identifying  
100 foreign material as shown in Figure 3 of Confidential Exhibit RMP\_\_(DMR-1R).<sup>8</sup> The  
101 likelihood that an outage was due to foreign object damage which did not leave any  
102 signs or evidence is unlikely.

103 **Q. Do you believe that the Company was negligent with regards to the 2019 outage**  
104 **as Mr. Hayet states?**

105 A. No. The Company has demonstrated it has operated, maintained, and acted prudently  
106 with respect to Lake Side 2 by: 1) operating the unit within design; 2) following OEM  
107 recommendations; 3) providing oversight and being engaged with Siemens during  
108 maintenance activities; 4) using the OEM experts on this equipment to perform  
109 maintenance; and 5) following foreign material exclusion policies and procedures for  
110 both the Company and the OEM. All these actions demonstrate a concerted effort to

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<sup>8</sup> 2019 RCA at 4.

111 ensure that the Company acted and continues to act prudently and in the best interest  
112 of customers.

113 **Q. Has the Company taken additional steps to determine the cause of the Lake Side**  
114 **2 outage?**

115 A. Yes. Due to the significance of the event and the fact the Company owns other  
116 generators of the same model, the Company hired and is working with a neutral third-  
117 party contractor to perform an additional RCA investigation in pursuit of a root cause.  
118 This report is expected to be completed by middle of January 2021, though preliminary  
119 results indicate no additional conclusions from that of the Siemens RCA.

120 **Q. Should the Company always be required to perform a second RCA if the first is**  
121 **inconclusive?**

122 A. No. The Commission has previously stated that it does not “expect a utility to conduct  
123 an RCA for every unplanned outage.”<sup>9</sup> It follows that if the Company does not have to  
124 perform an RCA for every unplanned outage, it also does not have to conduct a second  
125 RCA unless warranted by the facts and circumstances of a specific outage.

126 **Q. What is your recommendation to the Commission?**

127 A. I recommend that the Commission reject the disallowances for the Lake Side 2 outage  
128 addressed above. My testimony demonstrates the Company was prudent in its actions.

129 **Dave Johnston Unit 1**

130 **Q. Please describe the outage at Dave Johnston Unit 1.**

131 A. On February 18, Dave Johnston Unit 1 was removed from service due to boiler draft  
132 issues. The draft issue was corrected, but the unit remained offline while personnel

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<sup>9</sup> *Application of Rocky Mountain Power to Increase the Deferred EBA Rate through the Energy Balancing Account Mechanism*, Docket No. 18-035-01, Order at 6 (March 12, 2019) (“2018 EBA Order”).

133 investigated and worked to repair leaking seals on the 1B boiler feed pump (“BFP”).  
134 Inspection of the failed 1B BFP revealed that the internal volutes (the casing that  
135 receives the fluid being pumped by the impeller) had been installed backwards by a  
136 contractor in 2018, while the BFP was offsite at the contractor’s facility.

137 **Q. Mr. Hayet testifies that the Dave Johnston Unit 1 outage should be disallowed**  
138 **because the Company should be held responsible for its contractor’s errors.<sup>10</sup> How**  
139 **do you respond?**

140 A. The Company effectively manages its contractors as can be seen from the fleet’s  
141 overall excellent performance. Requiring additional oversight of qualified contractors  
142 in an attempt to ensure zero issues would increase expense without generally providing  
143 a commensurate benefit. As the Commission recognized in the 2018 EBA Order, such  
144 a standard “might require expenses and personnel across a multitude of contractual  
145 relationships, potentially increasing costs in ways that are impossible for us to predict  
146 or calculate in this docket.”<sup>11</sup>

147 **Q. What standard has the Commission used in the past to evaluate whether**  
148 **PacifiCorp acted imprudently when mistakes were made by contractors?**

149 A. In the 2018 EBA, the Commission provided “relevant factors” for evaluating whether  
150 PacifiCorp acted prudently when a contractor made a mistake in performing work  
151 including: 1) the reasonableness and due diligence of PacifiCorp in entering the  
152 contractual relationship, including PacifiCorp’s procurement process; 2) the level and  
153 effectiveness of PacifiCorp’s ongoing management of the relationship, including  
154 administration, monitoring, and any necessary oversight; and 3) the propriety of the

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<sup>10</sup> Hayet Testimony at 8, Lines 156-175.

<sup>11</sup> 2018 EBA Order at 16.

155 contractor's actions.<sup>12</sup>

156 **Q. How did PacifiCorp act reasonably when it hired a contractor to install the**  
157 **internal volutes in the Dave Johnston Unit 1 boiler feed pump?**

158 A. The Company selected the OEM to install the internal volutes because of their technical  
159 expertise with the equipment, which was beyond the technical expertise of plant  
160 maintenance personnel. The OEM had previously supported the maintenance  
161 requirements of the boiler feed pump with no issues. When the Company realized the  
162 OEM had not installed the volutes properly, it sought corrective measures from the  
163 contractor. It also has changed maintenance contractors as a result of this error.

164 **Q. Why did the Company fail to negotiate with the contractor to reimburse it for**  
165 **replacement power costs that resulted from the contractor's mistake?**

166 A. A provision requiring a contractor to reimburse the company for replacement power  
167 costs resulting from contractor error would result in a dramatic escalation in the  
168 contracted price of all work performed by contractors and could make the use of  
169 contractors cost prohibitive, even when it is the most efficient and prudent way to  
170 maintain a generating unit.

171 **Q. Was the Company's monitoring and oversight of the OEM's work reasonable?**

172 A. Yes. The company is actively engaged with contractors (in this case the OEM) from  
173 initial discussions on equipment challenges, best practice recommendations, what  
174 needs to be fixed, (scope) description of work to be completed, schedules for minimal  
175 impact to plant operations, procurement, and ultimately the repair of the equipment at  
176 the contractor's facilities. In the Dave Johnston Unit 1 outage, the internal volutes were

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<sup>12</sup> *Id.* at 3.

177 installed backwards at the OEM's facility, and the boiler feed pump provided back to  
178 the company for operation. Because these components are internal (pump must be taken  
179 apart to view them) and the fact that the OEM is the expert, the company not only could  
180 not see the volutes but also does not have the expertise to recognize they were installed  
181 backwards.

182 **Q. What is your recommendation to the Commission?**

183 A. I recommend that the Commission reject the disallowances for the Dave Johnston Unit  
184 1 outage addressed above. My testimony demonstrates the Company was prudent in its  
185 actions.

186 **Q. Does this conclude your rebuttal testimony?**

187 A. Yes.

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Rocky Mountain Power  
Exhibit RMP\_\_ (DMR-1R)  
Docket No. 20-035-01  
Witness: Dana M. Ralston

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

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**REDACTED**

Exhibit Accompanying Rebuttal Testimony of Dana M. Ralston

2009 & 2019 Lake Side Outage Comparison

January 2021

**THIS EXHIBIT IS CONFIDENTIAL IN ITS  
ENTIRETY AND IS PROVIDED UNDER  
SEPARATE COVER**

**REDACTED**

Rocky Mountain Power  
Exhibit RMP\_\_ (DMR-2R)  
Docket No. 20-035-01  
Witness: Dana M. Ralston

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF UTAH

ROCKY MOUNTAIN POWER

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Exhibit Accompanying Rebuttal Testimony of Dana M. Ralston

2019 Lake Side Outage Siemens Root Cause Analysis

January 2021



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