

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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<b>IN THE MATTER OF THE</b>	)	
<b>APPLICATION OF ROCKY</b>	)	<b>DOCKET NO. 20-035-01</b>
<b>MOUNTAIN POWER TO INCREASE</b>	)	<b>Exhibit DPU 1.0 SR</b>
<b>THE DEFERRED EBA RATE</b>	)	
<b>THROUGH THE ENERGY</b>	)	<b>Testimony of Philip DiDomenico</b>
<b>BALANCING ACCOUNT</b>	)	
<b>MECHANISM</b>	)	

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

**REDACTED**

**Sur-surrebuttall Testimony of  
Philip DiDomenico**

**February 8, 2021**

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1 **I. Introduction**

2 **Q: Please state your name, business address and title.**

3 A: My name is Philip DiDomenico. I am employed by Daymark Energy Advisors, Inc.  
4 (“Daymark”) as a Managing Consultant. My business address is 370 Main Street, Suite  
5 325, Worcester, Massachusetts, 01608.

6 **Q: On whose behalf are you testifying?**

7 A: I am testifying on behalf of the Division of Public Utilities of the State of Utah (the  
8 “Division”).

9 **Q: Have you previously filed testimony in this proceeding?**

10 A: Yes. I along with my colleague, Dan F. Koehler, filed the direct testimony and the  
11 rebuttal testimony in this proceeding on November 6, 2020 and January 5, 2021,  
12 respectively.

13 **Q: What is the purpose of your Sur-surrebuttal testimony?**

14 A: The purpose of my sur-surrebuttal testimony is to respond to the surrebuttal testimony of  
15 Rocky Mountain Power (“RMP”), a business unit of PacifiCorp (“PacifiCorp” or the  
16 “Company”), witness Mr. Dana M. Ralston. I respond to certain issues raised by Mr.  
17 Ralston regarding the Lake Side 2 generator outage of August 18, 2019 featured in the  
18 Technical Report of the Energy Balancing Account Audit for Rocky Mountain Power for  
19 Calendar Year 2019 (“Audit Report”) provided by Daymark.

20 **II. Lake Side 2 Unit 3 Outage**

21 **Q: What is the Company’s position relative to the Lake Side 2 outage??**

22 A: In his Surrebuttal Testimony, Mr. Ralston emphasizes that the Company operated,  
23 maintained, and acted prudently with respect to the Lake Side 2 outage. In support, he  
24 also offers an Exhibit: “January 15, 2021 Root Cause Analysis of Lake Side 2” (hereafter  
25 referred to as the “2<sup>nd</sup> RCA”).<sup>1</sup>

26 **Q: Does the 2<sup>nd</sup> RCA provide a definitive conclusion on the root cause of the Lake Side**  
27 **2 outage?**

28 A: No. [REDACTED]<sup>2</sup> [REDACTED]<sup>3</sup> [REDACTED]  
29 [REDACTED].

30 **Q: Has your position relative to the prudence of the Company’s actions in this matter**  
31 **changed because of this new exhibit?**

32 A: No. The 2<sup>nd</sup> RCA adds little to demonstrate the Company’s prudence in this matter.

33 **Q: Please explain.**

34 A: The fundamental issue has been and continues to be the need for the Company to  
35 demonstrate the prudence of its actions. The 2<sup>nd</sup> RCA simply adds yet another  
36 inconclusive opinion as to the least unlikely cause of failure, namely that the [REDACTED]

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<sup>1</sup> Docket No. 20-035-01, Sur-Rebuttal Testimony of Dana M. Ralston, Exhibit RMP DMR-1S, Root Cause Analysis Report of PacifiCorp Lakeside ST20 Generator Failure.

<sup>2</sup> Docket No, 20-035-01, DPU Set 1.6 3<sup>rd</sup> Supplemental, Attachment No, 1 Siemens RCA CONF, Lake Side Unit 20 – Three Phase Fault Root Cause Investigation.

<sup>3</sup> Docket No. 20-035-01, Sur-Rebuttal Testimony of Dana M. Ralston, Exhibit RMP DMR-1S, Root Cause Analysis Report of PacifiCorp Lakeside ST20 Generator Failure.

37 [REDACTED]<sup>4</sup> The report goes on to  
38 conclude:

39 [REDACTED]  
40 [REDACTED]  
41 [REDACTED]  
42 [REDACTED]  
43 [REDACTED]  
44 [REDACTED]  
45 [REDACTED]  
46 [REDACTED]  
47 [REDACTED]<sup>5</sup>

48 [Bold and underline added for emphasis]

49 In summary, the 17-month effort that went into the development of this RCA found no  
50 conclusive proof of any cause. The [REDACTED]  
51 [REDACTED].

52 **Q: Given the importance of this [REDACTED] finding, has the Company contacted**  
53 **Siemens, the original equipment manufacturer (OEM) that performed 1<sup>st</sup> RCA, to**  
54 **ask for its opinion as to its significance or lack thereof?**

55 A: No.<sup>6</sup>

56 **Q: Has the Company shared the results of the 2<sup>nd</sup> RCA with Siemens to ask for its**  
57 **opinion as to any of the report's conclusions?**

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<sup>4</sup> Docket No. 20-035-01, Sur-Rebuttal Testimony of Dana M. Ralston, Exhibit RMP DMR-1S, Root Cause Analysis Report of PacifiCorp Lakeside ST20 Generator Failure, Page 5.

<sup>5</sup> Docket No. 20-035-01, Sur-Rebuttal Testimony of Dana M. Ralston, Exhibit RMP DMR-1S, Root Cause Analysis Report of PacifiCorp Lakeside ST20 Generator Failure, Page 63.

<sup>6</sup> Docket No. 20-035-01, DPU Data Request 16.13.

58 A: No. In response to a data request [REDACTED]  
59 [REDACTED].”<sup>7</sup>

60 **Q: What do you conclude from the Company’s unwillingness to immediately share the**  
61 **2<sup>nd</sup> RCA with Siemens?**

62 A: By not allowing the OEM, Siemens, to comment on the 2<sup>nd</sup> RCA report’s findings, [REDACTED]  
63 [REDACTED]. [REDACTED]  
64 [REDACTED]  
65 [REDACTED] Siemens has been offered no opportunity to respond on the record in this  
66 proceeding to the contradictory findings offered by the Company’s consultants. What we  
67 have are two expert organizations with [REDACTED]  
68 [REDACTED].

69 **Q: Given the lack of any conclusive finding relative to the cause of this outage, how do**  
70 **you believe the Commission should treat the associated costs incurred as a result?**

71 A: In situations like these, where despite best efforts, the definitive root cause remains  
72 elusive, it would be unreasonable to default the sole responsibility for the costs incurred  
73 to customers. To do so would result in placing a burden of demonstrating Company’s  
74 imprudence on the intervening parties rather than on the Company to demonstrate its  
75 prudence with substantial evidence. A generator barely five years in operation at the time  
76 of the outage should not experience a major failure of this nature. [REDACTED]  
77 [REDACTED]  
78 [REDACTED] Even if the latter is the

<sup>7</sup> Docket No. 20-035-01, DPU Data Request 16.7.

79 case, the Company and not customers would be in best position to negotiate or litigate  
80 with the OEM to recover damages. I continue to recommend an adjustment of EBA cost  
81 for the full amount of replacement power costs incurred.

82 **Q: Are you applying a “strict liability” or perfection standard to the Company’s**  
83 **operation of its generation fleet?**

84 A: No. The Company’s thermal fleet experienced over 300 forced outages during the  
85 deferral period. Of these outages I recommended disallowances for four, of which the  
86 Company agreed on one.

87 **Q: Is there a compromise approach the Commission could take in the case of this Lake**  
88 **Side 2 outage?**

89 A: Given the complexity of the record and the inconclusive results of both RCAs, the  
90 Commission might also consider a cost sharing approach as a more balanced solution.  
91 Cost sharing would provide the Company an incentive to go beyond a finding of  
92 inconclusive relative to cause while also recognizing the risk sharing partnership that  
93 exists between the Company and its customers.

94 **Q: Does this conclude your testimony?**

95 A: Yes, it does.